



**FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : LON/OOBK/LAM/2013/0006

Property : Welford House, 114 Shirland Road,
London W9 2BT

Applicants : Mr M E Huq (Flat C)
Mr E S Arwas (Flat E)
Mr J J Erskine (Flat F)
Mr D Benton, Mr J Benton, Mr
M DA Benton, Mr M L Kingsley
(Greyhorse Investment
Partners) (Flat H)
Mr D J A Oliver and Mrs V J
Oliver (Flat I)
Ms S E Hardwick (Flat J)
Mr G Cavallini (Flat L)
Mr B Gregus (Flat M)
Mr S Purshottam, Mrs U S Patel,
Mr J Purshottam, BJ Patel (Flat
N)
Ms D Fierstone (Flat P)

Representatives : Mr P Simon, Solicitor, Integrity
Property Management Ltd.
Mr M Young, Director, Integrity
Property Management Ltd.

Respondent : Mrs S Demeshgi

Representative : None

Type of Application : S24 of the Landlord and Tenant Act
1987 (Appointment of Manager)

Tribunal Members : **Judge Goulden**
Mrs S F Redmond BSc (Econ) MRICS
Mrs L L Hart

Date and venue of Hearing : **30 January 2014**
at 10 Alfred Place, London, WC1E 7LR

Date of Decision : **6 May 2014**

DECISION

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REF: LON/OOBK/LAM/2013/0006

**PROPERTY: WELFORD HOUSE, 114 SHIRLAND ROAD, LONDON
W9 2BT**

Decision of the Tribunal

- (1) The Tribunal makes an Order for appointment of a Manager under S24 of the Landlord and Tenant Act 1987 for a period of twenty four (24) months from 6 May 2014.
- (2) The Tribunal makes an Order under S20C of the Landlord and Tenant Act.

Background

1. The Tribunal is dealing with an application dated 8 February 2013 (and received by the Tribunal on 20 February 2013) for the appointment of a manager under S24 of the Landlord and Tenant Act 1987 ("the 1987 Act"). The application followed the service of a Notice under S22 of the Act served by the Applicants on the Respondent and her managing agents, Lewis & Tucker, on 14 March 2012. An application was also made to limit landlord's costs of proceedings under S20C of the Landlord and Tenant Act 1985 ("the 1985 Act").

2. A separate application under S27A of the Landlord and Tenant Act 1985 was made. This was dated 30 April 2013 and was received by the Tribunal on 2 May 2013. That application forms no part of this Decision but, as at the date of this Decision, is still a live application (see paragraph 43 below)

3. The application relates to Welford House, 114 Shirland Road, London W9 2BT ("the property") which was stated in the application to be a "*converted block of flats. Originally the building was used as accommodation for the dairy workers at the Welford Dairy*". The Tribunal was advised that the property comprised two four storey blocks, one behind the other over commercial premises. Each block comprised 8 units with two flats per floor. The north block contained flats A to H and the south block contained flats I to P. It is understood that all the properties are held on long leases which are essentially in the same form, save for slight variations by way of a Deed of Variation in respect of Flats A and G. Of the 16 flats in total, there are ten Applicants. Two of the flats are owned by the Respondent and the lessees of the remaining three flats have not participated in the application.

4. The Applicant tenants are as shown on the frontsheet to this Decision. The application was lodged by Mr E Arwas (Flat E). Mr Arwas is the lead Applicant. The Respondent landlord is Ms S Demeshghi.

5. A copy of the lease of Flat H at the property was provided to the Tribunal. This lease was dated 10 February 1988 and was made between Swift 744 Ltd. (1) and Robin Alan Sellers (2) and was for a term of 125 years from 25 December 1986 at the rising rents and subject to the terms and conditions therein contained. It is understood that all the leases were in essentially the same form save for the minor variations referred to in paragraph 3 above.

6. The matters before the Tribunal have a long history.

7. After an earlier Tribunal hearing (which related to the same Applicants who had lodged an application under S27A of the 1985 Act against the same Respondent) heard on 3 November 2011, the Tribunal's Decision dated 1 December 2011 was issued ("the 2011 Decision"). The present proposed Manager, Mr M Young, Integrity Property Management Ltd. had appeared at that hearing as the Applicants' representative. That application had been dismissed for the reasons as set out in the Decision, but the Tribunal had noted in its Decision, inter alia, that the property was in a serious state of disrepair and some works had been urgently required.

8. At another earlier Tribunal hearing (which again related to the same Applicants who had lodged an application under S24 of the 1987 Act against the same Respondent) and which was heard by the same members of the Tribunal as have conduct of this present case, took place on 29 and 30 May 2013 and 27 June 2013. At that hearing, the Applicants were represented by Mr P Simon, in house solicitor with Integrity Property Management Ltd. and again by Mr M Young. The Decision of the Tribunal was issued on 8 August 2013 ("the 2013 Decision"). By that Decision, the Tribunal determined that it was just and equitable in the circumstances of the case that a Manager should be appointed, but were not satisfied that the proposed Manager, Mr M Young, Managing Director of Integrity Property Management Ltd. was a suitable person to be appointed. The Tribunal's reasons for considering that Mr Young was unsuitable were set out in paragraphs 48 to 53 inclusive of the 2013 Decision, and are not repeated.

