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HM Courts  
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Service

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL**

**LANDLORD AND TENANT ACT 1987 – SECTION 24**

**Ref: LON/00AN/LAM/2011/0020**

**Property:** 518, Fulham Palace Road, London, SW6 6JE

**Applicant:** Miss V Hounsell (Flat 2)

**Appearances for  
the Applicant:** In person

**Respondent:** 518, Fulham Palace Road Limited

**Appearances for  
the Respondent:** Mr L Dowdell (Flat 1)  
Ms P Robjent (Flat 3)

**Date of Hearing:** 18<sup>th</sup> April 2012

**Tribunal:** Mrs Bowers (Chairman),  
Mr Taylor FRICS

**DECISION**

An order is made under section 24(1) of the Landlord and Tenant Act 1987, in the terms attached appointing as Manager Ms Mary-Anne Bowring, FBEng, FIRPM, MRICS as manager of the subject premises for a period of 3 years.

## **Introduction**

1.) An application was made for an appointment of manager, under the provisions of the Landlord and Tenant Act 1987(the Act). An initial hearing was held on 12<sup>th</sup> January 2012 and a decision was issued on 22<sup>nd</sup> February 2012 with additional Directions.

## **Background**

2.) The freehold owner of 518, Fulham Palace Road (the subject property) is 518, Fulham Palace Road Limited. There are three flats within the subject property and each of the leaseholders of the three flats hold shares in the Respondent company.

3.) This matter came before the Tribunal and an initial decision was issued on 22<sup>nd</sup> February 2012. The Tribunal determined that it would be just and convenient to appoint a manager pursuant to section 24(2)(a)(ii) of the Act.

4.) The proposed manager did not attend the initial hearing. Therefore it was necessary for the Tribunal to make additional Directions and to arrange a further hearing so that the proposed manager would be able to attend.

## **Hearing and Representations**

5.) A hearing was held at 10, Alfred Place, London on 18<sup>th</sup> April 2012. The landlord company, 518 Fulham Palace Road Limited, was represented by Mr Dowdell, and Ms Robjent. The tenant applicant, Miss Hounsell represented herself at the hearing. In addition the proposed manager Ms Bowring attended the hearing to give evidence to the tribunal. There were written representations from the parties. The Tribunal had full consideration of the submissions in reaching its decision.

6.) The tribunal was provided with a CV for Ms Bowring, a statement of the competence and experience of her practice at Ringley Chartered Surveyors; details of properties where directors of Ringley are appointed as managers under section 24 of the Act; a generic management plan; a manager's menu of services and charges and a draft management order.

7.) Ms Bowring explained her past experience and was of the opinion that as a Building Engineer, she would be able to facilitate the necessary works needed to the subject property. She is aware of that there may be some work needed to the building and that there were some doubts in respect of the insurance policy that will

need to be resolved. It was acknowledged that there was some historic confusion and difficulties between the parties and some time would be needed to fully identify the issues and determine the way forward. It was identified that a proper accounting system needed to be established to ensure collection of service charge contributions. Ms Bowring acknowledged that the circumstances surrounding the top floor flat would need to be investigated to ensure that all matters are regularised.

8.) Ms Bowring's fees for management if appointed would be £1,500 plus VAT per annum. She set out a schedule of the work covered by that fee, and a list of services excluded from the fixed rate block management fee, and the rates chargeable thereon. Due to some outstanding issues it was anticipated that there would be some additional work in excess of the normal scope of the manager's role. Ms Bowring indicated that ideally the appointment would be for five years, but felt that due to the extent of the problems the period of her appointment should not be less than three years.

9.) Ms Robjent expressed her concern of the costs that were being proposed, especially as her flat was to be subject to a review of the planning, building and consent issues. Mr Dowdell acknowledged that the building had not been decorated; that there had been an irregular service charge collection and there are outstanding works to the property. He confirmed that he had no problems with Ms Bowring, but considered that a managing agent is inappropriate for such a small building.

