

11926



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

Case Reference : **LON/OOBE/LAM/2016/0012**

Property : **Tower Mansions, 86 – 87 Grange Road, London
SE1 3BW**

Applicant : **Leaseholders at Tower Mansions**

Representative : **Miss K Gray of Counsel and TWM Solicitors**

Respondent : **Tower Mansions Limited**

Representative : **Mr Cunliffe of Counsel and Thakrar and Co
Solicitors**

Type of Application : **Section 24(1) of the Landlord and Tenant Act
1987 for the appointment of a manager**

Tribunal Members : **Tribunal Judge Dutton
Mr Ian Thompson BSc FRICS**

**Date and venue of
Hearing** : **10 Alfred Place, London WC1E 7LR on 16th May
2016**

Date of Decision : **23rd June 2016**

DECISION

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DECISION

The Tribunal with the agreement of both the Applicant and Respondent agreed to the appointment of Mr Warren Dann of Omnicroft Limited, 1 Charlotte Drive, Rainham, Kent ME8 0DA to be the Tribunal-appointed manager for the property at 86 – 87 Grange Road, London SE1 3BW for the period of one year on the terms as set out in the attached order and the appendix thereto.

BACKGROUND

1. In other proceedings between the parties decisions have been made in respect of service charges. We understand also that an application for enfranchisement of the freehold is being made and in the light of that the Respondent, Tower Mansions Limited, the present freeholder, does not object to the appointment of Mr Dan as a manager.
2. Prior to the commencement of the hearing Mr Thompson the Professional member of the Tribunal disclosed he had previous dealings with Omnicroft Limited but neither party made objections.
3. Mr Dann attended the hearing and was able to answer questions which satisfied us as to his ability to take on the role of a Tribunal-appointment manager. Discussions then followed concerning the terms of the management order which included the following:-
 - The fees per unit would be £195 plus VAT.
 - Mr Dann thought a period of appointment of one year would be sufficient, particularly given the enfranchisement proceedings.
 - That the accounts to June 2015 should be handed over as quickly as possible to enable a budget to be prepared so that in the meantime no further demands be made for service charges by Tower Mansions or indeed Mr Ballwinder Dhillon.
 - A demand would be made by Mr Dann on the 1st August 2016 for the year commencing July 2016 although the appointment date should be from 1st June 2016 to enable matters to be put onto a footing so that the service charge years can be retained and the effective duties will come into play on 1st July 2016. It is intended that these 30 days would give time for Mr Dann to receive all necessary information as set out in the directions to the order.
 - The collection of ground rent would be left to Tower Mansions to deal with. The account managing agents are Hilton Fox who will do all they can to assist in the handover of the managership to Mr Dann and provide all necessary documentation as set out in the directions.
4. Attached to the schedule of functions and services is an appendix from Omnicroft Residential Property Management which sets out the works that they will undertake included within the charges. It is recorded that there will be 12 site visits per annum and that there will be a 5% additional charge for overseeing major works and that insurance will be placed by Omnicroft for the year in question.

5. In the light of the agreement the order is as set out attached, confirmation of the appointment having been given to the parties at the hearing on 16th May 2016.

Judge: *Andrew Dutton*

A A Dutton

Date: 23rd June 2016

ANNEX – RIGHTS OF APPEAL

1. 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 at the Regional Office which has been dealing with the case.
2. 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.
3. If the application is not made within the 28-day time limit, such application must include a request to 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.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (ie 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.

**FIRST TIER (TRIBUNAL) PROPERTY CHAMBER
LON/00BE/LAM/2016/0012**

**IN THE MATTER OF TOWER MANSIONS, 86-87 GRANGE ROAD,
LONDON SE1 3BW
AND IN THE MATTER OF SECTION 24(1) OF THE LANDLORD AND
TENANT ACT 1985**

BETWEEN

**ROMY ELIZABETH SUMMERSKILL, NICOLA JANE JEFFRIES, JOHN
WALLACE HEMMANT, VANESSA JULIE DORE, JAGTAR CHIMA, BOB
DEVADAS SAMUEL, LAM FAT & YEUNG KOON LANG, SHUNMUGAM
S/O VEERAMALAI & MUNIAMAH D/O, ROBERT MORLAND SMITH, LO
YEE KAM & KONG WAI CHUN, KENNETH LI, MDM KHADIJAH LIEW
BTE ABDULLAH, MAY LIN LAM, DALJIT MAUDGIL, PHILIP NEIL
NORGATE**

APPLICANT

AND

TOWER MANSIONS LIMITED

RESPONDENT

ORDER FOR AN APPOINTMENT OF MANAGER

Upon the Respondent agreeing to an assignment of its management obligations detailed in the leases of the Property to a Manager appointed by the First- tier (Tribunal) Property Chamber (“Tribunal”).

