

# FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : LON/00AG/LVM/2021/0009

HMCTS code (paper, video,

audio)

V: CVPREMOTE

Property : Melrose Apartments, 6 Winchester

Road London NW3 3NT

Applicant : Michael Maunder-Taylor

Representative : Adrian Carr of Counsel

Respondent : Cantelsa (IOM) Limited

**Representative**: Jonathan Upton of Counsel

Type of application : Variation of an Order of Appointment

of Manager

Tribunal Judge H Carr

Venue : 10 Alfred Place, London WC1E 7LR

Date of decision : 16th June 2021

#### **DECISION**

### Covid-19 pandemic: description of hearing

This has been a remote video hearing which has not been objected to by the parties. The form of remote hearing was V: SKYPEREMOT. A face-to-face hearing was not held because it was not practicable and all issues could be determined in a remote hearing. The documents that I was referred to are in a bundle of 81 pages provided by the applicant and a skeleton argument and

bundle of authorities provided by the respondent the contents of which I have noted. The order made is described at the end of these reasons.

## The application

1. The Applicant, Mr Michael Maunder Taylor seeks an order varying paragraph 42 of the decision and order made by the tribunal dated 8th March 2021 to specify the form of restriction the manager should apply for.

## The hearing

- 2. The Applicant attended the hearing together with his representative, Adrian Carr of Counsel. Two leaseholders, Ms Rouach and Ms Leadercomer also attended
- **3.** The respondent was represented by Jonathan Upton of Counsel.

# The background

- 4. The Property is a purpose-built development constructed in 2010. It comprises 51 private flats, 25 housing association flats, an underground car park and commercial premises on the ground floor.
- 5. The Applicant is the tribunal appointed manager of the property, appointed by a decision and order dated 8th March 2021.
- 6. The Respondent is the freehold owner of 157A Fellows Road and the leasehold owner of 2-20 Winchester Road and 157A Fellows Road.
- 7. The application is prompted by the service of a notice by the Respondent under section 5 of the Landlord and Tenant Act 1987 informing the lessees that it intends to dispose of its interest in the property. The Applicant contends that in the event that the lessees do not serve a notice under that section of the Act by 23rd June 2021 that the third party purchaser will acquire the property without it being subject to the management order. Reference is made to the decision of the Upper Tribunal in *Urwick & Anor v Pickard*[2019]UKUT365 (LC).

### The issue

8. There is only one issue before the tribunal – whether the tribunal should vary paragraph 42 of the tribunal decision and order dated 8th March 2021 as requested by the Applicant.

# The Applicant's arguments

9. The Applicant notes that the Order provides at paragraph 42:

The manager shall register the order against the landlord's registered title as a restriction under the Landlord Registration Act 2002, or any subsequent Act.

- 10. The Applicant states that it is its experience that HM Land Registry will reject an application to register an order from a Court or Tribunal against a title where the order does not specify the form of wording for the restriction.
- 11. The Applicant refers to the Upper Tribunal Land Chamber *Urwick and Another v Pickard* [2019] UKUT 365 which found that the only way of protecting an order appointing a receiver (or as in this case a manager) is by way of a restriction under s.87 of the Land Registration Act 2002.
- 12. In paragraph 66 the Upper Tribunal confirms HM Land Registry's position that a direction is required from the tribunal to prescribe the form of working required for the restriction to be entered.
- 13. Pursuant to rule 93(s) of the Land Registration Rules 2003 a Receiver or Manager is entitled to apply for a restriction in form L or Form N in Schedule 4.
- 14. The Applicant is seeking a restriction in Form N, mainly to ensure that the Respondent satisfy any obligations to pay outstanding service charges due from it. The Respondent is a company registered in the Isle of Man and as noted in the Tribunal's decision dated 8th March 2021, the Respondent has no company office and is in the process of being struck off. The Applicant will face significant difficulties to pursue the Respondent for any outstanding service charges should it dispose of its interests.
- 15. The Applicant's concern about the Respondent's potential liabilities has led him to make another application, for a review and other variations to the Order, including (amongst other matters) variations to direct the Respondent to pay:
  - (i) A shortfall of around £16,000 in service charges for years ending 30 June 2016, 2017 and 2018 in relation to Flat 51, Melrose Apartments, which arose in circumstances where the Respondent agreed to cap the service charge liability for Flat 51 for those years and failed to re-apportion the service charges payable by the other lessees to cover the shortfall from Flat 51;
  - (ii) A shortfall in service charges which has arisen because one of the commercial units comprised in the Property is apparently occupied under a tenancy at will, with no agreement to pay service charges and

