FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AP/LSC/2024/0264 and LON/00AP/LAM/2024/0032**
Property	**:**	**Elm Court, Cholmeley Park, London N6 5EJ**
Applicants	**:**	**Nicholas Stanley (Flat 7), Dimitris Pimenides (Flat 5) and John and Susan Gladwin (Flat 6)**
Representative	**:**	**In person**
Respondent	**:**	**Elm Court (Highgate) Freehold Limited**
Representative	**:**	**Mr Bruce Maunder-Taylor**
Type of application	**:**	**Reasonable of Service Charges and Appointment of Manager**
Tribunal members	**:**	**Judge P Korn** **Mrs S Phillips MRICS**
Venue	**:**	**10 Alfred Place, London WC1E 7LR**
Date of hearing	**:**	**29 and 30 January and 26 February 2025**
Date of decision	**:**	**9 May 2025**

DECISION

Description of hearing

The hearing was a face-to-face hearing.

Decisions of tribunal

(1) In accordance with section 24(1) Landlord and Tenant Act 1987 Ms Joanna Roznowska of SAFE Property Management ("**the Manager**") is appointed as manager of the property known as Elm Court, Cholmeley Park, London N6 5EJ. The order shall continue for a period of 2½ years, expiring on **8 November 2027**. Any application for an extension must be made prior to the date of expiry of the order. If such an application is made in time, then the appointment will continue until that application has been finally determined. The Manager shall manage the Property in accordance with:

(a) The terms attached to this order;

(b) The respective obligations of the landlord and the leases by which the flats at the Property are demised; and

(c) The duties of a manager set out in the Service Charge Residential Management Code ('the Code') or such other replacement code published by the Royal Institution of Chartered Surveyors and approved by the Secretary of State pursuant to section 87 Leasehold Reform Housing and Urban Development Act 1993.

(2) In respect of the service charge application, the tribunal determines as follows:-

- In relation to the building insurance premiums for 2019/20, 2020/21, 2021/22 and 2022/23, the Applicants' share is reduced by their respective proportions of (a) the insurance of garage 9 (£29.00 for each of those years) and (b) the directors' and officers' insurance (£194.20 for each year).

- In relation to the specific gardening charge for 2020/21 that has been challenged (£2,475.08), this is reduced to £2,000.00 and the Applicants' share is reduced by their respective proportions of the additional £475.08.

- In relation to the legal and professional fees for 2021/22 and 2022/23, the Applicants' share of these is not payable at all.

- The remainder of the service charges which are the subject of this application are payable in full.

(3) It is noted that the Applicants are no longer challenging any of the service charges prior to the 2019/20 year and that they now accept the figure for accountancy fees for 2019/20.

(4) It is also noted that the Respondent has agreed that it will credit £1,250.00 to Mr Stanley's service charge account in recognition of his having paid this sum to the management company (rather than direct to

the Respondent) and that it will credit £1,250.00 to Mr and Mrs Gladwin's service charge account in recognition of their having paid that same sum to the management company (rather than direct to the Respondent).

(5) It is further noted that the Respondent will not be seeking to charge to the Applicants any costs incurred by it in connection with these proceedings, whether through the service charge or otherwise.

Background

1. The Applicants have made an application under section 27A of the Landlord and Tenant Act 1985 ("**the 1985 Act**") for a determination as to the reasonableness and payability of certain service charges in respect of the years 2017/18 to 2022/23 inclusive.

2. The Applicants also seek an order appointing Ms Joanna Roznowska of SAFE Property Management as manager of the Property under section 24 of the Landlord and Tenant Act 1987 ("**the 1987 Act**").

3. The Property comprises a 4-storey detached block of 8 residential flats. The Applicants are between them the leaseholders of 3 of the 8 flats. The Respondent is the freehold owner of the Property.

4. Prior to issuing their application for the appointment of a manager the Applicants served a preliminary notice under section 22 of the 1987 Act dated 28 May 2024 on the Respondent.

Summary of the parties' written case on service charge issues

5. The Applicants have not provided a written statement of case. Instead, they have provided a large number of individual documents or items of correspondence with no obvious logic as to the order in which they have been indexed. As explained at the hearing, this has made it hard for the tribunal to understand their detailed case. There are, though, starting from page 970 of the hearing bundle, a series of briefly completed 'Scott' schedules with even briefer responses from the Respondent, and we comment below on the service charge challenges contained in those 'Scott' schedules.

2017/18 Year - Insurance

Applicants' case

6. The Applicants challenge £320.00 out of the total sum of £3,837.00 on the stated basis that the Applicants should not have to contribute towards the insurance of garage 9 (estimated by them at £120.00) or the Respondent's directors' and officers' insurance (estimated by them at £200.00).

Respondent's case

7. The Respondent states that garage 9 was not covered by this policy and that the amount of the directors' and officers' insurance was reasonable.

2017/18 – Sundry Expenses

Applicants' case

8. The Applicants challenge the whole sum of £522.00 on the stated bases that (a) there are no invoices and (b) there is no evidence that these sums are payable under the Applicants' leases.

Respondent's case

9. The Respondent cross-refers to the accountant's ledger in the hearing bundle and states that the amount was reasonable.

2017/18 – Accountancy Fee

Applicants' case

10. The Applicants challenge £940.00 out of the total sum of £1,740.00 on the stated basis that the amount charged is too high a fee for the amount of work done.

Respondent's case

11. The Respondent states that the amount was reasonable.

2018/19 – Insurance

Applicants' case

12. The Applicants challenge £358.60 out of the total sum of £3,773.00 on the stated bases that (a) the invoices add up to £38.60 less than the total and (b) the Applicants should not have to contribute towards the insurance of garage 9 (estimated by them at £120.00) or the Respondent's directors' and officers' insurance (estimated by them at £200.00).

Respondent's case

13. The Respondent states that garage 9 was not covered by this policy and that the amount of the directors' and officers' insurance was reasonable.

2018/19 – Sundry Expenses

Applicants' case

14. The Applicants challenge the whole sum of £200.00 on the stated bases that (a) there are no invoices and (b) there is no evidence that these sums are payable under the Applicants' leases.

Respondent's case

15. The Respondent cross-refers to the accountant's ledger in the hearing bundle and states that the amount was reasonable.

2018/19 – Accountancy Fee

Applicants' case

16. The Applicants challenge £880.00 out of the total sum of £1,680.00 on the stated basis that the amount charged is too high a fee for the amount of work done.

Respondent's case

17. The Respondent states that the amount was reasonable and cross-refers to the accountant's ledger in the hearing bundle.

2019/20 – Insurance

Applicants' case

18. The Applicants challenge £1,039.00 out of the total sum of £4,445.00 on the stated bases that (a) there are no supporting invoices and (b) there is an extra charge of £679.00 which looks to the Applicants like an error and (c) the Applicants should not have to contribute towards the insurance of garage 9 (estimated by them at £120.00) or the Respondent's directors' and officers' insurance (estimated by them at £240.00).

Respondent's case

19. The Respondent makes reference to the accountant's ledger and balance and states that the extra £679 is not an error. It also states that garage 9 was not covered by this policy and that the amount of the directors' and officers' insurance was reasonable.

2019/20 – Sundry Expenses

Applicants' case

20. The Applicants challenge £237.01 out of the total sum of £300.00 on the stated basis that there are no supporting invoices for the £237.01.

Respondent's case

21. The Respondent states that the amount was reasonable.

2019/20 – Accountancy Fees

Applicants' case

22. The Applicants challenge £2,761.00 out of the total sum of £3,761.00 on the stated basis that the amount charged is too high a fee for the amount of work done.

Respondent's case

23. The Respondent states that the amount was reasonable.

2020/21 – Insurance

Applicants' case

24. The Applicants challenge £360.00 out of the total sum of £3,762.00 on the stated basis that the Applicants should not have to contribute towards the insurance of garage 9 (estimated by them at £120.00) or the Respondent's directors' and officers' insurance (estimated by them at £240.00).