And Upon the Applicant agreeing to an assignment of the Respondents management obligations to a Tribunal appointed Manager.

And upon the Tribunal finding it just and convenient to appoint a manager under Section 24(2)(b) of the Landlord & Tenant Act 1987 on the basis that a majority of Tenants require a transfer of management obligations from the Respondent to a new manager.

1. In this Order:-
 - A. “The Property” includes all those parts of the Property known as Tower Mansions, 86-89 Grange Road, London SE1 3BW

- B. "The Landlord" means Tower Mansions Limited or its successors in title.
- C. "The Manager" means Warren Dann of Omnicroft Ltd/Omnicroft Residential Property Management of whose registered office is at 1 Charlotte Drive, Rainham, Kent ME8 0DA

It is hereby ordered as follows:-

2. In accordance with Section 24(1) and Section 24(2)(b) of the Landlord and Tenant Act 1987 the Manager shall be appointed as Manager of the Property.
3. The Order shall continue for a period one (1) year from the date of this Order.
4. That the Manager shall manage the Property in accordance with:-
 - (a) The directions and schedule of functions and services attached to this Order.
 - (b) The respective obligations of the Landlord and Tenants in the Leases and/or Underleases by which the Flats at the Property are demised by the Landlord and in particular with regard to repair, decoration, provision of services and insurance of the Property.
 - (c) The duties of Manager set out in the Service Charge Residential Management Code ("the Code") or such other replacement Code published by The Royal Institution of Chartered Surveyors and approved by the Secretary of State pursuant to Section 87 of the Leasehold Reform Housing and Urban Development Act 1993.

Dated this

23rd June 2016

DIRECTIONS AND SCHEDULE OF FUNCTIONS

1. The date of the appointment of Manager will be 1st June 2016("the Date of Appointment").
2. From the Date of Appointment and throughout the appointment the Manager shall ensure that it has appropriate Professional Indemnity Cover in the sum of at least £1,000,000 for any one claim and shall provide copies of the current Cover Note upon a request being made by any Tenant, the Landlord or the Tribunal.
3. The Respondent will arrange for the uncommitted service charge to be transferred to the Manager within 28 working days after the Date that the decision [the Decision] appointing Mr Dann becomes final.
4. The Respondent shall provide the Manager within 14 days the:
 - (i) Last three years service charge accounts
 - (ii) Flat Owner's name and correspondence address
 - (iii) Insurance certificates
 - (iv) Aged Debt Report & Flat Statements for individual flats [subject to the Tribunal's decision in respect of service charges dated 23rd June 2016 becoming final]
5. Within Thirty days of the Date of Appointment or any other date agreed between the Manager and the Respondent, the Respondent will prepare and dispatch to the Manager:
 - (i) Bank closing position – if appropriate
 - (ii) Year End Accounts – if appropriate
 - (iii) Paid Invoices
 - (iv) Unpaid invoices
 - (v) within 28 days of the decision relating to service charges dated 23rd June 2016 becoming final to make Final Payment via BACS (if applicable)
6. The rights and liabilities of the Landlord arising under any Contracts of insurance and/or any Contract for the provision of any services to the Property

shall upon the Date of Appointment become rights and liabilities of the Manager.

6. The Manager shall apply the service charges received by him (other than those representing its fees) in the performance of the Landlord's covenants contained in the said Leases.
7. That it shall be entitled to remuneration (which for the avoidance of doubt shall be recoverable as part of the service charges) in accordance with the Schedule of Functions and Services attached.
8. That the Manager shall be entitled to apply to the Tribunal for further Directions in accordance with Section 24(4) of the Landlord and Tenant Act 1987, with particular regard to the following:-
 - (a) Any failure by any party to comply with paragraph 2 of these Directions above.
 - (b) In the event that there are insufficient sums held by it to pay the Managers remuneration.

SCHEDULE OF FUNCTIONS AND SERVICES

A. Service Charge

Details of the functions and services provided are set out in the attached Appendix.

For the avoidance of doubt the Manager will be responsible for the Insurance of the Property and will make site visits of up to a maximum of 12.

B. Fees

Fees for the above mentioned Management Services to be £195.00plus VATper unit per annum but an additional charge will be made for dealing with the items listed in the Appendix under Additional services and details of the charges for those additional services are set out in the Appendix.