### **Tribunal's Determination**

10.) The Tribunal has given particular care to its decision as it is not usual to appoint a manager in respect of a block of three flats. However, we are satisfied that the circumstances of this application are sufficient to justify this unusual step. There is currently a lack of trust between the parties and a breakdown in communication. In order to ensure that the building is put into repair and that all issues are regularised, the best course of action is the appointment of a manager. Ms Bowring's professional experience was not in dispute. Having considered the documentary and oral evidence the Tribunal considered Ms Bowring to have ample knowledge and professional experience to discharge the role of appointed management. The Tribunal was satisfied as to Ms Bowring's independence from the parties and her professional objectivity in respect of the management of this property.

11.) Accordingly, the Tribunal is satisfied that it is just and convenient to make an order in the terms attached, and that Ms Ringley is a fit and proper person for an appointment as manager.

12.) The Tribunal's decision regarding Ms Bowring's appointment does not amount to a determination that all sums expended in execution of the tasks in the management plan are reasonable and reasonably incurred.

13.) The parties are reminded that, notwithstanding the order appointing a manager for 3 years, by virtue of section 24(9) any interested person may apply for the variation or discharge of the order within that time.

14.) The Respondent confirmed that any costs in relation to the current application, would not be added to any future service charge accounts. Whilst the Tribunal is grateful for that confirmation, it also makes an order under section 20C of the Landlord and Tenant Act 1985 preventing the landlord's costs of these proceedings from being added to the service charge.



Chairman  
Helen Bowers

19<sup>th</sup> June 2012

**ORDER OF THE LEASEHOLD VALUATION TRIBUNAL ON AN APPLICATION  
UNDER SECTION 24(1) OF THE LANDLORD & TENANT ACT 1987**

**Case Reference:** LON/00AN/LAM/2011/0020

**Premises:** 518, Fulham Palace Road, London SW6 6JE

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**Applicant:** Miss V Hounsell (Flat 2)

**Respondent:** 518, Fulham Palace Road Limited

**Date of hearing:** 18<sup>th</sup> April 2012

**Appearance for Applicant:** Miss V Hounsell

**Appearance for Respondents:** Mr L Dowdell  
Ms P Robjent

**Leasehold Valuation Tribunal:** Mrs H C Bowers MRICS  
Mr M Taylor FRICS

**Date of decision:** 19<sup>th</sup> June 2012

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**ORDER APPOINTING A MANAGER**

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**UPON the Applicant's application under section 24 of the Landlord and Tenant Act 1987 ("the 1987 Act")**

**AND UPON hearing the solicitor for the Applicants and the Respondent in person**

**AND UPON the LVT being satisfied that it is just and convenient in all the circumstances of this case to make an order pursuant to section 24 of the 1987 Act**

**IT IS ORDERED THAT:**

1. Ms Mary-Anne Bowring, FBeng, FIRPM, MRICS of Ringley Chartered Surveyors, Ringley House, 349 Royal College Street, London NW1 9QS shall in accordance with section 24(1) of the 1987 Act be appointed as manager and receiver (“the Manager”) of the whole of the freehold property known as 518, Fulham Palace Road, London, SW6 6JE (“the Property”). The appointment shall be for a period of 3 years commencing 30 days after the date of this order, unless varied or revoked by further order.
2. The Manager shall with immediate effect exercise in that capacity all the rights of the Landlord and the Manager shall carry out in that capacity all the responsibilities covenants and duties of the Landlord in respect of the leases made between the Landlord and the lessees of the three flats comprised in the Property.
3. The Manager shall comply with all statutory requirements and the provisions of the Service Charge Residential Management Code, Second Edition (published by the Royal Institution of Chartered Surveyors and approved by the Secretary of State pursuant to section 87 of the Leasehold Reform, Housing and Urban Development Act 1993), including the duties of a manager set out therein.
4. Without prejudice to the generality of the foregoing, the Manager shall:
  - a. Be authorised to carry out the following functions and duties:
    - i. To collect and receive any ground rents and to hold them to the Landlord’s order.
    - ii. Collect and receive any insurance premiums payable by the lessees of the Property.