- (iii) Professional fees wrongly incurred by R's former managing agents in respect of Blocks A and C at the Property, which may not be recoverable from the person who should have carried out that work or from insurers.
- 16. These matters are fully dealt with in the Applicant's statement of case for the review application.
- 17. The Respondent is now in negotiations to sell the Property for £3 million to Langland Estates Ltd. Notices under LTA 1987 ss.5 and 5A have been served on the lessees. If the requisite majority of lessees do not accept the Respondent's offer, it intends to proceed with the sale.
- 18. It is therefore important that the Order is correctly registered against the Respondent's titles for the benefit of the Lessees.
- 19. In the circumstances, the Applicant requests that paragraph 42 is amended as follows:
- 20. The Manager is directed to enter a restriction in Standard Form N (Schedule 4 of the Land Registration Rules 2003) against the Respondent's titles registered under title numbers NGL878659, NGL745172 and NGL722418 in the following words: '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, is to be registered without a written consent signed by Michael Maunder Taylor of Maunder Taylor, Brosnan House, Byng Drive Potters Bar, Hertfordshire EN6 1UR.

## The Respondent's Argument

- 21. The Respondent accepts that para 42 is inadequate in that it fails to specify the form of restriction the Manager should apply for but the Respondent disputes that it is necessary or appropriate (or just and convenient) to direct the Manager to apply for a restriction in Standard Form N, the effect of which would be to prevent the Respondent from disposing of its interest in the Premises.
- 22. It is submitted that para 42 should be deleted. Alternatively, it should provide that the Manager must apply for a restriction in Standard Form L requiring notice to be given to the Manager before a disposition can be registered.

#### The Law

23. It is considered that the following propositions of law are not controversial:

- (1) Before it may make a management order the tribunal must be satisfied of one of the grounds in s.24(2), each of which involves some element of fault or mismanagement: *Urwick v Pickard* [2019] UKUT 365 (LC) at [24].
- (2) The purpose of a management order is to provide the management functions which the lessees are entitled to enjoy under their leases: *Cawsand Fort Management Co Ltd v Stafford* [2008] 1 W.L.R. 371. It is not to punish the landlord or otherwise prevent it from dealing with its property: *Octagon Overseas Limited v Various Leaseholders at Canary Riverside* [2016] UKUT 0470 (LC).
- (3) As a matter of general principle, as well as for the purpose of complying with the relevant human rights legislation including in particular Art 1 of the First Protocol to the ECHR, there must be a reasonable relationship of proportionality between the terms of the management order and the aim sought to be realised, in the interests of the community, by the management order at *Queensbridge Investments Ltd v Lodge* [2015] UKUT 635 (LC); [2016] L. & T.R. 19 at [44].
- (4) The circumstances in which it is appropriate for a management order directly to intervene in the relationship between a landlord and a third party are likely to be exceptional: *Queensbridge* at [44]; *Sennadine Properties Limited v Heelis* [2015] UKUT 55 (LC) at [51].
- (5) A term of a management order which purports to bind the landlord's successors in title is of no effect: *Urwick v Pickard*.
- (6) The only way of protecting a management order is by the entry of a restriction: *Urwick v Pickard* at [36].
- (7) A restriction does not confer priority; it simply provides an opportunity for the person with the benefit of the restriction to assert such rights as they may be entitled to: *Urwick v Pickard* at [42].
- (8) Accordingly, as a restriction does not protect the priority of an interest, a management order cannot bind a purchaser for value of the landlord's interest whether or not it is noted on the register: *Urwick v Pickard* at [53].
- (9) The tribunal does not have power to bind the landlord's successors in title by varying the management order. A new freeholder cannot be bound by a management order unless a new order is made once the procedural requirements of the 1987 Act have been complied with: *Urwick v Pickard* at [56]; *Benthan v Lindsay Court (St Annes) RTM Company Limited* [2021] UKUT 4 (LC).