9. Paragraphs 55 and 56 of the 2013 Decision are set out below for ease of reference:-

"55. Under S24 (6) of the Act:

"Any such order may be granted subject to such conditions as (the tribunal) thinks fit, and in particular its operation may be suspended on terms fixed by (the tribunal)

56. In the particular circumstances of this case, however, the Tribunal declines to make a Management Order at present. The case is stayed for a period of 3 months from the date of the Tribunal's Decision in order that either (a) the Applicants may put forward an alternative proposed Manager for consideration by the Tribunal or (b) a revised clear witness statement and proposed plan be produced by Mr Young for further consideration by the Tribunal. In either case, the parties must request a new hearing date to be fixed before the same members of the Tribunal for the proposed Manager

to appear before the Tribunal to be questioned. In the meantime, the Respondent continues to manage the property. “

10. The Applicants requested a new hearing date and proposed once again that Mr Young should be considered by the Tribunal as suitable to be appointed as the Manager.

11. Accordingly, Further Directions of the Tribunal were issued to the parties on 23 December 2013.

12. An oral hearing took place on 30 January 2014.

13. The Tribunal did not consider that inspection of the property would assist in view of the issues raised during the hearing and would be a disproportionate burden on the public purse.

Hearings

14. At the hearing on 30 January 2014, the Applicants were represented by Mr P Simon, in house Solicitor with Integrity Property Management Ltd., together with Mr M Young, Managing Director of Integrity Property Management Ltd., who was also named as the proposed Manager. Mr Young gave evidence. Mr E Arwas, the tenant of Flat E, also appeared and gave evidence. He was accompanied for part of the hearing by Mr J Erskine (Flat F) and Ms S Hardwick (Flat J), neither of whom gave evidence. The Respondent, Mrs S Demeshghi, appeared in person and was unrepresented.

15. As a preliminary issue, the Tribunal noted that Mrs Demeshghi had formally applied to have the matter struck out, and asked her whether she wished to pursue that application. Following discussion between Mrs Demeshghi and the Tribunal, she said that she did not wish to proceed with that application.

16. As a further issue, the Tribunal discussed with the parties the S27A application under the 1985 Act which had been sent to the Tribunal on 30 April 2013 and had been received by the Tribunal on 2 May 2013 (see paragraph 2 above) . The S27A application had been received by the Tribunal far too late to be linked with the present application and it had been explained to the parties that it would not be appropriate for the hearing of the present case to be vacated in order to be linked with a fresh application. Mr Simon was asked for his views on the S27A application which, as stated in paragraph 2 above, was still live. Mr Simon said that if the application for appointment of Manager was successful, *“the need for a S27A application would fall away and will be withdrawn by the Applicants”*.

17. At the start of the hearing, the Tribunal asked Mr Arwas why the Applicants wished to proceed with the appointment of Mr Young as Manager, in view of the criticisms levelled against Mr Young in the 2013 Decision. Mr Arwas said that the Applicants had been encouraged by the fact that it was just and convenient for a Manager to be appointed, and had thought that Mr Young’s evidence would have been sufficient. Since, by the Tribunal’s Decision,

that had not been the case, the Applicants had acted to put together a robust management plan. Mr Arwas accepted that each case was decided on its merits, but said that life at the property and the fact that the major works had been abandoned and the *“invisible nature of the managing agents”* had encouraged the Applicants to continue with Mr Young. Mr Arwas said *“we have full confidence in his management plan and his reputation”*. He referred to a nearby block managed by Mr Young which he said had benefited greatly once Mr Young had taken over. Mr Arwas said *“we are desperate to move this forward. Mrs Demesghi is clearly unable to manage the property”*.

18. The Tribunal also requested initial views from Mrs Demeshgi who said that she had no objection to Mr Young being appointed as Managing Agent but resisted his being appointed by the Tribunal as Manager. The Tribunal explained that the 2013 Decision had already determined that it was just and convenient that a Manager be appointed, and the present hearing was to see if Mr Young was found suitable as that Manager. Mrs Demeshgi said that she continued to object to the appointment of a Manager.

19. The hearing therefore commenced.

20. Mr Simon kindly produced a skeleton argument. In his argument he cited certain cases, but had not provided them for the Tribunal. He also said that there was an ongoing injunction against the Respondent, but provided no evidence in support. He also referred to advice which he had obtained from Counsel, but again provided no evidence in support.

21. Mr Simon was asked if he was content that the Decision in respect of S20C of the 1985 Act as referred to in the 2013 Decision would apply to the present case before the Tribunal. He said that he was satisfied that it did apply to the present case, but the Tribunal will, for the avoidance of doubt, make a determination under S20C of the 1985 Act in the present Decision.

Evidence on behalf of the Applicants

22. Mr Young referred to his second witness statement of 9 January 2014 (which superceded his original witness statement of 20 May 2013 which had been prepared for the 2013 hearing) and a revised management plan and draft Order. He was questioned in detail on all aspects of his background, experience, continued professional development, proposed management plan and further details in respect of properties with which he was involved as a managing agent. In his statement it was stated that his firm now had 1,052 units under management across 49 buildings in and around London and Aylesbury. He owned three properties in his portfolio personally.

23. Mr M Young confirmed that the only other appointment held as a Manager was in respect of a small block of five units, being Flats 1 to 5, 134 High Street Rickmansworth, which had been heard by the Eastern Panel of the First-tier Tribunal Property Chamber. This appointment had been renewed for an indefinite period by a Decision of the Tribunal dated 5 August 2013.

24. Mr Young explained how he would deal with the problems at the property in particular with regard to the scaffolding (on which he had taken advice from the Leasehold Advisory Service), lack of any progress with the major works and the service charge arrears. He said that he had 3 full time property managers and one part time office manager who worked three days a week, but was in the process of carrying out interviews to appoint a senior property manager. He said *"you have to do things properly with the Tribunal....I will handle the strategy and instruct staff to do things for me and report back to me"*. He said that if appointed Manager by the Tribunal a difference would be noticed within 3 months of the appointment.