- iii. To arrange and keep in force an insurance policy in accordance with the terms of the lease.
- b. Carry out the following functions and duties:
  - i. To collect and receive service charges and any other monies payable by any of the lessees of the Property save as aforesaid.
  - ii. To administer the service charge account as a trustee pursuant to the statutory trust established by section 42 of the 1987 Act.
  - iii. To carry out the Landlord's obligations under the leases of each of the flats comprised in the Property; including arranging for the remedying of any disrepair which requires attention;
  - iv. To receive, consider, grant or otherwise deal with all applications for consents of whatever nature arising as to dealings, alterations or any other matters requiring the consent of the Landlord as far as such consents relate to the lessees or their flats;
  - v. To produce service charge accounts not less frequently than once a year and to serve the same on the lessees of each of the flats in the Property.
  - vi. enforce Lessees' covenants; and
  - vii. comply with all statutory requirements including those set out in the Landlord and Tenant Acts 1985 and 1987 as amended, including those relating to the statutory consultation for major works.
  - viii. Ensure that an insurance policy in accordance with the terms of the lease is arranged and kept in force, either by the lessees or by the Manager, and that the Manager's interest is noted upon it.
- 5. The Manager's remuneration shall be paid to her by the lessees of the Property in accordance with the provisions in each lease provided that the standard charge shall be fixed at £1,500 plus VAT per annum for the Property to be increased annually in line with changes to the Retail Price Index or by 5% for the duration of the appointment and provided that there shall be no separate set-up charge. Additional charges shall be paid to her according to

the Manager's Menu of Services and Charges set out in the Schedule to this Order.

6. The Manager's appointment shall include the fulfilling of the landlord's obligations to ensure leaseholders comply with the terms of their respective leases and the costs of any action to enforce the same being rechargeable as administration charges subject to the rights and remedies for leaseholders as set out in Section 166 of the 2002 Act. The Manager shall be able to recover from the landlord her costs on account of such action whilst it is ongoing.
7. The Manager shall ensure that a policy of professional indemnity insurance and public liability insurance is maintained to cover her obligations and liabilities as manager and receiver.
8. The Manager shall register this order against the landlord's freehold title in accordance with section 24(8) of the 1987 Act.
9. By 18<sup>th</sup> December 2014, the Manager will report to the Tribunal as to progress of their management arrangement for the Property.
10. The Manager, and any party to the proceedings, shall have permission to apply for further directions to give effect to this Order or for its variation.

Signed  .....

Mrs H C Bowers, Chairman

18<sup>th</sup> June 2012



## **MANAGER'S MENU OF SERVICES & CHARGES**

### **FEE BASIS - MANAGEMENT PACKAGE**

<b>Annual management fee</b>	The greater of £200 per unit or The Ringley Group's minimum fee of £1,950 per annum the Agent shall be entitled to retain any commission received by him for arranging insurance(s) in respect of the Property, without accounting to the Client.
<b>And</b>	
<b>Supplement for managing metered utilities</b>	Additional fees for reading gas meters & separately accounting this to the individual properties: <b>£350</b>  Additional fees for reading water meters & separately accounting this to the individual properties: <b>£350</b>
<b>Supplement for running automated payroll</b>	<b>£250</b> to include: Wage slips, Annual Employers PAYE Return P35 & accounting monthly payments to revenue authorities.
<b>Supplement for P11D's</b>	<b>£100</b> for P11D's where a porter has accommodation in connection with their employment, land telephones with private usage or vehicles or other benefits in kind or personal expenses reimbursed.
<b>Preliminary enquiries</b>	Dealing with preliminary enquiries from <b>£170 + Vat</b>  Registering notices of assignment, including notice of mortgage from <b>£60 + Vat</b>

### **Services excluded from the fixed rate Block Management Fee**

- a) carrying out an inspection of the Property (other than the common parts thereof), or a building survey or valuation of the Property for security purposes, or preparing or checking an inventory;  
Single Item Defect Report - from **£350 + Vat**  
Building Survey - from **£850 + Vat**  
Asset Valuation - from **£400 + Vat**  
Freehold Enfranchisement valuation - from **£600 + Vat**
- b) offering vacant property to let, preparing tenancy agreements, advising the Client on rents, consulting Rent Officers and making submissions to the Rent Assessment Committee, advising the Client on the terms of any lease or negotiating the terms of any new or varied lease.  
  
