

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : HAV/00HE/LAM/2024/0602/ST

Property : Zodiac House, The Valley Porthcurno TR19

6JX

Applicant : Sarah Frances Molyneux and Neil

Molyneux (1)

Mary Josephine Claire Sependa and

George Joseph Sependa (2)

Representative :

(1) ZODIAC HOUSE MANAGEMENT

Respondent: COMPANY LTD

(2) The Leaseholders

Representative : Mr Pratt, counsel

Type of Application: Appointment of a Manager

Tribunal Member(s) : Regional Judge Whitney

Mr J Reichel MRICS

Date of Hearing : 4th April 2025

Date of Decision : 29th April2025

DECISION

Background

- 1. The Applicant seeks the appointment of a Tribunal Manager and an order pursuant to Section 20C of the Landlord and Tenant Act 1985.
- 2. The Applicant relies upon the terms of a Section 22 of the Landlord and Tenant Act 1987 notice served upon the Respondent. The Applicants proposed a Mr Rhodri McAtee as the manager.
- 3. Directions were issued and substantially complied with leading to a hearing at Truro Magistrates Court on 27th January 2025.
- 4. Following that hearing a decision was issued dated 30th January 2025. The Tribunal found that it would be just and convenient to appoint a manager. Unfortunately, the originally nominated manager had withdrawn his nomination and the person identified by the Applicant had not been able to attend the hearing. We gave directions for nomination of a manager by any party and listed a further hearing to take place by video.

Hearing

- 5. The hearing took place by video. We were provided with an updated electronic bundle of 686 pdf pages which included the details of and information provided by the two nominated managers. References in [] are to pages within that bundle. Counsel for the First Respondent also provided a skeleton argument.
- 6. The hearing was attended by Mr and Mrs Molyneux (Flat 9) together with Mr and Mrs Sependa (Flat 13) as Applicants. The First Respondent was represented by Mr Pratt of counsel. Mr Cobrin and Ms Richardson, the two nominated managers attended. Various other leaseholders attended to observe the hearing.
- 7. The hearing was recorded. Below is a precis of the events which took place only.
- 8. Upon commencement the Tribunal confirmed that as part of any Order, if one was made, it may ask the Manager to ensure compliance with all lease terms including the user covenant.
- 9. Mr Pratt made an application for the Tribunal to recuse itself. He referred to paragraph 24 of our earlier decision on 30th January 2025 where he suggested we had made a determination that there was a breach and suggested this gave an impression of bias. He considered that a fresh panel should consider who should be appointed as a manager and the terms of such appointment and

could if appropriate hear any submissions as to whether enforcing the user covenant should be a term of any Management Order.

- 10. The Applicants had no submissions to make in this regard.
- 11. We adjourned shortly to consider and upon resumption the Tribunal confirmed it would not recuse itself and gave short oral reasons. We set out below our reasons for not recusing ourselves.
- 12. An issue had been raised that the bundle contained certain documents not originally sent as part of the First Respondents nominated manager. It appeared these had not been sent as an oversight. We confirmed we agreed such documents could be included, all parties were present and Ms Richardson could be questioned upon the same.
- 13. It was agreed we would here from each manager in term with parties and the Tribunal questioning each in turn. We would then hear any closing submissions.
- 14. The manager nominated by the Applicant Mr Cobrin went first. His management plan was in the bundle [540-542] with supporting documents including a draft form of Order. He confirmed he was ready, able and willing to be appointed as a Tribunal Appointed Manager.
- 15. None of the Applicants had any questions for Mr Cobrin.
- 16. Mr Pratt questioned Mr Cobrin.
- 17. Mr Cobrin refuted that he would be focussed on litigation. He described himself as a troubleshooter. He referred to having a burden of experience of litigation which would cause him to steer people away from this route.
- 18. He explained he lives now near to Dover. He believes the distance would give him objectivity. He had made enquiries and believed flights were readily available from London to Newquay. In his judgment management is not based upon proximity.
- 19. He confirmed he had spent two days visiting the site. He met with a father and son team who had looked after the Property. Whilst there he met with the two Applicants and another leaseholder Mr Jackson. He had not spoken to anyone else as he felt it was inappropriate to deal with the Respondent.
- 20. He explained that he had spoken to Mr McAttee (the person previously nominated by the Applicants) who had agreed he would act if required for Mr Cobrin on a local basis. He felt the distance was not an issue and referred to the company for whom he worked managing a building in Leeds.