25. In answer to questions from the Tribunal, Mr Young confirmed that he had had a *"brief look"* at the property approximately three weeks before Christmas 2013, but had not inspected the common parts. He maintained that since he was not the managing agent, he had no authority to inspect the common parts. He said *"I was not insured to go in there"*. He gave details of other properties in which he was involved as a managing agent and described how he had dealt with various problems which had arisen.

26. With regard to the draft management order, the Tribunal questioned Mr Young on certain aspects thereof including additional charges payable, and he accepted that he would have to revise the same. Mr Young was given permission to send a revised copy to the Tribunal for approval after the close of the hearing.

27. As to making non payers make their appropriate contributions, he said that all non payers would be dealt with in a robust manner. Mr Simon said that he understood from speaking to the Respondent's managing agents that some 50% of the tenants were in arrears and that some contributions to major works were outstanding.

Evidence on behalf of the Respondent

28. Mrs S Demeshghi, the landlord of the property, gave evidence on her own behalf. Mrs Demeshghi was also the tenant of Flat A (which was unoccupied at present) and Flat B (a raised ground floor flat) which she occupied.

29. Mrs Demeshghi said Mr Young was not suitable to be appointed as a Manager, although she had no objection to him being appointed as a managing agent. She said that she had tried to do everything but the tenants were in arrears and despite her present managing agents writing to them, they refused to pay, and without money to deal with issues, nothing could get done. The scaffolding had already cost £46,500 and would cost more and take additional time if a Manager was appointed. Mrs Demeshghi contended that certain tenants were in breach of covenant and supplied photographs as evidence in support.

30. Mrs Demeshghi said that Mr Young would not set out to try and resolve the problems and *"he just wants to start fresh as if nothing happened, and it will be ideal for him. This has been going on since 2002 but they just want to start from tomorrow"*. She said that she understood the Tribunal's view that

one party should deal with the issue and also understood the Tribunal's view that *"what is best is not against me or tenants, but Mr Young's approach – no. It's like a shop for him – a place he can fish"*.

The Tribunal's Determination

31. S24 of the Act states, inter alia,

(1) A leasehold valuation tribunal may, on an application for an order under this section, by order (whether interlocutory or final) appoint a manager to carry out in relation to any premises to which this Part applies-

- (a) such functions in connection with the management of the premises, or**
- (b) such functions of a receiver,**

or both, as the tribunal thinks fit.

(2) A leasehold valuation tribunal may only make an order under this section in the following circumstances, namely-

(a) where the tribunal is satisfied-

- (i) that any relevant person either is in breach of any obligation owed by him to the tenant under his tenancy and relating to the management of the premises in question or any part of them or (in the case of an obligation dependent on notice) would be in breach of any such obligation but for the fact that it has not been reasonably practicable to the tenant to give him the appropriate notice, and**
- (ii)**
- (iii) that it is just and convenient to make the order in all the circumstances of the case;**

32. Thus, the Applicants in this case must persuade the Tribunal not only that the landlord is in breach of an obligation or obligations under the lease relating to the management of the property but also that it would be just and convenient in all the circumstances to make an order. As a general premise, and as explained to the parties at the hearing, it is the view of the Tribunal that a decision of the Tribunal to, in effect, strip the landlord of her right to maintain her own building, is draconian and not to be invoked lightly. The threshold is high.

33. In the Tribunal's 2013 Decision, the specific reasons for its determination that it would be just and convenient for a Manager to be appointed are set out in paragraphs 38 to 47 and will not be repeated.

34. In the Tribunal's 2013 Decision, the specific reasons for not appointing Mr Young at that time are set out in paragraphs 48 to 54 and will not be repeated.

35. Mr Young has only been appointed as Manager once before, and this was in respect of a wholly different property comprising only 5 units. The appointment was for an indeterminate period, which was most unusual, but as the Tribunal in that case made clear, this was because there was an absent landlord. In this case, there are 16 flats in total, with commercial premises and car parking involved and where major works have come a halt, although there is scaffolding still up, which clearly presents a security threat. It is a complicated building, with at present, a landlord who is unable to deal with the myriad of problems.

36. The Tribunal considers that there is a clear need to have a Manager deal with the undoubted problems at the property and is satisfied that Mr Young has drawn up an appropriate management plan.

37. The Tribunal determines that there has been a breach of the obligation or obligations by the landlord of the lease terms and, as stated in paragraph 33 above (and as also stated in paragraph 47 of the 2013 Decision) it would be just and convenient for a Management Order to be made.

38. Accordingly, the Tribunal determines that Mr M Young of Integrity Property Management Ltd. is to be appointed as Manager for a period of twenty four (36) months from the 6 May 2014. and the terms of that appointment are as set out in the Management Order attached. It should be noted that any delay in the issue of this Decision is due to the fact that the initial drafts of the Management Order were not considered satisfactory by the Tribunal.

39. The parties should note that the Order of the Tribunal may only be discharged or varied if a Tribunal is satisfied that to do so would not cause the initial problems to recur and it is just and convenient to do so.

S20C application

40. In respect of the S20C application under the 1985 Act (limitation of landlord's costs of proceedings before the Tribunal) at present before the Tribunal, the relevant statutory provisions were set out in the earlier Tribunal Decision dated 1 December 2011 between the same parties and will not be repeated.

41. Mr Simon was of the view that the 2013 Decision under this head covered the hearings before the Tribunal on 29 and 30 May 2013, 27 June 2013 and 30 January 2014.

42. However, for the avoidance of doubt, The Applicants, who were previously unsuccessful in part have now been successful. The Respondent has represented herself throughout. The Tribunal determines that it is just and equitable that any costs incurred by the Respondent in connection with the present proceedings before the Tribunal are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the Applicants.

