

10111



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

**Case Reference** : **MAN/00BN/LAM/2014/0005**

**Property** : **The Princeton 22 Estate, Bold Street &  
Chichester Road South Hulme, Manchester  
M15**

**Applicant** : **Andrew Milne and others**

**Respondent** : **Ian Magenis (Scanlans Property Management  
LLP)**

**Type of  
Application** : **Variation of order appointing manager  
(section 24 LTA 1987)**

**Tribunal Members** : **Sarah Greenan**

**Date of Decision** : **14<sup>th</sup> August 2014**

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**DECISION**

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ORDER FOR THE APPOINTMENT OF A MANAGER

UPON the Applicants having applied for a variation of the order made by the Tribunal on 13<sup>th</sup> August 2013 whereby Ian Magenis of Scanlon Property Management LLP was appointed the Manager of all the dwellings and maintained property as defined in the underleases at 2 – 28 (Even) Chichester Road South Hulme Manchester M15 5QQ and 1 – 11 (Odd) and 15 and 17 Bold Street Hulme Manchester M15 5QR (“the Property”) by the replacement of the said Ian Magenis by Anand Patel of Revolution Property Management Ltd, 1<sup>st</sup> Floor, 121 Princess Street, Manchester, M1 7AG

And upon the said Ian Magennis indicating by a letter dated 24<sup>th</sup> July 2014 that he agreed to such an order being made

And upon hearing the Applicant’s representative Mr Milne in person, and Mr L Birkett of Revolution Property Management having attended the hearing

And upon the Ian Magenis not having attended the hearing

IT IS ORDERED:

1. That the order made by the Tribunal on 13<sup>th</sup> August 2014 is varied by the appointment of Anand Patel of Revolution Property Management as the Manager in place of Ian Magenis.

2. The appointment shall be for the period from 1<sup>st</sup> September 2014 until 31<sup>st</sup> August 2016 ('the Completion Date').
3. The Manager shall manage the Property pursuant to the order set out in Schedule 1.
4. The Head Lessor shall demand and collect all Rent and any other monies payable to it pursuant to the residential underleases.
5. The Respondent shall arrange for the uncommitted service charge to be handed over to the Manager as soon as practicable after the Completion Date. The First Respondent shall provide the New Manager with:
  - a. The last 3 years service charge accounts;
  - b. Cost estimate and matrix;
  - c. Plot Owners name and correspondence address
  - d. Insurance certificates
  - e. Aged debtor report with plot statements
6. Within 90 days of the Completion Date or any other date agreed between the Manager and Respondent the Respondent will prepare and send to the Manager:
  - a. Bank Closing Position
  - b. Final Year End Accounts for 31<sup>st</sup> August 2014
  - c. Paid invoices
  - d. Unpaid invoices
  - e. Final payment via BACS.

Dated this 14<sup>th</sup> day of August 2014

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**MANAGEMENT ORDER - SCHEDULE ONE**

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**ORDER FOR APPOINTMENT OF MANAGER IN RELATION TO THE PRINCETON 22  
ESTATE 2-28 (EVEN) CHICHESTER ROAD SOUTH HULME MANCHESTER M15 5QQ  
AND 1-11(ODD) & 15 AND 17 BOLD STREET HULME MANCHESTER M155QR  
UNDER SECTION 24(2)(b) LANDLORD AND  
TENANT ACT 1987**

Mr Anand Patel of Revolution Property Management Ltd, 1st Floor, 121 Princess Street, Manchester, M1 7AG is hereby appointed the estate manager (the "New Manager") of all the Dwellings and Maintained Property as defined in the Underleases at Princeton 22, 2-28 (even) Chichester Road South Hulme M15 5QQ and 1-11(odd) & 15 and 17 Bold Street Hulme Manchester M15 5QR ("the Property").

1. The New Manager's appointment shall be for the period from the Completion Date to 31st August 2016.

During the period of his appointment, the New Manager shall demand and collect all the Maintenance Expenses payable pursuant to the residential underleases including but not limited to:

- a. Insurance
  - b. Maintenance Expenses
  - c. Arrears of any of the above insofar as the New Manager considers it reasonable to do so.
2. The Head Lessor shall continue to demand and collect all the Rent and any other monies payable pursuant to the residential Underleases.
  3. The New Manager shall be a party to all existing contracts (if applicable) as if it were named as an original party.
  4. The New Manager is to ensure the proper management of the Property and its Maintenance Expenses account, the New Manager shall be entitled to all reports, bank statements, invoices, accounts and other documents relating to the property in the possession or control of the Manager or Former Manager from time to time, its solicitors, accountants, employees or agents (to the extent that legal or litigation privilege does not apply).