- 21. Mr Cobrin considered quarterly visits to be as he described the statutory minimum. These would be within his fixed fee and additional visits would be charged for. The number of visits would depend on what is required. He confirmed his fee was a fixed fee.
- 22. Mr Cobrin was questioned by the Tribunal.
- 23. He confirmed he was an employee of Westbury Residential Limited and not a director or shareholder. He worked fulltime and was based at an office in Folkestone. There were 4 members of staff. The wider group of which Westbury was part had staff in South Africa who dealt with matters such as the issuing of demands.
- 24. He explained he had not attached a copy of the insurance although this was being increased to £5 million cover. He could supply this after the hearing if required. He is the Senior Property Manager and as he described the buck would stop with him.
- 25. He explained his management plan [544] contained details of the buildings he personally manages but he also assists a director, Alison Mooney, in managing other buildings. He explained he had a number of outstanding appointment cases with the London Region of the Tribunal. He had also been approached to manage blocks in Reading and Bath.
- 26. He confirmed the company takes no commissions save for insurance commissions and they would rebate that if required.
- 27. On questioning he confirmed no additional hourly charges beyond the management fee would be charged. If additional fees were necessary he would attempt to agree these.
- 28. Ms Richardson as nominated manager for the First Respondent was then called. There were some technical issues and for much of her evidence Ms Richardson had to turn her camera off.
- 29. Her management plan was within the bundle [607-611] and other documents. She confirmed she was ready able and willing to be appointed by this Tribunal.
- 30. Mr and Mrs Molyneux questioned Ms Ricahrdson.
- 31. She confirmed this was her first Tribunal case. She believed that Golden Sands Property Management Ltd was registered with Propertymark for client money protection and the Bank compensation scheme. She was unsure why this was not on the companies website.
- 32. She explained she had been appointed a director the week before this hearing. It was a decision between her and the business owner.

The business has been trading for about 18 months and has two staff including her. The business is part of a wider construction group based in Hayle Cornwall. The wider group undertakes a lot of property maintenance work including for the County Council. As a result whilst the group has a wide range of contractors she has a large pool of contractors known to her including smaller local contractors when required.

- 33. She confirmed the business is VAT registered.
- 34. She explained she began block management personally in about 2020 with Belmont Property Management (the current property manager for Zodiac House). She remained there about 3 years but was not involved then with the management of Zodiac House.
- 35. Ms Richardson suggested she would initially seek a one year appointment as those are the terms on which she normally takes on appointments. Currently the business has 25 managements ranging from 4-26 units. These are managed by her and one other person.
- 36. Currently she is also involved in the residential letting side of the business as well. The business also advertises holiday lets although they are not currently managing any such lets. The goal is to expand into this area.
- 37. She had undertaken The Property Institute Level 2 Foundation course in 2021.
- 38. She explained the client is the management company, as the agent they would not make decisions, would speak to all and if necessary take advice from the Tribunal.
- 39. Ms Richardson explained she had visited a couple of weeks ago. She attended alone and viewed externally together with the communal areas. She had spoken with the directors over Zoom initially and provided a quote before being aware it was a Tribunal appointment. She had agreed to continue on the basis of the original price quoted. If additional professionals were required then their fees would be separate.
- 40. The Tribunal then questioned Ms Richardson.
- 41. She explained that if there were issues with the lease she would investigate if it could be changed taking account of the leases and the articles of the company.
- 42. She confirmed her fee included any section 20 consultations which would be required. There would be no additional fees.

- 43. In respect of her insurance she would increase this to £5 million cover if required. She relied on the certificate [634].
- On questioning by Mr Pratt she confirmed she was based in Hayle but regularly in the Penzance area.
- Mr Molyneaux then made closing submissions. He believed that it was local management which had led to the current situation. Whilst reference to holiday lets being a breach in his opinion there were numerous other breaches of lease. He did not believe the status quo could continue.
- 46. Mr and Mrs Sependa supported these.
- 47. Mr Pratt suggested that the location of the Property was remote. He suggested Mr Cobrin favoured litigation. Ms Richardson conciliation and he suggested this is what is required rather than further litigation.
- 48. He suggested Ms Richardson is close and has good local knowledge.
- 49. If we were against him he suggested various amendments were required to the order proposed by Mr Cobrin.
- 50. Upon completion of submissions we indicated we would issue our decision by 30th April 2025 given the start of the new service charge year is 1st May 2025.