S27A application

43. In respect of the S27A application under the 1985 Act, and in particular to Mr Simon's assurance as set out in paragraph 16 above, the Applicants are, no later than 28 days of the date of this Decision, to formally notify the Tribunal that they wish to withdraw the application under S27A of the 1985 Act, failing which, this matter will be placed before a Procedural Judge for review under The Tribunal Procedure (First – tier Tribunal) (Property Chamber) Rules 2013.

Name:	J Goulden	Date:	6 May 2014
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**IN THE
PROPERTY CHAMBER
LONDON RESIDENTIAL PROPERTY
FIRST-TIER TRIBUNAL**

LON/00BK/LAM/2013/0006

**BEFORE
JUDGE GOULDEN
MRS S F REDMOND BSc (Econ) MRICS
MRS L L HART**

BETWEEN:

**MR E ARWAS (Flat E)
and
9 other Leaseholders at Welford House** **Applicants**

and

Ms SORAYA DEMESHGHI **Respondent**

**AMENDED DRAFT MANAGEMENT ORDER
FOR
THE APPOINTMENT OF A MANAGER
UNDER
SECTION 24 OF THE LANDLORD AND TENANT ACT 1987**

UPON hearing Solicitor for the Applicants and the Respondent in person

AND UPON the Tribunal directing Applicants to file and serve an amended draft management order (together with its Schedules, "the Order") on or before 6.2.14, with four copies to be filed in the Tribunal and one copy to be served on the Respondent

IT IS ORDERED:

1. Matthew Young, of Integrity Property Management Limited ("Integrity"), whose principal place of business is at Jubilee House; Merrion Avenue, Stamore, Middlesex

HA7 4RY (“the Manager”) is hereby appointed pursuant to s24 of the Landlord and Tenant Act 1987 (“the Act”) as the Manager (“the Manager”) (including such functions of Receiver as are specified herein) of the 16 residential flats (“the Flats”) owned by the Applicants and other leaseholders (together, “the Leaseholders”) under long leases (“the Leases”) and the common parts serving same at Welford House, 114 Shirland Road, London, W9 (“the Property”) that sit within the freehold of the Property, registered at HM Land Registry (Title No. NGL698214) in the name of the Respondent (“the Freehold Title”), for a period of ²⁴~~36~~ months from the date hereof (“the Term”), subject to the liberty of the Applicants and/or the Respondent to apply to the Tribunal for further or other Directions in connection with his appointment, including, but not limited to the replacement of the Manager with an alternative manager for the Property.

2. For the duration of the Term, the Manager shall manage the Property pursuant to this Order and any further directions of the Tribunal, directly or indirectly by his managing agent, Integrity, including, performing:
 - (a) the Services (as set out in The Sixth Schedule of the Leases), substantially in the form attached hereto on **Schedule One**;
 - (b) the functions and services set forth in the Schedule of Functions and Services, substantially in the form attached hereto on **Schedule Two**; and
 - (c) execution of the Management Plan, substantially in the form attached hereto on **Schedule Three**.

in accordance with:

- i. the terms of this Order, including *inter alia* the Schedule of Functions and Services and the Management Plan;
- ii. any further directions and/or orders of the Tribunal; and
- iii. the Service Charge Residential Management Code (“the Code”) or such other replacement code published by the Royal Institution of Chartered Surveyors (“RICS”).

3. Without prejudice to the generality of the foregoing and for the duration of the Term, the Tribunal hereby confers all necessary authority on the Manager, including, the power to:
- (a) demand and collect (i) yearly ground rent (“the Rent”), (ii) service charges (“the Service Charges”), (iii) any and all addition sums properly demanded in connection with any scheme of work (“Contributions”), (iv) any and all payments on account into a fund pursuant to clause 5(3)(d) of the Leases (“the Fund”), (v) interest pursuant to the Leases, and (vi) any and all other monies payable under the Leases including any arrears;
 - (b) appoint solicitors, accountants, architects, surveyors, managing agents and other professionally qualified persons as he may reasonably require to assist him in the performance of his functions and pay the reasonable fees of those appointed;
 - (c) appoint any agent or servant to carry out any such function or obligation which the Manager is unable to perform himself or which can more conveniently be done by an agent or servant and the power to dismiss such agent or servant;
 - (d) in his own name or in the name of the Respondent to (i) bring, defend or continue any legal action or other legal proceedings in connection with the Leases or the Property, including but not limited to proceedings against any Leaseholder in respect of arrears of Rent, Service Charges, Contributions or other monies due under the Leases, including any amounts outstanding to be paid into the Fund, and (ii) to enter into any settlement or agree any compromise on behalf of the Respondent in relation to any proceedings against the Respondent arising out of or occasioned by her obligations under the Leases;
 - (e) enter into any contract or arrangement and/or make any payment which is necessary, convenient or incidental to the performance of his functions;

- (f) ensure client bank accounts are opened and operated in connection with his management of the Property to invest monies pursuant to his appointment in any manner specified in Parts 1 and 2 of the First Schedule of the Trustee Investment Act 1961 and for those funds to be held pursuant to Section 42 of the Landlord and Tenant Act 1987. The Manager shall deal separately with and shall distinguish between (i) monies demanded and collected in connection with the Fund, and (ii) all other monies received pursuant to his appointment and shall ensure that Fund monies are held in a separate bank account or accounts opened for that purpose;
- (g) rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any Leaseholder owing sums of money under his Lease;
- (h) effect insurance of the Property in his own name as defined in The First Schedule of the Lease and provide a copy of the cover note to all the lessees and the Respondent;
- (i) register this Order against the Freehold Title and recover all associated costs of such registration, including legal fees (if any) from the Service Charges.