Respondent's case

25. The Respondent states that garage 9 was not covered by this policy and that the amount of the directors' and officers' insurance was reasonable.

2020/21 – Gardening

Applicants' case

26. The Applicants state that the tree planting, the cost of which totalled £2,475.08 was subject to statutory consultation and the Respondent failed to consult and therefore the cost should be limited to £2,000.00 (the statutory limit of £250.00 multiplied by 8 flats).

Respondent's case

27. The Respondent states that the amount was reasonable.

2020/21 – Accountancy Fees

Applicants' case

28. The Applicants challenge £1,323.00 out of the total sum of £2,323.00 on the stated basis that the amount charged is too high a fee for the amount of work done.

Respondent's case

29. The Respondent states that the amount was reasonable.

2021/22 – Insurance

Applicants' case

30. The Applicants challenge £360.00 out of the total sum of £4,203.00 on the stated basis that the Applicants should not have to contribute towards the insurance of garage 9 (estimated by them at £120.00) or the Respondent's directors' and officers' insurance (estimated by them at £240.00).

Respondent's case

31. The Respondent states that garage 9 was not covered by this policy and that the amount of the directors' and officers' insurance was reasonable.

2021/22 – Sundry Expenses

Applicants' case

32. The Applicants challenge the whole sum of £423.00 on the stated bases that (a) there are no invoices and (b) there is no evidence that these sums are payable under the Applicants' leases.

Respondent's case

33. The Respondent states that the amount was reasonable.

2021/22 – Legal and Professional Fees

Applicants' case

34. The Applicants challenge the whole sum of £4,104.00 on the stated bases that (a) there are no invoices, (b) no reasons have been given for these fees and (c) legal costs are not recoverable under the Applicants' leases.

Respondent's case

35. The Respondent states that these are legal fees for service charge advice and are recoverable under clause 7(i)(b) of the Deed of Variation which includes the words "… and for the general management thereof". In support of its position the Respondent brings the case of *Embassy Court Residents Assoc. Ltd v Lipman (1984) 271 EG 545*.

2021/22 – Accountancy Fees

Applicants' case

36. The Applicants challenge £1,400.00 out of the total sum of £2,400.00 on the stated basis that the amount charged is too high a fee for the amount of work done.

Respondent's case

37. The Respondent states that the amount was reasonable.

2022/23 – Rent, Rates, Water

Applicants' case

38. The Applicants challenge the whole sum of £900.00 on the stated bases that (a) there are no invoices and (b) these sums are not recoverable under the Applicants' leases.

Respondent's case

39. The Respondent states that the amount was reasonable.

2022/23 – Insurance

Applicants' case

40. The Applicants challenge £360.00 out of the total sum of £5,726.00 on the stated basis that the Applicants should not have to contribute towards the insurance of garage 9 (estimated by them at £120.00) or the Respondent's directors' and officers' insurance (estimated by them at £240.00).

Respondent's case

41. The Respondent states that garage 9 was not covered by this policy and that the amount of the directors' and officers' insurance was reasonable.

2022/23 – Sundry Expenses

Applicants' case

42. The Applicants challenge the whole sum of £423.00 on the stated bases that (a) there are no invoices and (b) there is no evidence that these sums are payable under the Applicants' leases.

Respondent's case

43. The Respondent states that the amount was reasonable and refers to the accountant's ledger and balance.

2022/23 – Legal and Professional Fees

Applicants' case

44. The Applicants challenge the whole sum of £630.00 on the stated bases that (a) there are no invoices, (b) no reasons have been given for these fees and (c) legal costs are not recoverable under the Applicants' leases.

Respondent's case

45. The Respondent states that these are legal fees for service charge advice and are recoverable under clause 7(i)(b) of the Deed of Variation which includes the words "… and for the general management thereof". In support of its position the Respondent brings the case of *Embassy Court Residents Assoc. Ltd v Lipman (1984) 271 EG 545*.

2022/23 – Accountancy Fees

Applicants' case

46. The Applicants challenge £1,400.00 out of the total sum of £2,400.00 on the stated basis that the amount charged is too high a fee for the amount of work done.

Respondent's case

47. The Respondent states that the amount was reasonable.

2023/24 – all costs

Applicants' case

48. The Applicants challenge all costs for the 2023/24 year on the ground that the Respondent has failed to provide any information in breach of the directions.

Respondent's case

49. The Respondent does not comment on this challenge in written submissions.

Witness statements on service charge issues

50. No witness statements have been given on behalf of the Respondent.

51. Mr Stanley has given a witness statement which refers to serious issues with the accounts and a lack of willingness on the Respondent's part to supply information. He has provided copy correspondence in support. Mr and Mrs Gladwin have given a witness statement confirming similar concerns.

Key oral submissions at hearing on service charge issues

General points

52. Mr Stanley questioned whether the Respondent had jurisdiction to manage the Property and said that it should instead be managed by the management company. He also said that no section 5 notice had been served in relation to the transfer of the freehold interest in the Property, but Mr Maunder-Taylor replied that Susan Gladwin's own witness statement had confirmed that the Applicants had been notified that the

freehold would be transferred from the management company to the Respondent.

53. Mr Stanley also said that there was no obligation to pay the service charge at all because no proper service charge accounts had been provided or – in the alternative – accounts had been provided late. In addition, he argued that the service charge year end had been switched to 31 August and that this had caused the accounts not to be compliant with the leases, and he added that the service charge budget had also not been calculated in accordance with the leases. Furthermore, the service charge demands had been made quarterly, not half-yearly as required.

54. Mr Maunder-Taylor said that the leases allowed the landlord to change the accounting year and date.

55. Mr Stanley added that many demands were missing, either because sent to the wrong address or not sent at all. In relation to the Deed of Variation, he said that this required a reconciliation at the end of the service charge year and the Respondent had not done this. Similarly, the leases required an annual audit, and this had not happened since 2012.

56. Mr Maunder-Taylor said that only a few service charge demands were missing. He accepted that two demands had not been sent out but said that this was due to the COVID-19 pandemic and that the costs had been reduced accordingly. He also made the point that it was a self-managed block and that it was normal in such circumstances for things to be done less professionally.

57. Mr Stanley said that all but one of the interim service charge demands had fallen foul of the rule in section 20B of the 1985 Act in that they had not been served within 18 months of the relevant charges having been incurred (and no valid notification had been sent to leaseholders). In response, Mr Maunder-Taylor said that this was not part of the Applicants' written case.

58. Mr Stanley said that the Respondent's accountant was neither qualified nor independent. Mr Maunder-Taylor disagreed that he was unqualified.

59. Mr Stanley also made a general complaint about a lack of information in relation to the accounts and the service charges, but in response Mr Maunder-Taylor said that was a mass of correspondence on these issues and that the Applicants' approach to the whole matter had been disproportionate.

60. As regards the years of challenge, Mr Stanley said that – contrary to the relevant Scott schedules – the Applicants were no longer challenging the year 2017/18 or the year 2018/19.

Accountancy fees

61. The Applicants believed that these fees included the cost of preparing company accounts. Mr Stanley also said that for the years 2019/20 onwards there were two sets of accounts and that they were in conflict with each other.

62. Mr Maunder-Taylor said that pages 71 and 77 clearly showed the difference between the accountancy fees charged to the company (£2,996.00) and the much lower amount charged to the service charge in respect of the service charge accounts (£765.00) in 2019/20 and that therefore the accountancy fees in 2019/20 were only £765.00.

63. After some discussion Mr Stanley for the Applicants accepted the figure of £765.00 for 2019/20. Mr Maunder-Taylor was then asked by the tribunal to clarify what the actual charges were for future years, and he said that these were £2,323.00 for 2020/21, £2,400.00 for 2021/22 and £2,400.00 for 2022/23. Mr Stanley said that these figures were too high as they appeared to include the cost of preparing the company accounts, and he proposed a figure of £400.00 for each of those years.