5. Upon it being noted that the Head Lessor has no management obligations pursuant to the Underleases, during the period of appointment the New Manager shall carry out the obligations of the Manager in accordance with the provisions of the Underleases and in particular and without prejudice to the generality of the forgoing.
  - 1 He shall establish a Maintenance Expenses account and reserve account for the Property.
  - 2 He shall observe the Manager's covenants under the Underleases with regard to insurance, repairs, services, and alterations to the Property.
  - 3 He shall enforce the Underlessees' covenants.
  - 4 He shall comply with all statutory requirements, including those set out in the Landlord and Tenant Act 1985 and 1987 as amended.
  - 5 He shall comply with the requirements of (1) the RICS Service Charge Residential Management Code (2) any Code approved by the Secretary of State from time to time under s. 87 of the Leasehold Reform Housing and Urban Development Act 1993.
  - 6 He shall comply with all statutory requirements, all relevant Health & Safety Legislation including but not limited to the Housing Act 2004, the Gas Safety (Installation and Use) Regulations 1998 and the Electrical Equipment (Safety) Regulations 1994.
  - 7 He shall be under a duty to account to the Head Lessor for (the Rent and) any (other) monies received and lawfully due to the Head Lessor pursuant to the Underleases.
  - 8 He shall ensure that a policy of professional indemnity insurance (including fidelity cover) and public liability insurance is maintained to cover his obligations and liabilities as the New Manager;
  - 9 He shall hold keys and have full access to all internal and external common parts of the Property;
  - 10 He shall inspect the Property as often as he thinks fit but not less than once per month;

11. He shall recognise, liaise, consult with any Underlessee association and individual Underlessees;
12. He shall give the Underlessee not less than 14 days notice of any meeting (maximum 4 per annum) at which management of the Property is to be considered, which meetings shall be held so far as possible at a time when the Underlessee can attend;
13. He shall ensure that all 'service charge' costs are reasonably incurred and that the services of such are of a reasonable standard.
14. He shall scrutinise all invoices issued in respect of goods and services supplied to the Property to ensure the estate is managed in an economic manner;
15. He shall deal promptly with any tenant's reports of disrepair, the remedy of which is the New Manager's responsibility, in a manner appropriate to their urgency.
16. He shall organise periodic health and safety checks (but not specialist checks and tests) and ensure appropriate risk assessments are in place;
17. He shall arrange and keep in force an insurance policy for the Property in accordance with the Lease;
18. He shall collect and receive any insurance premiums payable by the Underlessee;
19. He shall deal with all insurance claims for the Property as and when they occur and comply with the rules of the Financial Services Authority when carrying out any regulated insurance activities;
20. He shall open a trust account pursuant to section 42 of the 1987 Act to receive and disburse service charge monies;
21. He shall ensure that all monies collected and previously collected for the reserve fund are used for items of long term maintenance only and ensure that a separate statement for the expenses of the reserve fund is issued along with the statement for annual expenses.
22. He shall prepare and serve on the Underlessees annually written notice of the Management estimate of service charges payable for the following 12

months. As a guide, the first estimate is expected to be as per Schedule Two attached to this Order;

23. He shall collect from the Underlessees from time to time such sum as he estimates will be required in the following 6 months, prior to incurring the service charges for the Property.
24. He shall take into account, any annual service charges previously collected by the Manager or Former Manager before making the collection for the first 6 months of the new service charge year which is to run annually from the Completion Date;
25. He shall use best endeavours to collect current and ongoing routine service charge arrears but not action requiring legal work or LVTs;
26. He shall notify the Underlessees of any lack of funds to pay for services or any situation involving three months service charge arrears of £400 or more as soon as practicable;
27. He shall prepare and serve on the Underlessees annually written notice of expenditure incurred during the previous 12 months;
28. He shall prepare and serve on the Underlessees annually written notice of the amount of any additional charge payable in respect of actual costs incurred in the previous 12 months OR the amount due to the Underlessee as a result of any over payment which amount may be retained as a credit in the service charge account;
29. He shall at all reasonable times allow the Underlessees access to all records and accounts appertaining to the management of the Property;
30. He shall report to the Underlessees any terms of the Lease which have been discovered to be restrictive towards the management of the Property.
31. (a) The New Manager shall be remunerated for undertaking the obligations in the underlease and functions listed above, out of the service charge account in the annual sum of not more than £3,800 plus VAT paid at such intervals as he shall determine; the New Manager is entitled to increase the annual fee on an annual basis only and by the latest RPI figure published for the previous 12 month period;

(b) In respect to any additional charges, the New Manager shall be authorised to provide Additional Services and Duties as per Schedule Two attached to this Order. Where the additional charge has not been set, the New Manager shall negotiate an appropriate fee for the work to be done with the Underlessees or the individual underlessee concerned. In default of agreement, either the New Manager or any Underlessee has permission to apply to the Tribunal for further order.