4. The Manager shall:

- (a) act fairly and impartially in his dealings with the Respondent in her capacity as freeholder of the Property, leaseholder of flat B and joint-leaseholder of flat A at the Property;
- (b) exercise the reasonable skill, care and diligence to be expected of someone experienced in carrying out work of a similar scope and complexity to that required for the performance of his duties hereunder and shall indemnify the Respondent in respect of any loss occasioned by the negligent act or omission of himself, his servants or agents;
- (c) for the duration of the Term, ensure that he and/or Integrity has appropriate professional indemnity cover in the sum of at least £1,000,000 and upon the written request of any Leaseholder and/or the Respondent and/or the

Tribunal, the Manager shall provide a copy of the cover note that is in place for the time being; and

- (d) be entitled to remuneration (that, for the avoidance of doubt, shall be recoverable as part of the Service Charges) in accordance with the Schedule of Functions and Services attached.

5. The Respondent and lessees and any agents or servants thereof shall:

- (a) give reasonable assistance and cooperation to the Manager in pursuance of his duties and powers under this Order and shall not interfere or attempt to interfere with the exercise of any such duties and powers;

6. The Respondent shall (i) permit the Manager and assist him as he reasonably requires to serve upon any Leaseholders any and all Notices under section 146 of the Law of Property Act 1925, and (ii) with immediate effect, be deemed to have assigned to the Manager any and all rights and liabilities of the Respondent as landlord arising under any contracts of insurance and/or any contract for the provision of services to the Property shall from the date hereof become rights and liabilities of the Manager, and in a timely fashion, being no longer than 14 days of this Order:

- (a) write to all her servants and agents, including, her managing agents, Lewis & Tucker (“L&T”), enclosing a copy of this Order;
- (b) deliver to the Manager the items set out on **Schedule Four**, including, all such books, papers memoranda, records, computer records, minutes, correspondence, facsimile correspondence and other documents (together “the Working File”) as are necessary to the management of the Property as are within her custody, power or control, together with any Working File in the custody, power or control of any third parties, including, L&T, from whom she shall take all reasonable steps to procure prompt delivery;
- (c) procure L&T to give full details to the Manager of all sums of money being held in the Service Charges account and the Fund in relation to the Property, including, without limitation, copies of any relevant bank statements

(together, "the Accounts File") and shall forthwith pay such sums to such account as directed by the Manager. If the Respondent and/or L&T shall thereafter receive such sums under the lease of any leaseholder he shall forthwith pay such sums to the Manager; and

(d) provide a copy of this Order to DJ Coyle & Co Limited ("Coyle") and, with regards to the private contract entered into between the Respondent and Coyle for works to the exterior of the Property ("the JCT Contract"), tell Mr Coyle that the Manager is taking legal advice as to the effect of this Order on the JCT Contract.

7. The use of the word "Respondent" in this Order is intended to include any successors in title to the Respondent. The obligations contained in this Order shall bind any successor in title and the existence and terms of this Order must be disclosed to any person seeking to acquire either a leasehold interest (whether by assignment or fresh grant) or freehold.
8. The fee of £6.00 ("the Registration Fee") referenced in clause 3(15) of the Leases is hereby amended to £25, payable to the Manager on the same terms as provided for in that clause 3(15).

Dated: 6 May 2014

SCHEDULE ONE

THE SIXTH SCHEDULE

The Services

1. As and when necessary and appropriate to maintain repair cleanse repaint redecorate resurface and renew:-

(a) the roofs the gutters pipes conduits and all other the drains and other devices for conveying rainwater from the Property

(b) the main structure of the Property including in particular (but not by way of limitation) the foundations roofs and exterior walls and interior load bearing walls thereof

(c) the passages staircases landing entrance and all other parts of the Property enjoyed or used in common with the other lessees and occupiers of the Property

(d) the lighting for the said passages staircases landing entrance and other parts of the property used in common as described in (c) above

(e) the entryphone system

(f) any fire alarm and ancillary apparatus fire prevention and fire fighting apparatus security alarm and security apparatus

(g) the gas and water pipes conduits ducts sewers drains and electric wires and cables (including television and radio wiring and aerials (if any) and all other the gas water sewage drainage electric heating and ventilation installations in under or upon the Property and enjoyed or used by the Lessee in common with the other lessees or occupiers of the Property but excluding such installations and services as are incorporated in and exclusively serve the Premises

(h) the driveway accessways paths and forecourts of the Property (excluding the boundary walls and fences of or appertaining thereto) PROVIDED THAT the Lessor

shall not be responsible (except at the cost of the Lessee) for carrying out any repairs or redecorations which are rendered necessary by reason of any act neglect or default of the Lessee or the Lessee's family servants invitees or licensees to pay and discharge all rates taxes duties assessments and outgoings whatsoever whether Parliamentary Parochial or of any other description (if any) which now are or during the said term shall be assessed charged or imposed on or payable in respect of any part or parts of the Property enjoyed or used by the Lessee in common with the other lessees or occupiers of the Property and to pay all water rates assessed upon or payable in respect of any part of the Property if the same shall not be assessed upon the individual flats therein

2. Unless such insurance shall be vitiated by any act or default of the Lessee to insure and keep insured the Property (including the Premises) and the Landlord's fixtures fittings furnishings apparatus and chattels in and about the Property in the full replacement value thereof (as from time to time determined by the Lessor's surveyors) in such insurance office of repute as he may select against loss or damage by fire and such other risks as are normally covered by a policy of comprehensive insurance including architects' and surveyors' fees in connection with any reinstatement and against loss of three years' ground rent and against damage occasioned by the bursting or overflowing of water tanks apparatus or pipes (other than damage occasioned whilst the Premises or any flat in the Property is left unoccupied or untenanted) and also against third party liability and against such other risks as the Lessor may from time to time in his absolute discretion consider it desirable to insure in such sums as shall be considered by his surveyor to be appropriate and to pay all premiums necessary for the aforesaid purposes within fifteen days after the same shall become due and whenever reasonably required so to do to produce to the Lessee the policy or policies of such insurance and the receipt for the last

premium for the same AND FURTHER that in case of destruction of or damage to the Property (including the Premises) or any part or parts thereof as soon as reasonably practicable to expend and lay out all monies received in respect of such insurance in or towards the repair rebuilding or reinstatement of the Premises or other the part or parts of the Property so destroyed or damaged