Building insurance

64. Mr Stanley said that Mrs Lloyd Wright's garage insurance (the one relating to garage 9) should be paid by her and not through the service charge and proposed a deduction of £100.00 for 2019/20, this being the Applicants' estimate of the cost. Regarding directors' and officers' insurance, he proposed a deduction of £194.20, this being the cost for previous years.

65. In relation to the garage insurance, Mr Maunder-Taylor referred the tribunal to an email in the hearing bundle from Mrs Lloyd Wright dated 30 December 2017 stating: *"I have paid my Share I believe it was £29.00 for Garage 9"*. Whilst he accepted that this was not evidence that she had paid in future years, it did at least constitute some evidence that the cost at the time was only £29.00 (not £100.00) and therefore if anything was going to be deducted it should be just £29.00. As regards the directors' and officers' insurance, Mr Maunder-Taylor considered that the relevant lease clauses impliedly covered this cost and therefore that it was chargeable as part of the service charge.

66. Mr Stanley then said that the Applicants now also wanted to challenge a further £679.00 for 2019/20 (and similar amounts for future years).

Legal and professional fees

67. Mr Stanley felt that the amount for 2021/22 (£4,104.00) in particular was a very large amount for what appears to have been no more than a couple of legal letters chasing arrears and which did not result in any legal action. Furthermore, the decision to instruct solicitors to chase arrears was premature because there had been no prior attempt to engage with the non-paying leaseholders. In any event, the Applicants

did not accept that the leases allowed for recovery of legal costs through the service charge.

68. In response, Mr Maunder-Taylor said that it was reasonable to take action to recover arrears. In addition, there had been no offer from the relevant leaseholders even to offer partial payment.

Tree works

69. In relation to certain tree works Mr Stanley said that no section 20 consultation had taken place, but Mr Maunder-Taylor replied that the works had not all been carried out at the same time – there had been a gap of several months – and therefore the consultation threshold had not been breached. He then later added that the aggregate actual cost for the tree works was less than £250.00 per flat in any event and therefore that no statutory consultation had been required.

Metal automatic gates

70. Mr Stanley said that the gates constituted an improvement and therefore any maintenance of these could not be charged as part of the service charge. In response, Mr Maunder-Taylor said that the relevant work was not funded through the service charge.

71. Mr Stanley also said that the gates had been left open because they did not work, but Mr Maunder-Taylor replied they had been left open whilst the police had investigated a murder but were generally in working order.

Discussion regarding certain payments already made

72. There was some discussion at the hearing regarding payments that had already been made by Mr Stanley and by Mr and Mrs Gladwin, albeit that those payments had been made to the management company rather than to the Respondent. Mr Maunder-Taylor agreed on behalf of the Respondent that it would credit £1,250.00 to Mr Stanley's service charge account in recognition of his having paid this amount and that it would credit £1,250.00 to Mr and Mrs Gladwin's service charge account in recognition of their having paid that same amount.

Applicants' written case on appointment of manager

73. As with the challenge to the payability of service charges, there is no formal written statement of case. However, there is a preliminary (section 22) notice which sets out the Applicants' concerns, and there are also written witness statements detailing many of the concerns, the contents of which are summarised later on.

74. The Third Schedule to the section 22 notice sets out the Applicants' concerns in a reasonable amount of detail. Whilst it is not a useful exercise to reproduce this part of the section 22 notice here in full, it is worth noting that it includes concerns or alleged concerns such as (a) no

evidence of anyone being formally in charge of the management who has the requisite competence, (b) correspondence being ignored, (c) roof being left unrepaired, (d) breaches of data protection, (e) harassment/intimidation of leaseholders, (f) failure to carry out statutory consultation, (g) poor accounting, (h) breaches of RICS code and (i) poor risk management.

Respondent's written case on appointment of manager

75. The Respondent has provided no written case in opposition to the application for the appointment of a manager. It has merely provided a 'skeleton argument' dated 23 January 2025, a few days before the hearing. As to the value of a skeleton argument in these circumstances, see the comments in paragraph 128 below.

Witness statements on the appointment of manager issue

76. No witness statements have been given on behalf of the Respondent. Below is a brief summary of the witness statements given on behalf of the Applicants.

77. Mr Stanley has given a witness statement in which he states that essential repairs are neglected and that the Respondent has expressly refused to repair the leaky roof even though it had (as at the date of his witness statement) been leaking for 2½ years and the repair should in Mr Stanley's view be easy to effect. He states that the storage of flammable personal possessions in the common parts puts all residents at risk and that Mrs Lloyd Wright (one of the directors) often ignores correspondence or is simply rude.

78. Mr Stanley also refers to what he describes as several suspicious incidents over the years, including the 'theft' of company records after they were requested by a leaseholder, vandalism of the garage doors following a request that they be replaced, theft of a post box following disagreement over payment, as well as personal threats and an altercation in Flat 7 involving a director of the Respondent company.

79. Mr Stanley adds that the Respondent has been given ample opportunity to rectify the management deficiencies, including correspondence with its solicitors and the service of a preliminary (section 22) notice, but he states that there has been no response.

80. Mr Pimenides has given a more informal witness statement in which he cross-refers to two reports from the Metropolitan Police. He states that one of the reports was categorised as a common assault by one of the Respondent's personnel against him, and he states that the second one was categorised as causing intentional harassment and was committed by the Respondent's secretary (Mr Griffiths) against him. He describes those recorded incidents as just 'the tip of the iceberg' of the intimidation suffered by him and his family.

81. Ms Jennie Muskett has been a neighbour of the Elm Court residents for decades. In her witness statement she states that she has tried to have positive and friendly relations with all of her neighbours but that this has not been possible to achieve with those responsible for the management of Elm Court and that she has found her dealings with them to be deeply unpleasant. A short summary of the concerns expressed in her witness statement is set out below.

82. Some years ago, Ms Muskett began receiving demands from Mrs Lloyd Wright for the felling of a Cyprus tree growing in her garden on the basis that it was spoiling the view from Elm Court. However, as the tree was set back from Elm Court and most of the windows face other directions, she could not see how this tall but narrow tree could possibly impact on Elm Court's view. These demands became increasingly relentless, and on one occasion while she was working in the USA one of these requests arrived by email saying that a tree surgeon had already been booked to fell her tree the following day. She reluctantly told Mrs Lloyd Wright that in principle she could agree to removing the tree, subject to a discussion and agreement of terms and dates once she was back in the country, but then the next day the tree was felled in her absence. She was very upset by this but was more shocked by what followed, namely that Mrs Lloyd Wright held her liable for 50% of the cost of the felling.

83. More recently, Mr Lloyd Wright asked Ms Muskett to replace the boundary fence. For a quiet life, she replaced it without questioning it, but there was no offer by him to contribute to the cost even though the reason it needed replacing was due to uncontrolled growth of ivy on the Elm Court side. While carrying out the work, Ms Muskett's landscape gardener suffered abuse from Mrs Lloyd Wright when he unwittingly parked at the end of the Elm Court car park to facilitate replacement of the fence. Then, a couple of days later, Mr Lloyd Wright asked her to reduce the height of the replacement fence to lower than the normal statutory height limit and lower than the previous fence. No reason was given, and he made no offer to pay for the additional resizing work involved. She agreed to the height reduction on the written understanding that the Lloyd Wrights would not allow their proposed hedge to exceed the height of the fence, but not long afterwards and despite the written agreement they planted a hedge which now stands approximately three feet above the agreed height and in some areas far higher.