32. The New Manager shall receive, consider, grant or otherwise deal with all applications for consents in the Underlease save for alterations which will be reserved to the Head Lessor. Any existing consents given, shall remain in force without renewal.
33. The New Manager shall be entitled to charge the Maintenance Expenses account a fee for the performance of his obligations under this order calculated in accordance with paragraph 6 Part C of the 6<sup>th</sup> schedule to the underleases.
34. The New Manager will be entitled to appoint, if he thinks fit any Surveyor, Architect, Engineer and other appropriate persons to assist him in carrying out any duties contained in clause 2.5 of the RICS Service Charge Residential Management Code and will be entitled to recover the cost thereof from the Underlessees of the Property through the Maintenance Expenses provided that always such costs are reasonably incurred and that the services of such a person are of a reasonable standard.
35. The Head Lessor, their employees and agents; the Manager and its successors in title; and the Former Manager shall give all reasonable assistance and co-operation to the New Manager while acting in accordance with his duties under this order.
36. The New Manager shall have permission to apply to the Tribunal or any other body for further directions or orders in relation to the above matters.
37. In this order:
  - a. The "Underleases" means all underleases of the residential parts of the Property but which shall exclude the headlease dated 31 May




2000 between (1) The Council of the City of Manchester and (2) Rosedale Property Developments Limited

- b. The "Underlessees" means the residential lessees of each of the Underleases.
- c. The "Head Lessor" means Proxima GR Properties Limited or its successors in title.
- d. The "Manager" is as defined in the Underleases and means OM Property Management Limited formerly Peverel OM Limited or its successors in title
- e. "Maintenance Expenses" and "Maintenance Expense Account" respectively shall be the maintenance contribution and the annual maintenance expense account;
- f. the "New Manager" means Anand Patel of Revolution Property Management;
- g. the "Property" means all the Dwellings and Maintained Property as defined in the Underleases at Princeton 22, 2-28 (even), Chichester Road South, Hulme M15 5QQ and 1-11 (odd), 15 and 17 Bold Street, Hulme, Manchester M15 5QR;
- h. the "Former Manager" means Ian Magenis of Scanlans Property Management LLP.

38. In the event of any ambiguity or contradiction in the powers rights obligations or duties of the Manager, the provisions of the Underleases, Statute and Regulatory bodies shall prevail.

Tribunal Judge:

Dated:

  
14.8.14

## MANAGEMENT ORDER - SCHEDULE TWO

### Annual Service Charges:

	Revolution
	£17,062.56
	ESTIMATE
	Inc Vat
	£14,562
Buildings Insurance Premium	£5,177.56
Terrorism Insurance Premium	£150.00
External Electricity and Bulb Replacements	£600.00
Window Cleaning (Quarterly)	£750.00
Landscaping (Monthly)	£600.00
TV Ariel System	£75.00
Vehicle & Pedestrian Gates	£500.00
General Repairs	£1,000.00
Annual Roof Inspection and Gutter Clearance	£550.00
Bank Charges	£0.00
Accountancy Fees	£550.00
H&S Costs	£50.00
Miscellaneous	£0.00
Insurance excess (S1)	£0.00
Management Fees	£4,560.00
Internal Electricity and Bulb Replacements	£650.00
Cleaning Communal Areas (Monthly)	£750.00
Sweeping of Car Parking Spaces (Monthly)	£200.00
Door Entry System	£250.00
General Repairs	£300.00
Emergency Lighting Tests & Smoke Detector Maintenance	£350.00
Miscellaneous	£0.00
Insurance excess (S2)	£0.00

	Revolution
<b>Total</b>	<b>£3,760.00</b>
	ESTIMATE
	Inc Vat
	£2,830.00
Insurance Revaluation	£190.00
Major Repairs to Access ways, Ducts & Drains	£200.00
Major Repairs to the Electronic Vehicle Gates	£500.00
Major Structural Repairs	£710.00
External Redecoration	£1,000.00
5yr Electrical Testing	£80.00
Health & Safety Audit Fee	£150.00
	£930
Major Repairs to the Door Entry Systems	£200.00
Internal Common Area Redecoration	£300.00
Polishing of the Timber Decking	£330.00
Replacement of Emergency Lighting	£100.00