3. To discharge the costs of and incidental to compliance by the Lessor with every notice regulation or order of any competent local or other authority in respect of the Property or any part or parts thereof

4. To discharge all fees charges expenses and commissions (but not including fees charges expenses or commissions on or in connection with the lettings or sales of any of the flats or other premises comprised in the Property or the collection of ground rents payable by any lessee thereof) payable to any agent or agents whom the Lessor may from time to time employ for managing and maintaining the Property

5. To discharge all fees charges and expenses and any Value Added Tax thereon payable to any solicitor accountant surveyor valuer or architect or other professional or competent adviser whom the Lessor may from time to time reasonably employ in connection with the management and/or maintenance of the Property and in or in connection with enforcing the performance and observance and compliance by the Lessee and all other lessees of flats in the Property of their obligations and liabilities under this Clause including the collection of expenditure

SCHEDULE TWO

Schedule of Functions and Services

Financial Management

1. Prepare an annual Service Charges budget, administer the Service Charges and prepare and distribute appropriate Service Charges accounts to the Leaseholders as per the percentage share under the terms of the Leases, to include providing all paperwork to an accountant, to enable the preparation of year-end Service Charges accounts in accordance with best practice and any guidance provided by the Institute of Chartered Accountants in England and Wales.
2. Demand and collect Rents, Service Charges, Contributions, any payments on account to be held in the Fund, insurance premiums and any other payments due from the Leaseholders under the terms of the Leases. Instruct solicitors to recover any unpaid Rents and Service Charges and any other monies due to or from the Respondent.
3. Produce for inspection, within a reasonable time following a written demand by the Respondent or the Leaseholders, relevant receipts or other evidence of expenditure, and provide VAT invoices (if any) in an agreed form.
4. Manage all outgoings from the Service Charges account in respect of day-to-day maintenance and pay bills using funds from the Service Charges account.
5. Deal with all enquiries, reports, complaints and other correspondence with Leaseholders, solicitors, accountants and other professional persons in connection with matters arising from the day to day financial management of the Property.

Insurance

6. To comply with the Respondent's obligations in respect of insurance under the terms of Leases and to obtain details of the insurance cover put in place by the Respondent

(if any) and in the absence of same to insure the Property and provide such details to the Leaseholders and to ensure that the insurance cover is sufficient for the Property.

7. To collect contributions to the insurance premium from the residential Leaseholders and from the leaseholder of the Basement. With regards to the leaseholder for the time being of the Basement, the Manager's fee to that leaseholder will be £180.

Repairs and Maintenance

8. Deal with all reasonable enquiries raised by Leaseholders in relation to repair and maintenance work, and instruct contractors to attend and rectify problems as necessary and provided for under the terms of the Leases so as to ensure that issues of repair and maintenance are dealt with in a thorough and efficient manner.
9. Administer contracts entered into on behalf of the Respondent and Leaseholders in respect of the Property and check demands for payment for goods, services, plant and equipment supplied in relation to such contracts.
10. Discharge payments in respect of contracts entered into on behalf of the Respondent and Leaseholders in respect of the Property.
11. Manage the common parts of the Property.
12. Carry out regular inspections (at the Manager's discretion but not less than once per year) without use of equipment, to such of the common parts of the Property as can be inspected safely and without undue difficulty to ascertain for the purpose of day-to-day management only the general condition of those common parts.

Major Works

13. In addition to undertaking and arranging such day-to-day maintenance and repairs as are required under the Leases, to arrange and supervise such major works as may be required to be carried out to the Property under the terms of the Leases.

Administration and Communication

14. Deal promptly with all reasonable enquiries raised by Leaseholders, including routine management enquiries from the Leaseholders or their solicitors.
15. Provide both the Leaseholders and Respondent with telephone, post and e-mail contact details.
16. Keep records regarding details of Leaseholders, agreements entered into by the Manager in relation to the Property and any change of ownership of the Leases.
17. Attend meetings when reasonably with the Leaseholders or generally in the course of management of the Property.

Fees and Expenses

18. Fees for the above mentioned management services (with the exception of supervision of major works) would be a fee of £300 plus VAT per annum for each flat for the period of the Order.
19. Additional Fees for the provision of services at the Property that fall outside the scope of day-to-day management will be charged on a time-spent basis at an hourly rate of £175 plus VAT.
20. Additional fees for the arrangement and supervision of any scheme of work at the Property that is arranged by the Manager and/or Integrity and supervised by a chartered surveyor ("the Arrangement Fees") will be charged in a sum equal to 5% of the aggregate contract value of that scheme of work, plus VAT.
21. Room hire at the Manager's offices can be provided at cost.
22. There is a £10.00 handling charge for processing any payments by cheque.
23. There is a charge for handling any payment by credit card, equivalent to 3% of the transaction value.

24. Payments by debit card are processed free-of-charge.
25. An additional charge for dealing with solicitors' enquiries on transfer will be made in a sum not exceeding £150 plus VAT payable by the outgoing lessee.
26. The undertaking of further tasks which fall outside the duties referred to above are to be charged separately at an hourly rate of £125 plus VAT for a qualified member of staff but, if the matter requires the Manager's personal attention, he may charge an hourly rate of £175 plus VAT.

