2

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

10316

| Case reference | : | LON/00AZ/LAM/2014/0006 |
|------------------------------|---|---|
| Property | : | 15 Ravensbourne Park, London SE6 4XU |
| Applicant | : | Mr B Dunwell (Flat 2) Mr D. E Hall (Flat 3) |
| Representative | : | The applicants in person |
| Respondent | • | Grounds Rents (Regis) Limited |
| Representative | : | Mr Bland, legal executive |
| Type of application | : | For the appointment of a manager |
| Tribunal members | : | Judge S O'Sullivan Mr P Tobin FRICS Mrs R Turner JP |
| Date and venue of hearing | : | 10 Alfred Place, London WC1E 7LR |
| Date of decision | : | 5 June 2014 |
| | | |

DECISION

Decisions of the tribunal

- The tribunal appoints Mr Moore as manager of the property known as
 15 Ravensbourne Park, Catford, London SE6 4XU for the period 1
 July 2014 to 31 December 2016 on the terms of the Management
 Order attached hereto.
- (2) The tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the landlord's costs of the tribunal proceedings may be passed to the lessees through any service charge.

Background

- 1. This case involves an application by Mr B Dunwell and Mr D Hall ("the Applicants") for the Appointment of a Manager in respect of the property at 15 Ravensbourne Park, London SE6 4XU ("the Property"). The property comprises a converted Victorian semi-detached house, converted into six flats. Three of the flats are retained by the landlord and are let on regulated tenancies.
- 2. A section 22 Notice was served on 9 December 2013. To summarise the position, the allegations are that Respondent landlord is in breach of its obligations under the lease, has made unreasonable service charges, is in breach of the Code of Practice and that there are other circumstances which make it just and convenient to appoint a manager.

Inspection

3. The Tribunal inspected the property (exterior and common parts only) during the morning of 2 June 2014. It comprised a substantial, mid-Victorian house with basement and an attached "cottage". It was of typical contemporary construction for its age, with rendered brickwalls and a pitched, slated main roof.

Hearing

- 4. A hearing of the matter took place at 1230 pm on 2 June 2014. It was attended by the Applicants and their proposed Manager, namely Mr Kenneth Moore of Residential Block Management Services Limited ("RBMS"). For the Respondent was Mr Bland, a legal executive and Ms Vidgoen of Countrywide, the current managing agents.
- 5. Mr Bland confirmed that the landlord consented to the appointment of a manager.
- 6. The tribunal heard from Mr Moore as to his management experience. RBMS was established in 2002. He had prepared a helpful question and answer document which provided information about RBMS and the services they provide. The company currently managed some 300 developments comprising approximately 3,500 units. He has been

appointed manager by the tribunal in respect of three other properties. We also heard that if appointed he would propose setting up an initial meeting with leaseholders to agree priorities. Once appointed he would plan to visit the Property every 2 months. The company had four designated property managers who were split by geographical location supported by various support staff.

- 7. The issue of apportionments under the lease was discussed. The lease provided that the proportion payable by the leaseholder was to be calculated by dividing the aggregate of the landlord's expenses and outgoings by the rateable value of all of the flats and multiplying the resultant amount by the rateable value demised by the lease. There had been some dispute previously as to the whether the apportionments charged had been made by reference to the rateable value. On a previous application under section 27A of the Landlord and Tenant Act 1985 a differently constituted tribunal had held Mr Dunwell's contribution should be limited to 10% in the absence of correct rateable values. In the bundle the tribunal had a table showing what was said to be the rateable values of each flat and the apportionments to be adopted. These rateable values ranged from 157,000.00 to 215,000.00 and were heard to have been obtained from Thames Water by Mr Dunwell. These figures appeared to be flawed to the tribunal as being excessive for rateable values although it may well be that the correct figures ranged in fact from £157 to £215. In any event the addition of these noughts had no effect on the actual apportionments. Both leaseholders confirmed that they accepted that the apportionments as set out in the table in Mr Bland's statement at page R6 and that they would be content for Mr Moore to rely on these in apportioning the service charges.
- 8. The tribunal also discussed the issue of the major works which had recently been effected to the Property. Works to the majority of the Property had already been completed and all leaseholders apart from Mr Dunwell had paid their contributions. Mr Dunwell was in dispute in relation to his share. It was confirmed that this dispute would not be a matter for the manager although Mr Moore confirmed that he would be willing to attend a meeting to try and resolve matters. Were further major works to take place these would of course fall to be the responsibility of the Manager.
- 9. The leaseholders requested that the Manager take over responsibility for the insurance of the Property from renewal in July 2014 and Mr Bland confirmed the landlord's consent to this. Mr Moore confirmed that there would be no additional charge for his time spent in arranging insurance.
- 10. Mr Moore asked that the landlord should continue to collect ground rent and this was agreed by Mr Bland.
- 11. The term of the appointment was discussed. The service charge year is a calendar year. Mr Moore asked that any appointment run from 1 July