C. Complaints Procedure

The Manager shall operate a Complaints Procedure in accordance with the requirements of The ARMA Mediation Service.

Copy Documentation/ Invoices etc.	Not Included.	Providing copies of any documentation requested by flat owners relating to reports, estimates invoices etc.	27p + VAT per page, plus £20.00 + VAT administration fee.
Meetings	Management Agreement	Additional Services - Chargeable if not included	Extra Fees (plus VAT where applicable)
Directors Meetings/EGM/AGM	Two meetings per annum. If meetings do not take place for whatever reason, then Omnicroft Ltd cannot be asked for a refund in fees. Minutes prepared by Omnicroft, and distributed by email, for amendment/approval. Minutes prepared with the utmost good faith, and unless challenged within 21 working days deemed as final.	Minutes sent by post, if by email no charge.	Hourly rate + disbursements. Where third party is required to attend (e.g. solicitor, accountant, surveyor) third party fees are additional. Client to be advised in advance. Where resident meeting held costs to prepare and distribute minutes to all flat owners. Hourly rate + disbursements. Where minutes of Directors' meetings are required by post, charges for stationery and postal costs apply.
Property Inspections	Management Agreement	Additional Services - Chargeable if not included	Extra Fees (plus VAT where applicable)
Site Visits	Included – up to a maximum of 12 a year.		Hourly rate + disbursements.
24 Hour Emergency Service	Not Included.	24 hour reactive maintenance service due to emergency out of office hours calls.	Hourly rate + disbursements.
Health & Safety	Management Agreement	Additional Services - Chargeable if not included	Extra Fees (plus VAT where applicable)
Risk Assessments	Implementing, maintaining and administering water hygiene regime, asbestos register; portable appliance testing; emergency lighting	Additional charge for arranging Disability Discrimination Act audit and other non-essential Health and Safety Risk Assessments, where applicable. There will be an	Hourly rate + disbursements, plus contractors/specialist and surveyors fees, where necessary.



		fund the works please refer to special levy charges above.	
Planned Property Maintenance /Major Works	Compliance with statutory notification / tendering procedures; cash management; payment of contractors including liaising with client for prior approval.	External building surveyors appointed. To prepare specification of works, obtain tenders, and oversee CDM Rules Health and Safety plus any other required regulations, compile tender report and supervise the works. Surveyor's fees to be advised on the individual project.	<p>Fees are incurred on instruction of project for both Omnicroft Ltd and the appointed Building Surveyor. Non-refundable if project is incomplete. Additional management fee of 5% to be charged on final project costing or pro rata if works are incomplete.</p> <p>Fees payable in advance on agreement of final tender document. Where works are incomplete for whatever reason, fees chargeable on an hourly basis + disbursements.</p> <p>Building Surveyors fees 10-15% + VAT of final contract sum. Building Surveyors fees payable in advance on agreement of final tender document. Where works are incomplete for whatever reason, fees chargeable on an hourly basis + disbursements.</p>
Insurance	Management Agreement	Additional Services - Chargeable if not included	Extra fees (plus VAT where applicable)
Arranging Insurance	Putting in place adequate building, engineering, terrorism or any other insurance as per client instructions. Putting in place adequate Directors'		



	and Officers' Insurance and employer's liability insurance as per client instruction. Note: Omnicroft Ltd receive commission for placement and for the cost of handling claims		
Claims	Dealing with claims/liasing with brokers or insurers or loss adjusters.	If claim is prolonged, fee to be agreed.	
Valuations	Omnicroft Ltd would recommend a valuation every two years. Building Reinstatement Assessment (BRA) recommend a buildings reinstatement valuation to be carried out every three years to meet with ABI recommendations.	Insurance Valuations chargeable.	Cost to be agreed with client.
Administration / Customer Services	Management Agreement	Additional Services - Chargeable if not included	Extra Fees (plus VAT where applicable)
Handover Fee	This is dependent on the state of the records and the timely response from the previous Managing Agent. Omnicroft Ltd would carry out 10 hours of work on handover thereafter chargeable at hourly rate + disbursements.	Irregularities/disputes caused by previous agent resulting in further time to resolve issues.	Hourly rate + disbursements.
Handover Information	Reporting and advising client on any matters they feel need to be highlighted, following review of hand over information given by previous agent, with recommendations.	Following recommendations dealing with issues highlighted.	Hourly rate + disbursements, and any solicitor's fees, professional fees, such as surveyor's fees. + County Court Costs, or any other costs charged by third party.