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ADDITIONAL SERVICES AND DUTIES	CHARGING BASIS
(1) The collection of arrears existing at the time of takeover	No charge
(2) The provision of tenant 'welcome packs' via web portal	No charge
(3) Any additional work entailed, where the information as listed in the Takeover list is not forthcoming	By agreement subject to a maximum of £400 plus VAT
(4) Legal recovery of unpaid service charges or ground rents or action for non-compliance with leases including instructing solicitors and preparing for and attending Court/LVT	Charges will be payable by the defaulter
(5) Carrying out appraisals of reserve funds including surveys of Property and reports	No charge for a simple calculation. Complex surveyor report charged by agreement.
(6) Drawing up and reviewing risk assessment plans. Advising on health and safety matters and other legislative requirements	By agreement.
(7) Management transfer recharge or setup fees	By agreement. Any fees would depend on the extent involved
(8) Insurance: Dealing with any Major insurance claims	No direct charge
(9) Insurance: Preparing replacement cost assessment for insurance valuation purposes on buildings and landlord contents	Quotes for insurance works completed by Revolution are free of charge. Other suppliers may levy charges.
(10) Preparing schedule of dilapidation or condition in respect of individual dwellings	If completed by Revolution there would not be a charge. If report was complex and required external input there could be charges.
(11) Negotiating with local and statutory authorities regarding operation or amendment or improvements to communal services as necessary	All reasonable assistance included within management fee.
(12) Fees for specialist advice on assessment of Major repairs and decoration or other issues	By agreement. The fee would depend upon the extent and nature of the work
(13) Preparing specifications, obtaining tenders and supervising Major works	By agreement. The fee would depend upon the extent and nature of the work.
(14) Preparing and monitoring Major building works not covered by annual contracts, dealing with S20 consultations, including serving the required notices, instructing and liaising with specialist consultants, inspecting work in progress, and handling retentions	As per ARMA - fixed rate of £20+vat per property. OR 15% of total consultation subject to min. fee of £500 +vat.
(15) Responding to pre-contract lease transfer enquiries	No charge
(16) Advising and providing information on the transfer of leases	No charge
(17) Supplying additional copies of the accounts and other documents	Electronic version free of charge, download from portal.
(18) Providing accommodation for meetings and inspection of documents and the facility to make photocopies.	Reasonable photocopying is included in management fee.
(19) Emailing bi-monthly inspection reports to all owners (for inspections made without the use of inspection equipment)	No charge
(20) One off fee per Leasehold for Consent to Sublet	No charge

Revolution Property Management Ltd  
 A company registered in England and Wales.  
 Registered Office: 1st Floor, 121 Princess Street,  
 Manchester, M1 7AG. Registered No: 05877457.





## REVOLUTION'S TEMPLATE TAKE OVER LIST

### THE PROPERTY

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

### INSURANCE

- Contact details of current broker/insurers
- Original of schedule and policy for the property
- Details of most recent valuation of the property
- Summary of claims history over past three years
- Files on open insurance claims agreement on who will handle such
- Details of third party and employer's liability (including current and all previous certificates for employer's liability where employer is not changing)
- Originals of mechanical engineering insurance and the last three years' inspection reports.

### CONTRACTS AND CONTRACTORS

[Refer also to ARMA Guidance Note 30 on Right to Manage Insurance and Contractor Notices]

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

### THE LESSEES

- Original or copies of all leases and deeds of variation and other licences etc
- Copy of any current house rules
- Details of any ongoing assignments
- Names and contact details of all lessees, including those who are not resident
- Details of any sublet flats and their occupants
- Schedule of ground rents payable
- Schedule of service charge apportionments per unit.

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## LEGAL

- Details of any current disputes whether involving lessees, contractors or other parties
- Details of any current or impending litigation whether for or against the Client
- Details of solicitors employed.

## ACCOUNTING INFORMATION

- Certified service charge accounts for at least the last three years and preferably six years or longer
- Copy of the current service charge budget
- Bank statements relating to lessee and client monies for the property
- A reconciled copy of the cash book
- Service charge balances and statements
- Paid contractors' and suppliers' invoices for the current period and previous years (Note: the receipts and invoices to support service charges belong to landlord so, if the agent changes, all years held should be handed over. LVT's can now go back many years if a challenge is made by lessees.)
- Outstanding contractors' and suppliers' invoices
- Reconciled trial balance and supporting schedules made up to the date of the handover
- A cheque for the balance of funds in hand
- Method of payment used by each lessee
- Agreed payment plans for arrears if an.
- Copy correspondence about any outstanding arrears.

## STAFF

- Copies of any Contracts of Employment along with job descriptions
- A full record of each person's employment history
- Details of any disciplinary action taken or other special circumstances
- PAYE records for the current period and the previous years if appropriate

## MISCELLANEOUS

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

## HEALTH AND SAFETY

- Copy of any Risk Assessments carried out
- Copy of any accident records
- Copy of asbestos register
- CDM file if appropriate

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