Preparation of Tenancy Agreement - **£150 + Vat**  
Finding a tenant for a residential letting - **8% of the annual rent**  
Preparation of evidence and Rent Officer applications - from **£400 + Vat**  
Preparation of Deed of Variations to extend or vary a single clause in a lease - from **£400 + Vat**
- c) advising on right to manage, freehold purchase/enfranchisement applications and/or the sale of shares in any Freehold company to non freehold owners or any non demised parts of the building, including preparing statutory valuations, service of notices, formation of right to manage and/or freehold/management companies, preparation of EGM notices, attendance at meetings, changes to the company structure (Memorandum & Articles of association) to facilitate any grant/issue/allocation of shares, sale of shares, managing a bank account for the purpose, negotiating premiums, advising on how to deal with/allocate the proceeds of sale including grant of dividends, advance corporation tax and executing deed of variations to grant lease extensions:  
  
Right to Manage Applications - Serving participation notice - **£100**  
Right to Manage Applications - Serving claim notice - **£250**  
Lease Extensions valuation - from **£300 + Vat**

Freehold Enfranchisement valuation - from £600 + Vat

Serving Notice for information or to claim rights for enfranchisement or lease extension - from £250 + Vat

Preparation of Deed of Variations to extend or vary a single clause in a lease - from £400 + Vat

Checking constitution of a company, calling a meeting & drafting changes to the Memorandum & Articles of Association to enable shares to be sold in the Freehold Company or disposal of part of the building - £250 + Vat

Formation of a RTM or RTE Company - £160 + Vat

Negotiation on enfranchisement and right to manage matters - £150 per hour

d) post questionnaire or board resolution to vary a defective lease clause under S37 of the 1987 Landlord & Tenant Act to draft replacement lease clauses, prepare a case for Leasehold Valuation Tribunal and register changes to the lease with HM Land Registry;

Preparation of Deed of Variations to extend or vary a single clause in a lease - from £400 + Vat

e) initiating or responding to, conducting, negotiating with the parties, preparing evidence for and attending hearings or Leasehold Valuation Tribunal and otherwise dealing with any rent review, party wall proceedings, application for a grant or for consent, insurance claims, arbitration or litigation;

For LVT, Court Work, Arbitration or Litigation hourly rate applies, from £80-£150 depending on grade of person attending

Rent review initial report - from £350

Rent review negotiations - greater of £600 or 10% of the new rent agreed

Party Wall Act work - from £750 per award

f) preparing statutory notices to include consultation notices to comply with landlord & tenant legislation

Service of Section 20 Notices - fees depend on value of works

Stage 1 - from £100 + Vat

Stage 2 - from £250 + Vat

Stage 3 - from £100 + Vat

g) dealing with 3<sup>rd</sup> party company secretaries to maintain the legal ownership registers where notice of transfer is not received from a purchaser on sale and detective work is required to trace sales that are not notified to us, dealing with non panel accountants or an accountant who will not visit our offices to view bank, invoice & other audit records to which a time charge for copying original records will apply.

Hourly charge as per time taken, rate depends on expertise of staff involved from £80 - £150 per hour

h) dealing with local government matters including registration of Houses in Multiple Occupation, council tax valuations, planning permission, building regulations consent and grant applications;

Hourly charge as per time taken, rate depends on expertise of staff involved from £80 - £150 per hour

i) advising on or assisting with enforcing contracts where the contracting parties do not include the Client/Client Company, or where Ringley were not the appointed managing agent/contract administrator at the time hence researching time is required,

Hourly charge as per time taken, rate depends on expertise of staff involved from £80 - £150 per hour

j) supervising and verifying the performance of contractors or other professional consultants whose work would normally require verification by a Surveyor, i.e. where repair or improvement works are procured via an informal tender situation as opposed to a project run by an Engineer under a JCT contract,

Fee basis the greater of an hourly rate fee for acting on the instructions of the Client or 5% whichever is the greater.

k) acting as liaison between Directors, Lessees for capital works projects on which Ringley are not appointed as Contract Administrator including the co-ordination of outside consultants, contractors.