SCHEDULE THREE

Management Plan

IN THE
PROPERTY CHAMBER
LONDON RESIDENTIAL PROPERTY
FIRST-TIER TRIBUNAL

LON/00BK/LAM/2013/0006

BEFORE
JUDGE GOULDEN
MRS S F REDMOND BSc (Econ) MRICS
MRS L L HART

BETWEEN:

MR E ARWAS (Flat E)
and
9 other Lessees at Welford House

Applicants

and

Ms SORAYA DEMESHGHI

Respondent

MANAGEMENT PLAN

Property: Welford House, 114 Shirland Road, London W9 2BT

No.	Description	Part ¹	Clause ²
1.	The Manager will enter into a management agreement with Integrity to act as the Manager's managing agents.	2.1	Para 4, 6 th Sch
2.	Instruct Integrity to open two client accounts with its preferred bank, Lloyds TSB Bank plc ("Lloyds"), including: (a) a general client account for day-to-day use; and (b) a client account for holding reserve funds.	4	5(3)(c)

¹ 'Part' means a Part of the Code

² 'Clause' means a clause or paragraph of a Schedule to the Leases

No.	Description	Part ¹	Clause ²
3.	Instruct Integrity to write letters regarding these client accounts to Lloyds	4.6 16	
4.	Instruct Integrity to write to the Respondent, with a copy to L&T, with details of where to deliver any documents and/or property in her possession that relate to the management of the Property.	4.23	
5.	Instruct Integrity to write to L&T, with a copy to the Respondent, enclosing a copy of the Management Order, with details of where to deliver any documents and/or property in its possession that relate to the management of the Property and also requesting the transfer of all monies held by L&T in connection with the Property, together with all bank statements, ledgers, accounts and other financial information.	4.23	
6.	Instruct Integrity to upload information about the Property and its Leaseholders into Integrity's bespoke property management software, in order that Integrity can manage the Property in the most cost-effective and efficient way. At least once a month, Integrity reconciles each bank account with the information held on its system.	4.10 4.14	5(3)(b)
7.	Instruct Integrity to write to all of the Leaseholders of all of the Flats enclosing: (a) a copy of the Management Order; (b) a copy of contract between the Manager and Integrity; (c) a letter of introduction from Integrity, including <i>inter alia</i> details of the lead contact, Integrity's contact details and information about Integrity's out-of-hours, emergency telephone service and details about the Lloyds client accounts; and (d) an information sheet about the Manager and the role of the Manager, in particular, the difference between a Tribunal-appointed manager and a managing agent.	16.5 16.10 4.7	Para 4, 6 th Sch
8.	First inspection of the common parts at the Property by the Manager, to identify any issues that require urgent attention.	2.4 k)	6 th Sch

No.	Description	Part ¹	Clause ²
9.	Instruct Integrity to manage any work urgently required to resolve or triage any critical problems.	12 13	5(3)(c)
10.	If from the papers delivered up by the Respondent and/or L&T, the Manager can identify any contractors working at the Property, instruct Integrity to advise them that the Property is under new management and ask them to send any unpaid invoices to Integrity.	12	
11.	In the event that there is no obvious basic maintenance regime, including cleaning of the internal common parts and window-cleaning, instruct Integrity to get quotes for a reasonable level of basic maintenance, taking into account the age of the building, the size of the common parts and the state of the common parts that might need a major overhaul in the medium to long-term.	7 12 13	5(3)(c) 6 th Sch
12.	Instruct Integrity to obtain legal advice regarding the currently-suspended JCT Contract.	12 18	Para 5, 6 th Sch
13.	Instruct Integrity to write to Coyle in line with the advice it obtains in relation to the JCT Contract.	12	Para 4, 6 th Sch
14.	If the advice obtained is not to continue with the external works, instruct Integrity to write to Coyle in this vein and to request the scaffolding be taken down, if it is still up at that time.	12	
15.	In relation to the treatment of client money by L&T, particularly in relation to the use of monies paid on account of service charge and/or 'Major Work Contributions' to finance the JCT Contract, if appropriate, the Manager will advise the Leaseholders to seek independent legal advice.	3.4	
16.	Instruct Integrity to write to the Leaseholders enclosing a final demand in respect of any unpaid service charges, advising Leaseholders that if payment in full is not made within 7 days, debt recovery action will commence without further notice for the principal sum plus interest pursuant to the Lease(s), at the rate of 10% per annum and costs.	21 3.26 a)	5(5)

No.	Description	Part ¹	Clause ²
17.	If any letters before action are sent to Leaseholders in respect of unpaid service charges, instruct Integrity to commence proceedings against any Leaseholders whose accounts remain in arrears at the end of the seven-day period.	21 3.26 a)	5(5)
18.	Instruct Integrity to engage a chartered surveyor to determine the extent of the work done by Coyle, what remains to be done under the terms of the JCT Contract and what additional work should be done to external of the Property, taking into account the original tender by Coyle. This is outside the scope of day-to-day management.	12	
19.	Instruct Integrity to write to each Leaseholder requesting access to his/her Flat to view the state of repair and condition thereof and to establish whether or not there has been any breach of the Leaseholders' covenants and/or the Regulations.	3.15	3 Para (c), 4 th Sch 5 th Sch
20.	At the same time, in the absence of evidence of any recent reports in the papers that are provided by L&T, instruct Integrity to commission: (a) a Health and Safety assessment; (b) a Fire Risk assessment; (c) an Asbestos survey; and (d) an Electrical Engineer's report.	7	6 th Sch
21.	Subject to the outcome of the commissioned reports (if any are required), instruct Integrity to procure a plan from the chartered surveyor to resolve any urgent and/or medium to long-term issues.	12	6 th Sch
22.	The Manager will inspect the Flats with the chartered surveyor. On this occasion, the chartered surveyor will be asked to identify what if anything needs to be done to repair the internal common parts.	3.15 3.19	3 5 th Sch
23.	Instruct Integrity to write to any Leaseholders who are in breach of one or more covenants or Regulations, giving them two (2) months' notice to remedy and, at the same time, giving notice of the Manager's intention to inspect the relevant Flats at the end of the remedial period.	3	3 5 th Sch