2014 to enable him to arrange a transfer of the relevant documents before transfer. RBMS had offered to hold the management fee to a fixed sum of £200 plus Vat until 31 December 2014. All the parties agreed that an appropriate appointment would therefore be for the period 1 July 2014 to 31 December 2016.

Decision

- 12. The Tribunal had the opportunity of hearing evidence from Mr Moore, and is satisfied that he is an appropriate person to act as Manager.
- 13. In so far as may be necessary, the Tribunal finds that, for the purposes of section 24(2)(b) of the Act "circumstances exist which make it just and convenient for the order to be made" these circumstances being the fact that the parties have a long history of dispute between them and that there is an element of mistrust between them. The tribunal also noted that the order is made with the consent of the landlord.
- 14. Accordingly, the Tribunal appoints Mr Moore to be Manager of the Property from 1 July 2014 to 31 December 2016 on the terms of the Order attached hereto.

Application under section 20C

- 15. In the application form the Applicants applied for an order under section 20C of the 1985 Act. Although the landlord indicated that no costs would be passed through the service charge, for the avoidance of doubt, the tribunal nonetheless determines that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge.
- 16. There were no other applications for costs before the tribunal.

Name:S O'SullivanDate:5 June 2014

| 2 | <u>s</u> |
|---------|----------|
| anter . | S. |

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

| Case reference | : | LON/00AZ/LAM/2014/0006 |
|------------------------------|---|---|
| Property | : | 15 Ravensbourne park, London SE6 4XU |
| Applicant | : | Mr B Dunwell (Flat 2) Mr D. E Hall (Flat 3) |
| Representative | : | The applicants in person |
| Respondent | : | Grounds Rents (Regis) Limited |
| Representative | : | Mr Bland, legal executive |
| Type of application | : | For the appointment of a manager |
| Tribunal members | : | Judge S O'Sullivan Mr P Tobin FRICS Mrs R Turner JP |
| Date and venue of hearing | : | 10 Alfred Place, London WC1E 7LR |
| Date of decision | : | 5 June 2014 |
| | | |

MANAGEMENT ORDER

ORDER FOR THE APPOINTMENT OF MR KENNETH MOORE AS MANAGER

- 1. Mr Kenneth Moore of Residential Block Management Services Limited ("the Manager") is appointed Manager of the property for a period from 1 July 2014 to 31 December 2016.
- 2. The Manager shall manage the property in accordance with:
 - (i) the respective obligations of the landlord and the lessees under the various leases by which the flats at the property are demised, and in particular, but without prejudice to the generality of the foregoing, with regard to the repair, decoration, provision of services to, and insurance of the property, and
 - (ii) in accordance with the duties of a Manager set out in the Service Charge Residential Management Code ("the Code") (published by the Royal Institution of Chartered Surveyors and approved by the Secretary of State from time to time).
- 3. He shall receive all sums whether by way of, insurance premiums, payment of service charges or otherwise arising under the said leases.
- 4. The landlord shall continue to collect the ground rent which will be collected by Pier Management Limited.
- 5. The Manager shall have responsibility for insuring the property from renewal in July 2014.
- 6. He shall make arrangements with the present insurers of the building to make any payments under the insurance policy presently effected by the Respondent to him.
- 7. He shall be entitled to the following remuneration (which for the avoidance of doubt shall be recoverable as part of the said service charges in accordance with the leases) namely:
 - (i) A basic annual fee of £200 plus VAT per flat for performing the duties set out in the Code referred to above, and as described in the Management Agency Agreement attached to this Order.
 - (ii) In the case of works falling within the category appearing at Appendix 4 of the Management Agency Agreement, further additional charges shall be recoverable as set out in that Agreement.

2

- 8. Value added tax will be payable, for the avoidance of doubt, in addition to the remuneration mentioned above.
- 9. The Manager shall have liberty to apply to the Tribunal for further Directions, and any interested party is entitled to apply for further Directions during the course of the appointment if so required.

Dated: 5 June 2014 Name: Sonya O'Sullivan