Fee basis for such works to be remunerated at - Value of works £1-£50,000 - 3%, £50,000-£100,000 - 2.5%, £100,000-£200,000 - 2%, £200-£300,000 - 1%, £300,000+ - 1.5%

l) preparing specifications for tender, supervising and measuring works the cost of which exceeds the specified expenditure limits and for non-routine matters and where expenditure is in excess of the limits contained in the Landlord and Tenant Acts 1985 and 1987 or as subsequently amended;

From 8-15% of the value of the works, chargeable £1,000 for specification, £750 for tender analysis with balance drawn down as job milestones reached.

- m) advising on safety or health matters to any part of the property including Access Audits, compliance with the Disability Discrimination Acts, Water Treatment or other requirements laid down by insurers, the Local Fire Officer or local government;

Hourly charge as per time taken, rate depends on expertise of staff involved from £80 - £150 per hour

- n) complying with requirements on Clients by their insurers or health & safety legislation insofar as they relate to the waste, neglect, negligence, lack of repair or compliance with IEE, gas safety or water regulations as applicable to individual flats;

Hourly charge as per time taken, rate depends on expertise of staff involved from £80 - £150 per hour

- o) after notifying a lessee in writing 2 times of a potential breach of covenant, preparing repairs and/or breach of covenant or forfeiture notices is chargeable;

Charge to lessee in default, legal letter £20 + Vat

Letter setting out breach of specific clauses in the lease - £105 + Vat

Section 146 Notice - £200 + Vat

- p) any advertising and recruitment of staff on behalf of the Client;

Disbursements as passed on by newspaper or advertising media

- q) supplying extra copies of statements of account and copies of any other documents.

Copy charge at 10pence per sheet + hourly rate for administrative time incurred at a maximum of £80 per hour

- r) if the Client is a company, acting as Company Secretary:

1-5 flats - £210 + vat per year

6-20 flats - £260 + Vat

20+ flats - £260 + £6 per additional flat > 20 flats

- s) dealing or advising upon applications for assignment of tenancies or leases, sub-lettings, alterations and changes of use.

Surveyors Pre works determination - this is a desk based determination whereby a Building Engineer / Building Surveyor to confirm that the works require a structural assessment or ruling that works as whole will not adversely affect the structure of the building. Our fees for stage 1 are: £150 + Vat (£176.25)

Structural Assessment - if required

Building Surveyor / Building Engineers inspection / tracing all load bearing walls or mapping external wall openings through the entire building to enable an impact assessment of the loading and load transfer impact of your proposals. This may be desk based where we have lease / design plans of all units otherwise your co-operation to organize access with neighbours will be necessary. Fees are based on our hourly rate of £150 per hour.

Legal fees for preparing the Licence to Alter - Our fees for stage 3 are: £250 + Vat (£293.75)

Inspection Fees - Where works are 'structural' a final inspection is always required. Depending on the risk of the works to other parts of the building it may be a requirement of the Licence that temporary works are inspected and/or other inspections during the course are made to ensure works are effected safely so as not to prejudice the integrity of the remainder of the building. This allows for inspection during the construction phase for the project and allows to ensure that structural supports necessary are actually installed. Our fees for stage 4 are at our hourly rate of £150 per hour.

- l) providing copies (other than odd 1 off copies) of supporting invoices or other property records. All property records and invoices will be made available for inspection at our offices during working hours with or without appointment at no charge

Copy charge at 10pence per sheet + hourly rate for administrative time incurred at a maximum of £80 per hour

- ul) Ringley has a panel of accountants who, if appointed, will inspect Client bank statements, invoices, paying in book, cheque book stubs, bank reconciliations and other relevant information on site at Ringley House. Where a Client chooses a panel accountant no charges will be made for taking copies of the Client's full financial records for collection or despatch, otherwise the copy charge below, subsequent revision thereof, will apply.

Copy charge at 10pence per sheet + hourly rate for administrative time incurred at a maximum of £80 per hour

## STATEMENT OF TRUTH

To the best of my knowledge and beliefs, I believe that the facts stated in this application are true.

Signed:

  
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Dated:

5<sup>th</sup> March 2012  
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