84. Ms Muskett adds that the felling of other trees during lock-down was perhaps the most egregious act so far. The effect was devastating and everyone in her building was in tears. Several mature trees and masses of vegetation which had formed the most beautiful, living barrier between the Archway Road (A1) and their gardens were 'decimated'. Ms Muskett has also given other examples of the behaviour of the Elm Court management.

Key oral submissions at hearing on appointment of manager

Applicants' submissions

85. Mr Stanley said that there had been many years of management problems, there had been no response from the Respondent to the preliminary (section 22) notice, and the Respondent had not offered any evidence on this issue. There had been numerous financial breaches and breaches of the RICS code. There were issues with fire safety and general health and safety which he had raised with Mrs Lloyd Wright but on which he had received no response. Items had been left lying around in the common parts causing an obstruction and a fire hazard, and there were mats which constituted a possible trip hazard. The roof had now been leaking for nearly 3 years whenever there was heavy rain. Overgrown areas had made access difficult in places, and the garden path was not suitably laid for safe access when wet.

86. Mrs Lloyd Wright had been the principal person in charge of management and as a general comment she had been unprofessional, incompetent and rude. She treated reminders to maintain the building as harassment. There were also police reports about one of her colleagues being violent and very rude.

87. Mr Stanley also referred to the complaints about the Lloyd Wrights from Ms Muskett and cross-referred to documentation in the hearing bundle in support of various of his points.

88. He said that certain directors of the Respondent company had been running businesses from their respective flats in contravention of the terms of their leases. The Respondent's accountant/bookkeeper did not keep proper records and was not regulated, and the Respondent repeatedly did not provide complete information when requested to do so. In relation to the service charge monies, these did not appear to be held on trust and there was no evidence of separation of funds.

89. Mr Stanley said that the Applicants wanted the manager to be appointed for 5 years, although their written submissions and the proposed manager herself had indicated a preference for 2½ years.

Respondent's submissions

90. Mr Maunder-Taylor questioned the Applicants' evidence in support of their contention that the Respondent's accountant/bookkeeper did not keep proper records. The email from David Jacobs to Susan Gladwin dated 25 July 2024 (page 240 of hearing bundle) was merely about how far back he held emails.

91. Mr Maunder-Taylor also stated that according to his understanding there was no problem with improper use of service charge monies and that the monies were properly maintained.

92. Regarding the police reports, Mr Maunder-Taylor said that one was from 12 years ago and it only referred to Mr Griffiths as being 'alleged' to have acted in a particular way. It also stated that the matter was not investigated as Mr Pimenides did not want any further action taken. The other report was from 5 years ago, and again the alleged victim did not want further action taken and so again the facts were not properly investigated.

93. As regards the alleged business use of directors' flats, the information relied on in relation to one of them did not refer specifically to Elm Court. As for the other one, there was no evidence that this was a steady commercial activity.

94. Regarding the roof, Mr Maunder-Taylor noted from an email dated 7 May 2024 in the hearing bundle (page 315) that some work appears to have been carried out, but Mr Stanley in response that the roof was still leaking and that Mrs Lloyd Wright had refused to deal with the problem.

95. Mr Maunder-Taylor also said that the Respondent had now appointed a managing agent. He had not started working as managing agent, but the intention was for him to start after the tribunal has made its determination (if it decides not to appoint a manager).

96. Regarding fire safety and specifically fire door inspections, Mr Maunder-Taylor's understanding of the position was that leaseholders are each responsible for their own front doors.

97. Regarding the alleged intimidation, Mr Maunder-Taylor said that very little of this had been specifically evidenced, and also he submitted that appointing a manager would not eliminate tensions between leaseholders.

Cross-examination of the proposed manager

98. Ms Roznowska said that she felt that a full survey was necessary in order to work out precisely what she was dealing with, especially as she already knew that there were a few issues that needed addressing. She estimated that the surveyor's report would cost in the region of £1,500 + VAT. She said that she would expect the Respondent to pursue any existing arrears and that her role would be forward-looking.

99. Ms Roznowska would be happy to use existing contractors if they had the right qualifications and experience and the necessary supporting paperwork and if leaseholders did not have reasonable objections.

100. She felt that 2½ years would be an appropriate length of appointment; in her experience at least 2 years is needed to turn around this sort of situation.

101. Her main current concerns were poor paperwork in relation to service charge accounts and budgets, possible non-compliance with the terms of the leases and an absence of risk assessments.

The terms of the order if granted

102. The Applicants provided a draft order prior to the final day of the hearing. The draft order itself was based on the tribunal's template, but the Applicants had added certain clauses and the Respondent had then proposed some amendments.

Analysis of the tribunal

The disputed service charges

General points

103. We appreciate that the Applicants were unrepresented, but we are forced to begin by observing that their case in relation to the disputed service charges has not been assembled in a very coherent manner. There is no statement of case, and therefore the only formal clarification as to precisely what they are challenging and on what basis is to be found in the Scott schedules.

104. The problem with this is twofold. First of all, the Applicants' analysis of the issues in the Scott schedules is extremely brief. Secondly, the various general points about the service charge which Mr Stanley has made during the hearing are not to be found in the Scott schedules. Some of these points may find some support within some of the documentation contained in the hearing bundle, but because of the way in which the hearing bundle has been compiled it is not at all clear (beyond the contents of the Scott schedules) what points are being made by the Applicants and what supporting evidence the Applicants are relying on to demonstrate the validity of those points. Clearly the Applicants are very frustrated by what they regard as unclear and unfair service charges, but the Respondent is entitled to a fair hearing as much as the Applicants are entitled to one.

105. We appreciate that the hearing bundle contains much documentation, but neither the index nor any written summary guides the reader towards an understanding as to which documents or items of correspondence are designed to demonstrate which points.

106. We also need to make a general comment about the Respondent's written submissions. Again, its only written case consists of the brief comments made in the Scott schedules. A few days prior to the hearing it provided what it described as a 'skeleton argument' and which contains some comments on these issues, but for the reasons set out in paragraph 128 below such a document cannot be used to introduce new evidence.

Overarching challenges

107. At the hearing, Mr Stanley articulated various overarching challenges to the service charges as a whole. These included whether the Respondent had jurisdiction to manage the Property, including whether a section 5 notice had been served in relation to the transfer of the freehold interest

in the Property, whether interim service charge demands had fallen foul of the '18 month rule' under section 20B of the 1985 Act, whether any proper service charge accounts had been provided or – in the alternative – had been provided late, whether switching the service charge year end to 31 August had caused the accounts not to be compliant with the leases, whether the service charge budget had been calculated in accordance with the leases, whether the service charge demands should have been made half-yearly rather than quarterly, whether there were many missing demands and (if so) what effect this might have on payability, whether the Deed of Variation required a reconciliation at the end of the service charge year, whether the Respondent had failed to carry out annual audits and (if so) what effect this might have on payability, whether the Respondent's accountant was qualified and/or independent and the relevance of this to payability and whether there had been a fundamental lack of information in relation to the accounts and the service charges and (if so) what effect this might have on payability.

108. These overarching challenges are problematic, partly for the reason already given above namely that they do not form part of a clear written statement of case and therefore that they do not clearly form part of that case, and the Respondent has therefore not been given a proper opportunity to counter them. In any event, as presented they do not contain enough detail for the tribunal to be in a position to accept either (a) that they are necessarily valid or (b) that a necessary consequence is that none of the service charges is payable. These overarching challenges are therefore not accepted.

Building insurance premiums

109. Mr Stanley said at the hearing that, in addition to the challenges contained in written submissions, the Applicants also now wanted to challenge in respect of later years an equivalent amount to the sum of £679.00 being challenged in respect of the 2019/20 year. However, it is not acceptable to introduce new challenges on the day of the hearing. Whilst we note that the Applicants are litigants in person and feel strongly about the issues, the fact remains that there needs to be a fair process, and the Respondent is entitled to know the full case against it far enough in advance of the hearing to be able to consider the issues and provide a written defence. This further challenge is therefore inadmissible.