Decision

- We decline to appoint either person nominated for the reasons set out below. The application is therefore dismissed on the basis that whilst it was just and convenient for a manager to be appointed no suitable manager was identified.
- 52. The First Respondents counsel invited us to recuse ourselves at the start of the hearing. As we explained orally we refused such application.
- 53. Mr Pratt referred to paragraph 24 of our decision dated 30th January 2025. We noted that this decision had not been subject to an appeal and the paragraph relied upon was a finding we made following the submissions and evidence heard at the earlier hearing.
- At the earlier hearing the issue as to whether or not holiday letting was a breach of covenant was raised by the Applicants as one of the grounds as to why it might be just and convenient for a manager to be appointed. Both parties addressed this point. Mr Brown gave evidence in respect of this allegation and we were satisfied that we were entitled to make a finding and did so.

- As we explained such finding related to the question as to whether or not it was just and convenient for a manager to be appointed. We accept we did not hear argument from leaseholders whom it may be said are breaching any covenant and any future Tribunal or Court would need to consider any and all arguments but are not bound by our finding referred to above which is for the purpose of these proceedings.
- 56. We were satisfied that there was no impression of bias and no reason why we should recuse ourselves. The finding and statement in paragraph 24 of these proceedings relate to the appointment of a manager and on the basis of the evidence heard.
- 57. We turn then to the two managers. We wish to thank both for attending and giving their time to the Tribunal.
- 58. Turning firstly to Mr Cobrin. Reference is made to his fee being high. It is but management under a Tribunal Order is complex and we were not satisfied his fee was unreasonable.
- 59. We were however conscious that he personally is physically based a long distance from the Property. Flights may not always be available and travel to the bottom of Cornwall can in this Tribunal's experience often take a long time. We bear in mind the appointment is personal to Mr Cobrin and so circumstances may require his personal attendance. It was noticeable he himself recognised this risk and had made contact with Mr McAttee. It appeared currently neither he nor the company by whom he was employed had any links with the area.
- 60. We take account of the fact that Mr Cobrin's current portfolio, including his existing Tribunal appointment are London based. Travel from Dover or Folkestone to London is modest compared to Cornwall and in our judgment it is likely differing issues will arise in Cornwall from London including on occasions challenges in finding contractors.
- 61. Further we heard much of Mr Cobrin's involvement in the Grand. A somewhat notorious case involving the appointment of a manager but the circumstances in that case were very different. As was commented a highly litigious situation. It did come across to this Tribunal that Mr Cobrin's experiences with that Property had coloured his views and he did appear at points, particularly when being questioned by Mr Pratt to be combative in his responses. We were not satisfied such an approach would be helpful in all the circumstances of this case.
- 62. Overall it is plain Mr Cobrin is an experienced manager who understands the duties and obligations of being a Tribunal appointed manager. However in this instant case and on the

- specific facts of the same we were not satisfied that it was appropriate to appoint him.
- 63. We turn next to Ms Richardson. She resides within reasonably close proximity to the Property. She has the resources of the larger group of which her company is part. However we were not satisfied she understood what the duties of a Tribunal manager were.
- 64. Further we were not satisfied that the insurance certificate she provided did offer indemnity insurance. It was said to be Employers Liability Insurance which is different. Also whilst she referred to having client money protection via Propertymark this was not on her website and we could not identify her membership on the Propertymark website.
- 65. We considered next her fee. The fee was very low for a Tribunal Appointment of this type given it was said to be all inclusive.
- 66. The above we would suggest are examples which demonstrate that whilst enthusiastic, and we have no doubt a competent manager, Ms Richardson did not fully appreciate the challenges which typically face a Tribunal appointed manager. By their nature typically one or more party will be unhappy that someone has been appointed and there will be difficult issues to wrestle with. Overall we did not feel able to appoint Ms Richardson.
- 67. We would hope that this application will act as a springboard for change at Zodiac House. As was accepted by the First Respondent the management in recent years has not been to the standard expected. The application has identified issues relating to compliance with the lease terms. These issues cannot simply be ignored. The lease does effectively set the rules for the running of the Property and the First Respondent has an obligation to ensure compliance.
- We would urge the parties, all of whom have the interests of the Property at the forefront of their mind, to come together and try and reach a consensual agreement as to the future running which can only benefit all.

RIGHTS OF APPEAL

- 1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to rpsouthern@justice.gov.uk
- 2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
- 3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.