- (10) The authority of a tribunal appointed manager derives from the tribunal's order, and not from the lease or the agreement of the parties; the manager is accountable to the tribunal and is entitled to seek its direction when problems are encountered: *Maunder Taylor v Blaquiere* [2003] 1 W.L.R. 379.
- (11) A manager who reached agreement with a purchaser who was not bound by the tribunal's order would depend for their status on what they had agreed. It would be questionable in those circumstances whether the manager would remain accountable to the tribunal or be able to seek further directions from it: *Urwick v Pickard* at [72]

### Article 1 Protocol 1 ECHR

- 24. Article 1, Protocol 1 of the European Convention on Human Rights, incorporated directly into English law by reason of the Human Rights Act 1998, provides:
- "(1) Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.
- (2) The preceding provisions shall not, however, in any way impair the right of a state to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties."
- 25. In *Thomas v Bridgend County Borough Council* [2011] EWCA Civ 862; [2012] QB 512, Carnwath LJ noted at [30] that the ECHR had interpreted the protocol as involving "three distinct rules": the peaceful enjoyment of property; deprivation of possessions subject to certain conditions; and that states are entitled to control the use of property in accordance with the general interest. By reference to ECHR authority he held at [31] that:

"First, the three rules are not "distinct in the sense of being unconnected"; the second and third rules are to be "construed in the light of the general principle enunciated in the first rule". Secondly, although not spelt out in the wording of the article, claims under any of the three rules need to be examined under four heads: (i) whether there was an interference with the peaceful enjoyment of "possessions"; (ii) whether the interference was "in the general interest"; (iii) whether the interference was "provided for by law"; and (iv) proportionality of the interference."

26. It goes without saying that the tribunal must not make an order which is incompatible with a Convention right.

The manager's entitlement to apply for a restriction

27. Section 24(8) of the 1987 Act provides:

"The Land Charges Act 1972 and 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."

28. Rule 93(s) of the Land Registration Rules 2003 ("LRR") provides:

"93. Persons regarded as having a sufficient interest to apply for a restriction

The following persons are to be regarded as included in section 43(1)(c) of the Act-

- (s) a receiver or a sequestrator appointed by order who applies for a restriction in Form L or N".
- 29. Thus, a manager is entitled to apply for a restriction in two forms only: form L and form N.
- 30. Schedule 4 to the LRR contains the standard form of restrictions. Standard Form L (Disposition by registered proprietor of a registered estate or proprietor of charge certificate required) provides:

"No [disposition {or specify type of 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 registered without a certificate signed by [the applicant for registration] that the provisions of {specify clause, paragraph or other particulars} of {specify details} have been complied with [or that they do not apply to the disposition]."

31. Standard Form N (Disposition by registered proprietor of registered estate or proprietor of charge - consent required) provides:

"No [disposition {or specify type of 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 registered without a written consent signed by [name]."

- 32. Thus, a restriction in form L prevents the registration of a disposition without the provision of a certificate stating that the provisions of an instrument or order have been complied with.
- 33. On the other hand, a restriction in form N would prevent registration of a disposition without the written consent of the manager. In Urwick v Pickard the Deputy President held at [71]:

"A restriction in form N would prevent registration of a disposition without the written consent of the manager. That would be a very significant intervention in the property rights of the landlord, which might be thought to go beyond the scope of Pt II, LTA 1987. As the Tribunal has repeatedly stated, a management order should be proportionate to the purpose for which it is imposed (Senadine Properties Ltd v Heelis [2015] UKUT 55 (LC); Queensbridge Investments Ltd v Lodge [2015] UKUT 635 (LC)). An order which, in effect, prevented a sale should only be made after careful consideration and never as a matter of routine. If it was decided that such an order was just and convenient, it would be essential that it specify precisely in what circumstances the manager would be required to give consent, such as if agreement was reached with the purchaser that it would treat itself as being bound by the management order, or if the majority of lessees indicated that they were content for the purchaser to assume responsibility for management. The manager might also be directed that, if called upon to give consent, or if specified conditions were not satisfied, an application should be made to the FTT for directions."