110. Turning to the actual challenge in written submissions, there is a challenge to the sum of £679.00 for 2019/20 on the basis that it is a separate sum which in the Applicants' view appears to have been added in error as the aggregate sum is higher than the insurance premium for 2020/21. The Respondent states that it is not an error and refers to the accountant's ledger and balance. It is true that this figure appears on accountant's ledger and balance, although this does not by itself demonstrate that the figure is reasonable. However, the Applicants have provided no comparable evidence nor any other objective evidence to show that the amount of the premium is unreasonably high. The fact

that the premium is lower in a different year is not by itself very persuasive evidence that the 2019/20 figure is unreasonably high, as premiums can fluctuate for a variety of legitimate reasons (such as, but not limited to, a change in market conditions or a change in claims history). We are therefore not persuaded that the insurance premium for 2019/20 is unreasonably high by virtue of the addition of the sum of £679.00.

111. The other challenges to the insurance premium are common to each year. First of all, the Applicants state that they should not have to pay the cost of insuring garage 9 belonging to Mrs Lloyd Wright. On the one hand the Respondent disputes that the insurance of garage 9 is included in the overall insurance, but on the other hand Mr Maunder-Taylor points to an email from Mrs Lloyd Wright as indicating that it was included but that the cost was only £29.00. The Applicants have estimated the cost at £100.00 but it is clear that this is just a complete guess. In the absence of better evidence, our conclusion is that the insurance of garage 9 has erroneously been included as a service charge item and that the only real evidence of the amount of that insurance is Mrs Lloyd Wright's email indicating that it was £29.00. Accordingly, we deduct £29.00 for the years 2019/20, 2020/21, 2021/22 and 2022/23 in relation to the insurance of garage 9.

112. Secondly, the Applicants state that they should not have to pay the cost of directors' and officers' insurance on the ground that it is not payable under the terms of their leases. In its written response the Respondent simply states that the amount is reasonable, but at the hearing Mr Maunder-Taylor added that he believed the words *"for the general management thereof"* in the deed of variation of the leases to be sufficient to allow directors' and officers' insurance to be included in the service charge. We do not consider it satisfactory for this legal argument to be raised by the Respondent at such a late stage. In any event, the words relied on by the Respondent form part of the following provision: "[the service charge to include] *the fees … of the Landlord's Managing Agents for the collection of the rents of the flats in the Mansion together with the insurance premium and the service charge and for the general management thereof*". In our view the overall context makes a weak argument even weaker, and we are not persuaded that this general reference to management entitles the Respondent to include within the service charge the cost of providing insurance cover to the directors and officers of the Respondent company.

113. The directors' and officers' insurance is therefore not payable by the Applicants. As to the amount of this insurance, the information before us is very thin. The Applicants have referred to there being a note on the 2017/18 ledger of this amount being £194.20, and in the absence of any better evidence we deduct the sum of £194.20 for the years 2019/20, 2020/21, 2021/22 and 2022/23 in relation to the directors' and officers' insurance.

Accountancy fees

114. We note that the Applicants are no longer challenging the accountancy fees for 2019/20.

115. In relation to 2020/21, 2021/22 and 2022/23, the Applicants' challenge is on the basis of their stated view that the amount charged is too high for the work done. However, the Applicants have provided no comparable evidence, nor have they provided any other objective evidence as to what would be a reasonable sum. They have also provided no analysis in their written statement of case as to what tasks should have been included in the fee and what tasks were or were not done, because their only statement of case in relation to the service charge dispute is to be found in the Scott schedules.

116. In the circumstances, whilst we have some reservations as to the quality of the accountancy services based on other observations made, we do not have a proper basis for concluding that the charge in any year is an unreasonable one. Therefore, these sums are payable in full.

Legal and professional fees

117. The Applicants challenge the payability of these fees for the years 2021/22 and 2022/23 on the bases that (a) there are no invoices, (b) no reasons have been given for these fees and (c) legal costs are in their view not recoverable under their leases. The Respondent states that these are legal fees for service charge advice and are recoverable under clause 7(i)(b) of the Deed of Variation which includes the words *"… and for the general management thereof"*. In support of its position the Respondent brings the case of *Embassy Court Residents Assoc. Ltd v Lipman (1984) 271 EG 545* in which the Court of Appeal held that more leeway should be given to a residents-controlled management company and that a term could be implied into the leases that such a company could recover proper expenditure to enable it to carry out the functions imposed on it under the leases.

118. The point about lease interpretation in this specific context has not been argued in much detail, but this is not surprising given the range of issues in dispute, the number of years of dispute and the fact that the Applicants have also applied for an order for the appointment of a manager. On the limited arguments before us we accept that it is arguable that there should be implied into these leases an ability to recover sums spent on enforcing service charge obligations given the nature of the landlord, its lack of alternative sources of income and the age of the leases. However, the Respondent has failed to offer a proper justification for the amounts actually charged. The sum of £4,104.00 charged in 2021/22 is particularly large, but even in relation to the smaller sum of £630.00 charged in 2022/23 the Respondent has provided no substantive information or argument. The Applicants' challenge is a perfectly reasonable and clear one, and in addition to not providing copy invoices the Respondent has done nothing to demonstrate what work was done

or why it was done, nothing to demonstrate that it was effective and nothing to show that it was reasonable to incur and then charge these amounts to the service in whole or in part.

119. In the circumstances of the Respondent's complete failure to deal properly with clear concerns that had been raised by the Applicants, these sums are not payable at all.

Sundry expenses

120. The challenges are to the amounts charged in 2019/20, 2021/22 and 2022/23 on the basis of missing invoices. The Respondent states that the amounts charged are reasonable, in part by reference to the accountant's ledger and balance.

121. We do not accept that the unavailability of some of the invoices is by itself a sufficient basis for disallowing these sums. The amount charged in each year in respect of sundry items is not particularly high and, whilst the Respondent could arguably have put more effort into its response, on the balance of probabilities we are not persuaded that these sums are unreasonable. Therefore, these sums are payable in full.

Gardening charges

122. The Applicants challenge the payability of these fees for 2020/21.

123. The Applicants state that the tree planting, the cost of which totalled £2,475.08, was subject to section 20 statutory consultation and that the Respondent failed to consult and therefore the cost should be limited to £2,000.00 (the statutory limit of £250.00 multiplied by 8 flats).

124. The Respondent did not tackle the above point in the relevant Scott schedule, stating the cost was reasonable. At the hearing Mr Maunder-Taylor tried to argue on the Respondent's behalf that the works were not all carried out at the same time and therefore that the section 20 threshold was not breached and/or that the cost did not reach the threshold even in aggregate. However, first of all it is not necessarily the case that carrying out works in two separate stages is sufficient to disapply the statutory consultation requirements, if for example it is really all one set of works and the splitting of them into two sets of works has been done merely to avoid the requirement to consult. Secondly, it is very late to be raising this sort of argument when it should have been raised as part of the Respondent's statement of case so as to afford the Applicants an opportunity to consider the Respondent's argument and to take advice. Thirdly, if the aggregate cost does not in fact breach the threshold then it should follow that the Respondent has not actually charged more than £2,000.00 and therefore a decision to limit the cost to £2,000.00 should not prejudice the Respondent.

125. In the light of all of the above, and in the absence of any application from the Respondent for dispensation, this charge is limited to £2,000.00.

Rent, rates, water

126. The Applicants challenge the payability of these fees for 2022/23, and they challenge the whole sum of £900.00 on the bases that there are no invoices and these sums are not recoverable under the Applicants' leases. In response the Respondent merely states that the sums charged are reasonable. This is a wholly inadequate response from the Respondent to a perfectly reasonable objection, and whether or not the Respondent might have had a better argument we are forced to conclude on the basis of the arguments before us that this sum is not payable.