No.	Description	Part ¹	Clause ²
24.	In the event that the Manager's second inspection of any Flat reveals that one or more Leaseholders has failed to remedy any breach of one or more covenants or Regulations, instruct Integrity to give due notice to the defaulting Leaseholder(s) that Integrity requires access on a specific date for its contractor(s) to remedy the relevant breach(es), in respect of which the relevant Leaseholder(s) is liable for all related costs pursuant to the terms of the lease.	3.15 3.16	3.10
25.	In the absence of any evidence that Rent for the period beginning 25.12.2013 has been properly demanded, instruct Integrity to demand Rent for this financial year in the prescribed form.	6 16.11	1(b) 3(1) 5(5)
26.	In the absence of any evidence that Service Charges have been paid on account for the current financial year, pursuant to the terms of the Leases, instruct Integrity to demand an 'on account' payment and a once-a-year contribution to the Fund in anticipation of future schemes of work.	6 8 9	3(2) 5
27.	In the absence of Service Charges accounts for the year end 24.12.2013 being produced by L&T, instruct Integrity to produce Service Charges accounts in the correct form for the financial year ending 24.12.2013, pursuant to the Leases and a Service Charges budget for the financial year ending 24.12.2014, taking into account the advice obtained in relation to the external works that were started by Coyle and the advice of the chartered surveyor in relation to any further schemes of work to the external and/or internal common parts at the Property, that is likely to include refurbishment of the internal common parts, including new carpets, fresh paintwork and potential improvements to the lighting.	8 10	5
28.	In relation to any proposed schemes of work, the Manager will instruct Integrity to initiate a formal consultation in compliance with statute and any case law prevailing for the time being.	12 18	6 th Sch
29.	Within twelve months, instruct Integrity to sign one or more contracts for work at the Property because Integrity is in cleared funds and any requisite consultation process has been properly conducted.	12 18	5(3)(d) 6 th Sch

No.	Description	Part ¹	Clause ²
30.	Continuous ongoing management of the Property for the duration of the Term		

SCHEDULE FOUR
Information to be provided by Respondent

1. THE PROPERTY

- 1.1. Copy of the Land Certificate.
- 1.2. Plans and drawings if any of the site and buildings.
- 1.3. Details of utilities and location of main stop-cocks etc.
- 1.4. Details of any major works and long term agreements ongoing and copies of S.20 notices and responses given.
- 1.5. Details of any major works and long term agreements planned and copies of any related S.20 notices and responses given.
- 1.6. Details of plant, machinery and relevant documentation.
- 1.7. Copies of statutory inspection reports.
- 1.8. Arrangements for out-of-hours emergencies

2. INSURANCE

- 2.1. Contact details of current broker/insurers.
- 2.2. Original of schedule and policy for the Property.
- 2.3. Details of most recent valuation of the Property.
- 2.4. Summary of claims history over past three years.
- 2.5. Files on open insurance claims and agreement on who will handle such.
- 2.6. Details of third party and employer's liability insurance.
- 2.7. Originals of mechanical engineering insurance and the last three years' inspection reports.

3. CONTRACTS AND CONTRACTORS

- 3.1. Details of all current contracts.
- 3.2. Details of regular contractors used and the scope of their duties and payment terms.
- 3.3. Details of any current warranties.

4. THE LESSEES

- 4.1. Originals or copies of all Leases and deeds of variation and other licences etc.
- 4.2. Copy of any current house rules.
- 4.3. Details of any ongoing assignments.
- 4.4. Names and contact details of all Leaseholders, including those who are not resident.
- 4.5. Details of any sub-let Flats and their occupants.
- 4.6. Schedule of Rent payable.
- 4.7. Schedule of Service Charges apportionments per unit.

5. LEGAL

- 5.1. Details of any current disputes whether involving Leaseholders, contractors or other parties.
- 5.2. Details of any current or impending litigation whether for or against the Respondent.
- 5.3. Details of solicitors instructed.

6. ACCOUNTING INFORMATION

- 6.1. Certified Service Charges accounts for at least the last three years but preferably six years or longer.
- 6.2. Copy of the current Service Charges budget.
- 6.3. Bank statements relating to Leaseholders' and the Respondent's monies for the Property.
- 6.4. A reconciled copy of the cash book.
- 6.5. Service Charges balances and statements.

- 6.6. Paid contractors and suppliers invoices for the current period and previous years.
- 6.7. Outstanding contractors and suppliers invoices.
- 6.8. Reconciled trial balance and supporting schedules made up to the date of the handover.
- 6.9. A direct credit for the balance of funds in hand.
- 6.10. Details of the method of payment used by each Leaseholder.
- 6.11. Agreed payment plans for arrears if any.
- 6.12. Copy correspondence about any outstanding arrears.

7. HEALTH AND SAFETY

- 7.1. Copy of any risk assessments carried out.
- 7.2. Copy of any accident records.
- 7.3. Copy of any asbestos register.
- 7.4. CDM file if appropriate.

8. MISCELLANEOUS

- 8.1. Details of any guarantees.
- 8.2. A full set of labelled keys, any spares and access codes and programming procedures.
- 8.3. Copies of unanswered correspondence and other relevant enquiries.