- 34. These comments were *obiter* and not strictly binding but they are persuasive.
- 35. It is accepted that there may be cases where it is necessary and appropriate to prevent a defaulting landlord from disposing of its interest in the premises over which a manager has been appointed. But such cases will be the exception and should be very rare. For example, a defaulting landlord should not be allowed to avoid a management order by transferring its interest to an intra-group company. The facts of this case are, however, very different.

Whether the Manager should apply for a restriction in the instant case

36. The Manager seeks a restriction in Standard Form N purportedly: "to ensure that the Respondent satisfy [sic] any obligations to pay outstanding service charges due from it." It is not understood what is

meant by this as the Manager is not under any obligation, whether pursuant to any provision in the management order or otherwise, to make payments to the Manager. It is striking that the Manager does not allege that the Respondent owes any amounts payable under the management order to the Manager – this is because no demands for payment have in fact been made and the Respondent is not in arrears. The real reason for the application, as is clear from paras 11 to 13 of the Manager's statement of case, is to prevent the Respondent from selling the Premises to a third party who will not be bound by the order. On the facts of this case, that is not a legitimate reason.

- 37. It is submitted that the Manager should not be directed to apply for a restriction in Form N for the following reasons:
  - (1) The purpose of the management order is to provide the management functions which the lessees are entitled to enjoy under their leases. It is not to punish the Respondent or otherwise prevent it from dealing with its property.
  - (2) A restriction in Standard Form N would prevent registration of a disposition without the written consent of the Manager. It may make the Premises unsaleable for the duration of the Manager's appointment.
  - (3) That would be a very significant intervention in the Respondent's property rights which (on the facts of this case) goes beyond the scope of Part II of the 1987 Act.
  - (4) No evidence has been adduced that the Respondent owes any amounts payable under the management order to the Manager.
  - (5) In any event, such an intervention would be grossly disproportionate and cannot be justified on the facts of this case.
  - (6) The Respondent has agreed, in principle, to sell its interest in the Premises (together with other property) to a third party for £3m. The qualifying tenants have been offered the right of first refusal under Part I of the 1987 Act. Thus, the Premises are likely to be sold to either the requisite majority of qualifying tenants or a third party pursuant to a genuine arm's length transaction.
  - (7) The grounds in s.24(2) could not be made out against the prospective purchaser and it is therefore difficult to see the basis on which the Manager (or the tribunal) could legitimately object to the purchaser being registered as the proprietor without being bound by the management order.
  - (8) It must follow that there is no basis for directing the Manager to apply for a restriction in form N.

- (9) Further and/or alternatively, it would not be just and convenient to make such an order.
- 38. The Respondent therefore submits that para 42 of the Decision should be deleted. Alternatively, the order should provide for the Respondent to give notice of any proposed disposition of the Premises to the Manager and for para 42 to provide that the Manager must apply for a restriction in Standard Form L. This would mean that the purchaser would have to sign a certificate confirming that the requirement to give notice of the proposed disposition to the Manager had been complied with before it was registered as the proprietor.
- 39. In oral submissions Mr Upton argued that a restriction in Standard Form L is redundant in this instance as the Applicant is fully aware that the property is in the process of being sold and that there would be nothing to prevent the purchaser signing such a certificate.
- 40. He emphasised the tentative nature of the Applicant's claims of the Respondent's liability for outstanding service charges and pointed out that these were not made in the Applicant's statement of case in this matter. He argued that it would be wrong in principle to make an order where there is no liability, which is the situation here.

## The response of the Applicant

- 41. The Applicant argues that the form of restriction in Form L proposed by the Respondent will provide no protection at all for the lessees and is entirely toothless. He reminds the Tribunal that its task is to strike the appropriate balance between the interests of Respondent and the interests of the lessees.
- 42. He argues that the form of restriction in Form N proposed by the Applicant will allow him to refuse him to refuse to give his consent to the registration of the transferee and will afford the lessees some protection. However he accepts that the Tribunal may take the view that the restriction in Form N proposed by the Manager is too proscriptive and too restrictive of the Respondent's right to dispose of its interests in the Property.
- 43. He suggests an alternative form of wording:

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, is to be registered without a written consent signed by Michael Maunder Taylor of Maunder Taylor, Brosnan House, Byng Drive, Potters Bar, Hertfordshire, EN6 1UR or an order of the First-Tier Tribunal (Property Chamber) pursuant to s.24(9) of the Landlord and Tenant Act 1987 that the entry of this restriction shall be cancelled.