2023/24 charges

127. The Applicants' sole challenge to the charges for this year is that the Respondent has failed to provide information. This is an inadequate basis for concluding that nothing is payable under any head of charge despite the fact that some services will have been provided, and therefore this challenge is not upheld.

The application for the appointment of a manager

Preliminary points

128. We note that the Respondent has given no witness statements and has provided no written statement of case. It provided what it described as a 'skeleton argument' on 23 January 2025, just a few days before the hearing, in which it briefly attempted to state its case. However, as explained at the hearing, it is emphatically not the purpose of the 'skeleton argument' envisaged by the tribunal's directions for a party to set out its statement of case in that skeleton argument for the first time. The directions provide that skeleton arguments can be provided as little as 3 days before the hearing, far too late for the other party to deal with new evidence or new factual information or even new arguments (especially when that party is known to be unrepresented). The purpose of skeleton arguments is clearly to summarise an existing statement of case and to summarise the application of the law to the facts. This point is – or should be – obvious. Mr Maunder-Taylor was unable to explain why a statement of case had not been provided.

129. As regards the Respondent's failure even to give witness statements, Mr Maunder-Taylor said at the hearing that the key personnel had not given witness statements because they did not want the stress of being cross-examined on them. It is possible that this is true, but it is also possible that they were worried that their position was so weak that cross-examination might make the weakness of their position more obvious. Even if Mr Maunder-Taylor's suggestion is accurate, it constitutes an extraordinary gamble on the part of the Respondent's personnel not to offer anything of substance by way of challenge to the Applicants' case for the appointment of a manager and their narrative of events relevant to the appointment of manager application.

130. For the sake of completeness, we note that Mrs Lloyd Wright made a brief written statement on 23 January 2025 (a few days before the hearing) simply stating that she did not agree with Ms Muskett's statement but without elaborating further. Such a statement, which contains nothing of substance and was provided just a few days before the hearing in circumstances where Mrs Lloyd Wright has made it clear that she is not prepared to be cross-examined, is effectively valueless.

131. At the hearing Mr Maunder-Taylor mentioned that the Respondent had recently appointed a managing agent, albeit that the person in question has not started managing the Property.

Whether in principle an order should be made

132. We note the contents of the Applicants' preliminary notice and are satisfied that the notice was valid. Its validity has not been questioned by the Respondent.

133. Under section 24(2) of the 1987 Act the tribunal may only make an order in one or more of the circumstances listed in that sub-section. The circumstances listed in that sub-section include breach by any person of obligations owed to the tenants, unreasonable service charges having been made, failure to hold service charge contributions in trust or in a designated account, failure to comply with relevant codes of practice, or the existence of other suitable circumstances, in each case where the tribunal is also satisfied that it is just and convenient to make the order.

134. The section 22 notice lists a range of complaints, including that there was no evidence of anyone being formally in charge of the management with the requisite competence, leaseholders' correspondence being ignored, the roof being left unrepaired, breaches of data protection, harassment/intimidation of leaseholders, failure to carry out statutory consultation, poor accounting, breaches of the RICS code, poor risk management and unreasonable service charges. As noted above, this is supported by witness statements.

135. The above issues between them cover various of the section 24(2) grounds (or in some cases are just evidence of poor management), and therefore the issues for the tribunal are whether we are satisfied (a) that one or more of those grounds has/have been made out and (b) that it is just and convenient to make an order for the appointment of a manager.

136. As noted above, the Respondent did not respond to the section 22 notice and has not submitted a statement of case in response nor given any witness statements. The Applicants' submissions and evidence are therefore effectively unchallenged. In addition, whilst arguably they fell into the trap of seeing everything done or not done by the Respondent in the worst light possible, the Applicants came across sincerely at the hearing. Furthermore, whilst we do not think that anything would be gained by going into the specific evidence in a lot of detail, the contents of the hearing bundle do seem to us to support some key concerns, such as concerns about the accounts, missing invoices, the roof issue,

unprofessional communication and fire risk issues. In addition, the witness statement of Ms Muskett – who does not appear to be connected to the Applicants in any way – constitutes persuasive evidence of an unprofessional and unpleasant approach to property management by the Respondent, and it has not been countered in a meaningful way.

137. We are satisfied on the basis of the evidence provided that the first limb of at least one of the grounds under section 24(2)(a) have been made out. In particular, unreasonable service charges have been demanded (see section 24(2)(ab)(i)) as evidenced by this decision. There also appear to have been breaches of the landlord's obligations (section 24(2)(a)(i)), e.g. in relation to the failure to repair the roof. There also appear to have been breaches of the RICS code (section 24(2)(ac)(i)), noticeably in relation to service charge accounting. The Applicants list many other issues in the section 22 notice; some are more persuasive than others and some may not technically fall within section 24(2)(a), but the key point is that we are satisfied that the first limb of one or more of the grounds under section 24(2)(a) has been made out.

138. As regards the second limb of the various section 24(2)(a), and also the stand-alone section 24(2)(b) which refers to whether the tribunal is satisfied that any **other** circumstances exist which would justify the making of an order, the issue is whether it would be just and convenient to make an order. In our view, it would. This is not a case of a single difficult leaseholder simply having an argument with the people managing the Property. Here there are three separate sets of leaseholders, and it seems clear that there are serious management problems in relation to the Property and that these problems have existed for a considerable period. Many of the issues raised in the section 22 notice and in the Applicants' and Ms Muskett's witness statements, and which have not been answered by the Respondent (except half-heartedly at an unacceptably late stage), are indicative of very poor management and of an unprofessional attitude towards the Applicants. On the evidence before us we do not think that the Respondent has the ability or the willingness to manage the Property in a fair and professional manner, and an independent manager is needed. The very recently appointed and untested managing agent is clearly not the answer, as we have no information about him and he would be answerable to the landlord. It is to be hoped that a tribunal-appointed manager will remove the power imbalance between the Respondent and the Applicants and lessen the sources of tension between them as well as ensuring that the Property is managed in a professional and more objective manner.

Whether to appoint Ms Roznowska

139. We have considered the documentation provided by or in relation to Ms Roznowska and have had an opportunity to cross-examine her about her qualifications and experience and about how she would manage the Property. We have also taken on board the parties' respective observations.

140. In our view, Ms Roznowska came across well and professionally. She is experienced in dealing with these sorts of situations and understands the role of a tribunal appointed manager. She wishes to be a forward-looking manager, leaving the Respondent to pursue existing arrears, and we accept that this is a reasonable approach in the circumstances, particularly as nothing that we have seen demonstrates that the Applicants will be unwilling to pay service charges which are properly payable if the Property is being properly managed.

141. We are therefore satisfied that it would be appropriate to appoint Ms Roznowska as manager.

The terms of the order

142. As regards the length of the order, we note that Mr Stanley said at a late stage of the hearing, after Ms Roznowska had already left, that the Applicants wanted Ms Roznowska to be appointed for a 5 year term. We have no evidence before us that Ms Roznowska would actually accept a 5 year term and the Applicants should not have raised this point at such a late stage, but in any event we do not accept that it has been demonstrated that such a long term is necessary. Ms Roznowska proposed 2½ years, and we agree that this should be a sufficient amount of time within which to turn matters around. Whilst it is the Respondent's own fault that this situation has arisen, its right to manage its own property should not be taken away from it for longer than can be justified. If towards the end of that 2½ year period Ms Roznowska or the Applicants feel that an extension is required they can apply to the tribunal for one at that stage.

143. As regards the other terms of the order, the Applicants have proposed some specific amendments to the standard order, but we are not persuaded that these are either appropriate or necessary. The form of order that we require, having heard the parties' submissions, is at the end of this determination.

Costs

144. Mr Maunder-Taylor for the Respondent said that the Respondent would not be seeking to charge to the Applicants any costs incurred by it in connection with these proceedings, whether through the service charge or otherwise.

Name: Judge P Korn **Date:** 9 May 2025

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL

PROPERTY)

Case Reference	**: LON/00AP/LAM/2024/0032**
Property	**: Elm Court, Cholmeley Park, London N6 5EJ**
Applicants	**: Nicholas Stanley (Flat 7), Dimitris Pimenides (Flat 5) and John and Susan Gladwin (Flat 6)**
Representative	**: In person**
Respondent	**: Elm Court Highgate (Freehold) Limited**
Representative	**: Mr Bruce Maunder-Taylor**
The Manager	**: Ms Joanna Roznowska**
Tribunal members	**: Judge P Korn and Mrs S Phillips MRICS**
Date of Order	**: 9 May 2025**

MANAGEMENT ORDER

Interpretation

1. In this Order:

"The Property" means the flats and other premises known as known as Elm Court, Cholmeley Park, Highgate, London, N6 5EJ and registered at HM Land Registry under title numbers MX269550 and MX219578 and shall include the building, garages, gardens, amenity space, drives, pathways landscaped areas, flower beds, passages, bin-stores, common parts, storage rooms basements, electricity and power rooms; and all other parts of the property.

"The Landlord" shall mean Elm Court (Highgate) Freehold Ltd or its successors in title to the reversion immediately expectant upon the Leases.

"The Tenants" shall mean the proprietors for the time being of the Leases whether as lessee or under-lessee and "Tenant" shall be construed accordingly.

"The Leases" shall mean all leases and/or underleases of flats in the Property.

"The Manager" means Ms Joanna Roznowska

"The Tribunal" means the First-tier Tribunal (Property Chamber)

ORDER

2. In accordance with section 24(1) of the Landlord and Tenant Act 1987 ("the Act") Ms Joanna Roznowska of Safe Property Management is appointed as Manager of the Property.

3. The Manager's appointment shall start on **9 May 2025** ("the start date") and shall end on **8 November 2027** ("the end date").

4. For the avoidance of doubt this Order supplements but does not displace covenants under the Leases and the Tenants remain bound by them. Where there is a conflict between the provisions of the Order and the Leases, the provisions of the Order take precedence.

5. The Manager shall manage the Property in accordance with:
    (a) the terms of this Order and the Directions set out below;
    (b) the respective obligations of the Landlord and the Tenants under the Leases whereby the Property is demised by the Landlord (save where modified by this Order);

(c) the duties of a Manager set out in the Service Charge Residential Management Code ("the Code") (3rd Edition) or such other replacement code published by the Royal Institution of Chartered Surveyors ("RICS") and approved by the Secretary of State pursuant to section 87 Leasehold Reform Housing and Urban Development Act 1993(whether the Manager is a Member of the RICS or not; and

(d) the provisions of sections 18 to 30 of the Landlord and Tenant Act 1985.

6. From the date this Order comes into effect, no other party shall be entitled to exercise a management function in respect of the Property where the same is the responsibility of the Manager under this Order.
7. The tribunal requires the Manager to act fairly and impartially in the performance of their functions under this Order and with the skill, care and diligence to be reasonably expected of a Manager experienced in carrying out work of a similar scope and complexity to that required for the performance of the said functions.
8. The Manager or any other interested person may apply to vary or discharge this Order pursuant to the provisions of section 24(9) of the Act.
9. The Tribunal may, upon receipt of information or notification of change of circumstances, issue directions to the parties, or any other interested person, concerning the operation of this Order, both during its term, and after its expiry.
10. Any application to extend or renew this Order **must** be made before the end date, preferably at least three months before that date, and supported by a brief report of the management of the Property during the period of the appointment. Where an application for an extension or renewal is made prior to the end date, then the Manager's appointment will continue until that application has been finally determined.

11. The Manager is appointed to take all decisions about the management of the Property necessary to achieve the purposes of this Order. If the Manager is unable to decide what course to take, the Manager may apply to the Tribunal for further directions, in accordance with section 24(4), Landlord and Tenant Act 1987. Circumstances in which a request for such directions may be appropriate include, but are not limited to:

    (a) a serious or persistent failure by any party to comply with an obligation imposed by this Order;

    (b) circumstances where there are insufficient sums held by the Manager to discharge their obligations under this Order and/or for the parties to pay the Manager's remuneration; and

    (c) where the Manager is in doubt as to the proper construction and meaning of this Order.

Contracts

12. Rights and liabilities arising under contracts, including any contract of insurance and/or any contract for the provision of any services to the Property, to which the Manager is not a party, but which are relevant to the management of the Property, shall upon the date of appointment become rights and liabilities of the Manager, save that:

(a) the Landlord shall indemnify the Manager for any liabilities arising before commencement of this Order; and

(b) the Manager has the right to decide, in their absolute discretion, the contracts in respect of which they will assume such rights and liabilities, with such decision to be communicated in writing to the relevant parties within 56 days from the date this order.

13. The Manager may place, supervise and administer contracts and check demands for payment of goods, services and equipment supplied for the benefit of the Property.

Pre-contract enquiries

14. The Manager shall be responsible for responding to pre-contract enquiries regarding the sale of a residential flat at the Property.

Legal Proceedings

15. The Manager may bring or defend any court or tribunal proceedings relating to management of the Property (whether contractual or tortious) and, subject to the approval of the Tribunal, may continue to bring or defend proceedings relating to the appointment after the end of their appointment.

16. Such entitlement includes bringing proceedings in respect of arrears of service charge attributable to any of the Flats in the Property, including, where appropriate, proceedings before this tribunal under section 27A of the Landlord and Tenant Act 1985 and in respect of administration charges under schedule 11 of the Commonhold and Leasehold Reform Act 2002 or under section 168(4) of that Act or before the courts and shall further include any appeal against any decision made in any such proceedings.

17. The Manager may instruct solicitors, counsel, and other professionals in seeking to bring or defend legal proceedings and is entitled to be reimbursed from the service charge account in respect of costs, disbursements or VAT reasonably incurred in doing so during, or after, this appointment. If costs paid from the service charge are subsequently recovered from another party, those costs must be refunded to the service charge account.

Remuneration

18. The Tenants are responsible for payment of an equal share of the Managers' fees, which are to be payable under the provisions of this Order but which may be collected under the service charge mechanisms of their Leases.

19. The sums payable are:

    (a) an annual fee of £400 per flat for performing the duties set out in paragraph 3.4 of the RICS Code (so far as applicable);

    (b) any additional fees contained in a schedule to this Order for the duties set out in paragraph 3.5 of the RICS Code (so far as applicable);

    (c) VAT on the above fees.

Ground Rent and Service Charge

20. The Manager shall not collect the ground rents payable under the residential Leases.

21. The Manager shall collect all service charges and insurance premium contributions payable under the Leases, in accordance with the terms and mechanisms in the Leases.

22. Whether or not the terms of any Lease so provides, the Manager shall have the authority to:

    (a) demand payments in advance and balancing payments at the end of the accounting year;

    (b) establish a sinking fund to meet the Landlord's obligations under the Leases;

    (c) allocate credits of service charge due to Tenants at the end of the accounting year to the sinking fund;

    (d) alter the accounting year and to collect arrears of service charge and insurance that have accrued before their appointment; and

23. The Manager may set, demand and collect a reasonable service charge to be paid by the Landlord (as if he were a lessee), in respect of any unused premises in part of the Property retained by the Landlord, or let on terms which do not require the payment of a service charge.

24. To ensure that the Manager has adequate funds to manage the Property, the Manager may immediately collect £400 from each Tenant. Any sum demanded by the Manager shall be payable within 28 days.

25. The Manager is entitled to recover through the service charge the reasonable cost and fees of any surveyors, architects, solicitors, counsel, and other professional persons or firms, incurred by them whilst carrying out their functions under the Order.