- 44. Such wording would strike a balance between the interests of the Respondent and the lessees. If the Respondent considers that the Manager is wrongly withholding his consent to the registration of the disposition, it would allow the Respondent to apply to the Tribunal for an order under LTA 1987 s.24(9) that the entry of the restriction shall be cancelled.
- 45. The Applicant accepts that there is no current liability but the wording proposed would protect the lessees from any potential liability which might otherwise be avoided if the Respondent sells his interest prior to the review hearing.

## The Respondent's response

- 46. The Respondent was not persuaded of the merits of the Applicant's proposal. In essence what was being suggested was a Form N restriction with the Tribunal acting as a safeguard that the Applicant would act reasonably. He reminded the Tribunal that the position is that there is nothing outstanding that the Respondent has been found to owe to the Applicant. The possibilities of liability suggested by the Applicant are all very tenuous and it would not be right in principle to make such an order where there is no liability established.
- 47. He also noted the observation of the Deputy President of the Upper Tribunal in *Urwick & Anor v Pickard* at paragraph 73, that, in practice, it may be that a restriction which made the registration of title dependent on the consent of the manager or the FTT would make the property unsaleable for the duration of the manager's appointment. He argued such a restriction would be a stigma on the property. In summary he argued that a restriction in the form proposed would frustrate the Respondent's ability to sell his interest and would involve the tribunal going beyond the scope of the Act.

#### **Decision of the tribunal**

48. The tribunal determines to vary the order by substituting the following wording for paragraph 42:

### Registration

42. The Manager must register this Order against the Landlord's registered title as a restriction in accordance with section 24(8) of the Land Registration Act 2002, or any subsequent Act that replaces it. The wording of the restriction shall be:

"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 this Order of the Tribunal dated 8th March 2021 have been complied with".

### The reasons for the tribunal decision

- 43. The tribunal finds the arguments of the Respondent persuasive. It does not consider that the case falls into the exceptional category when a restriction in Form N should be registered. It also agrees that the restriction proposed by the Applicant even in its modified form would impact upon the Respondent's ability to dispose of its interest. In the current case where there is no established liability for service charges the tribunal would be acting beyond its powers if it authorised a restriction in terms other than that of Form L.
- 44. The provision above enables the registration of a restriction in form L, which was the intention of the tribunal when it made the original order.

Name: Judge H Carr Date: 16th June 2021

## **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).

#### DIRECTIONS

- 1. From the date of the appointment and throughout the appointment the Manager shall ensure that he has appropriate professional indemnity cover in the sum of at least £1,000,000 and shall provide copies of the current cover note upon a request being made by any lessee of the Property, the Respondent or the Tribunal.
- 2. That no later than four weeks after the date of this order the parties to this application shall provide all necessary information to and arrange with the Manager an orderly transfer of responsibilities. No later than this date, the Applicants and the Respondent shall transfer to the Manager all the accounts, books, records and funds (including, without limitation, any service charge reserve fund).
- 3. The rights and liabilities of the Respondent arising under any contracts of insurance, and/or any contract for the provision of any services to the Property shall upon 15<sup>th</sup> March 2021 become rights and liabilities of the Manager.
- 4. The Manager shall account forthwith to the Respondent for the payment of ground rent received by him and shall apply the remaining amounts received by him (other than those representing his fees) in the performance of the Respondent's covenants contained in the said leases.
- 5. The Manager shall be entitled to remuneration (which for the avoidance of doubt shall be recoverable as part of the service charges of leases of the Property) in accordance with the Schedule of Functions and Services attached.
- 6. By no later than 15<sup>th</sup> March 2022, the Manager shall prepare and submit a brief written report for the Tribunal on the progress of the management of the property up to that date, providing a copy to the lessees of the Property and the Respondent at the same time. This report shall include details of the apportionment of the management fees.
- 7. Within 28 days of the conclusion of the management order, the Manager shall prepare and submit a brief written report for the Tribunal, on the progress and outcome of the management of the property up to that date, to include final closing accounts. The Manager shall also serve copies of the report and accounts on the lessor and lessees, who may raise queries on them within 14 days. The Manager shall answer such queries within a further 14 days. Thereafter, the Manager shall reimburse any unexpended monies to the paying parties or, if it be the case, to any new tribunal-appointed manager, or, in the case of dispute, as decided by the Tribunal upon application by any interested party.
- 8. The Manager shall be entitled to apply to the Tribunal for further directions.