Administration Charges

26. The Manager may recover administration charges from individual Tenants for their costs incurred in collecting ground rent, service charges and insurance which includes the costs of reminder letters, transfer of files to solicitors and letters before action. Such charges will be subject to legal requirements as set out in schedule 11 of the Commonhold and Leasehold Reform Act 2002.

Disputes

27. In the event of a dispute regarding the payability of any sum payable under this Order by the lessees, additional to those under the Leases (including as to the remuneration payable to the Manager and litigation costs incurred by the Manager), a Tenant, or the Manager, may apply to the tribunal seeking a determination under section 27A of the Landlord and Tenant Act 1985 as to whether the sum in dispute is payable and, if so, in what amount.

28. In the event of a dispute regarding the payability of any sum payable under this Order by the landlord, other than a payment under a Lease, the Manager or the Landlord may apply to the tribunal seeking a determination as to whether the sum in dispute is payable and, if so, in what amount.

29. In the event of dispute regarding the conduct of the management of the property by the Manager, any person interested may apply to the Tribunal to vary or discharge the order in accordance with section 24(9) of the Landlord and Tenant Act 1987.

30. In the event of a dispute regarding the reimbursement of unexpended monies at the end of the Manager's appointment, the Manager, a Tenant, or the Landlord may apply to the Tribunal for a determination as to what monies, if any, are payable, to whom, and in what amount.

DIRECTIONS TO LANDLORD

31. The Landlord must comply with the terms of this Order.

32. On any disposition other than a charge of the Landlord's estate in the Property, the Landlord will procure from the person to whom the Property is to be conveyed, a direct covenant with the Manager, that the said person will (a) comply with the terms of this Order; and (b) on any future disposition (other than a charge) procure a direct covenant in the same terms from the person to whom the Property is to be conveyed.

33. The Landlord shall give all reasonable assistance and co-operation to the Manager in pursuance of their functions, rights, duties and powers under this Order, and shall not interfere or attempt to interfere with the exercise of any of the Manager's said rights, duties or powers except by due process of law.

34. The Landlord is to allow the Manager and their employees and agents access to all parts of the Property and must provide keys, passwords, and any other documents or information necessary for the practical management of the Property in order that the Manager might conveniently perform their functions and duties, and exercise their powers under this Order.

35. Within 21 days from the date of this Order the Landlord must provide all necessary information to the Manager to provide for an orderly transfer of responsibilities, to include the transfer of:

    (a) all accounts, books and records relating to the Property, including a complete record of all unpaid service charges; and
    (b) all funds relating to the Property including uncommitted service charges and any monies standing to the credit of a reserve or sinking fund.

DIRECTIONS TO MANAGER

36. The Manager must adhere to the terms of the Order above.

Entry of a Form L restriction in the Register of the Landlord's Registered Estate

37. To protect the direction in paragraph 32 for procurement by the Landlord of a direct covenant with the Manager, **the Manager must apply** for the entry of the following restriction in the register of the Landlord's estate under title numbers MX269550 and MX219578.

    "No disposition of the registered estate (other than a charge) by the proprietor of the registered estate, or by the proprietor of any

registered charge, not being a charge registered before the entry of this restriction, is to be completed by registration without a certificate signed by the applicant for registration or their conveyancer that the provisions of paragraph 32 of an Order of the Tribunal dated 9 May 2025 have been complied with"

Registration

38. The Manager must make an application to HM Land Registry for entry of the restriction referred to in paragraph 37, within 14 days of the date of this Order.

39. A copy of the Order should accompany the application (unless it is submitted by a solicitor able to make the necessary declaration at Box 8(c) of the RX1 application form). The application should confirm that:

    - this is an Order made under the Landlord and Tenant Act 1987, Part II (Appointment of Managers by a Tribunal) and that pursuant to section 24(8) of the 1987 Act, the Land Registration Act 2002 shall apply in relation to an Order made under this section as they apply in relation to an order appointing a receiver or sequestrator of land.
    - Consequently, pursuant to Rule 93(s) of the Land Registration Rules 2003, the Manager is a person regarded as having sufficient interest to apply for a restriction in standard Form L or N.

Conflicts of Interest

40. The Manager must be astute to avoid any Conflict of Interest between their duties and obligations under this Order, and their contractual dealings. Where in doubt, the Manager should apply to the Tribunal for directions.

Complaints

41. The Manager must operate a complaints procedure in accordance with, or substantially similar to, the requirements of the Royal Institution of Chartered Surveyors.

Insurance

42. The Manager must:
    (a) maintain appropriate building insurance for the Property and ensure that the Manager's interest is noted on the insurance policy.

(b) Arrange an insurance valuation and ensure that the building sum insured is accurate.
(c) deal with the recovery of the insurance premium for garage 9 and the Directors and Officers insurance premium as directed by the Tribunal.

43. From the date of appointment, and throughout the appointment, the Manager must ensure that he/she has appropriate professional indemnity insurance cover in the sum of at least £1 million and shall provide copies of the certificate of liability insurance to the Tribunal, and, upon request, to any Tenant or the Landlord. The Certificate should specifically state that it applies to the duties of a Tribunal appointed Manager.

Accounts

44. The Manager must:

(a) prepare and submit to the Landlord and the Tenants an annual statement of account detailing all monies receivable, received and expended. The accounts are to be certified by the external auditor, if required under the Leases;

(b) maintain efficient records and books of account and to produce for these for inspection, to include receipts or other evidence of expenditure, upon request by the Landlord or a Tenant under section 22 Landlord and Tenant Act 1985;

(c) maintain on trust in an interest-bearing account at such bank or building society, as the Manager shall from time to time decide, into which ground rent, service charge contributions, Insurance Rent, and all other monies arising under the Leases shall be paid; and

(d) hold all monies collected in accordance with the provisions of the Code.

Repairs and maintenance

47. The Manager must:

(a) as soon as reasonably practicable draw up a planned maintenance programme for the period of the appointment, allowing for the periodic re-decoration and repair of the exterior and interior common parts of the Property, as well as any roads, accessways, mechanical, electrical and other installations serving the Property, and shall send a copy to every Tenant and to the Landlord;

(b) subject to receiving sufficient prior funds:

(i) carry out all required repair and maintenance required at the Property, in accordance with the Landlord's covenants in the Leases, including instructing contractors to attend and rectify problems, and is entitled to recover the cost of doing so as service charge payable under the Leases or in accordance with the Order.

(ii) arrange and supervise any required major works to the Property, including preparing a specification of works and obtaining competitive tenders.

(c) liaise with all relevant statutory bodies in the carrying out of their management functions under the Order; and

(d) ensure that the Landlord, and the Tenants, are consulted on any planned and major works to the Property and to give proper regard to their views.

48. The Manager has the power to incur expenditure in respect of health and safety equipment reasonably required to comply with regulatory and statutory requirements.

Reporting

49. By no later than 6 months from the date of appointment (and then annually) the Manager must prepare and submit a brief written report to the Tenants, and the Landlord, on the progress of the management of the Property up to that date, providing a copy to the Tribunal at the same time.

End of Appointment

50. No later than 56 days before the end date, the Manager must:

(a) apply to the Tribunal for directions as to the disposal of any unexpended monies;

(b) include with that application a brief written report on the progress and outcome of the management of the Property up to that date (a "Final Report"); and

(c) seek a direction from the Tribunal as to the mechanism for determining any unresolved disputes arising from the Manager's term of appointment (whether through court or tribunal proceedings or otherwise).

51. Unless the Tribunal directs otherwise the Manager must within two months of the end date:

(a) prepare final closing accounts and send copies of the accounts and the Final Report to the Landlord and Tenants, who may raise queries on them within 14 days; and

(b) answer any such queries within a further 14 days.

52. The Manager must reimburse any unexpended monies to the paying parties, or, if it be the case, to any new Tribunal appointed Manager within three months of the end date or, in the case of a dispute, as decided by the Tribunal upon an application by any interested party.