#### SCHEDULE OF FUNCTIONS AND SERVICES

#### **Insurance**

- (i) Maintain appropriate building insurance for the Property.
- (ii) Ensure that the Manager's interest is noted on the insurance policy.

# Service charge

- (i) Prepare an annual service charge budget, administer the service charge and prepare and distribute appropriate service charge accounts to the lessees.
- (ii) Set, demand and collect ground rents, service charges (including contributions to a sinking fund), insurance premiums and any other payment due from the lessees.
- (iii) Set, demand and collect his own service charge payable by the Respondent (as if he were a lessee), in respect of any un-leased premises in the Property which are retained by the Respondent.
- (iv) Instruct solicitors to recover unpaid rents and service charges and any other monies due to the Respondent.
- (v) Place, supervise and administer contracts and check demands for payment of goods, services and equipment supplied for the benefit of the Property with the service charge budget.

#### Accounts

- (i) Prepare and submit to the Respondent and lessees an annual statement of account detailing all monies received and expended. The accounts to be certified by an external auditor, if required by the Manager.
- (ii) Maintain efficient records and books of account which are open for inspection by the lessor and lessees. Upon request, produce for inspection, receipts or other evidence of expenditure.
- (iii) Maintain on trust an interest-bearing account/s at such bank or building society as the Manager shall from time to time decide, into which ground rent, service charge contributions and all other monies arising under the leases shall be paid.
- (iv) All monies collected will be accounted for in accordance with the accounts regulations as issued by the Royal Institution for Chartered Surveyors.

#### Maintenance

(i) Deal with routine repair and maintenance issues and instruct contractors to attend and rectify problems. Deal with all building maintenance relating to the services and structure of the Property.

- (ii) The consideration of works to be carried out to the Property in the interest of good estate management and making the appropriate recommendations to the Respondent and the lessees.
- (iii) The setting up of a planned maintenance programme to allow for the periodic re-decoration and repair of the exterior and interior common parts of the Property.

#### **Fees**

- (i) Fees for the abovementioned management services (with the exception of supervision of major works) will be a fee of £35,000 plus VAT per annum for the Estate and Building. This fee is to be apportioned per flat at the same percentages as the service charge. A schedule of the apportionment to be provided to the Tribunal by 26<sup>th</sup> March 2021. Those services to include the services set out in the Service Charge Residential Management Code published by the RICS. Thereafter the fee shall be reviewed annually in line with inflation.
- (ii) Major works carried out to the Property (where it is necessary to prepare a specification of works, obtain competitive tenders, serve relevant notices on lessees and supervising the works) will be subject to a charge on the basis of a fee of 2% of the cost of the works plus VAT. In respect of any unusually large contract (such as external cladding contracts), the fee shall be a reasonable fee for the work involved and not exceed 2%.
- (iii) An additional charge for dealing with solicitors' enquiries on transfer will be made in the sum not to exceed £250 plus VAT payable by the outgoing Lessee.
- (iv) The undertaking of further tasks which fall outside those duties described above are to be charged separately at an hourly rate ranging as follows:
  - M H Maunder Taylor: £200 per hour plus VAT
  - Senior Property Manager: £175 per hour plus VAT
  - The time of employed Property Managers for additional responsibilities to be charged at £125 per hour plus VAT.

### **Complaints procedure**

(v) The Manager shall operate a complaints procedure in accordance with or substantially similar to the requirements of the Royal Institution of Chartered Surveyors.