

RESIDENTIAL PROPERTY TRIBUNAL SERVICE

LEASEHOLD VALUATION TRIBUNAL

Case number : CAM/33UF/LVM/2006/0001

Property : **Trafalgar Court, 42 Cromer Road, Norfolk NR11 8DB**

Application : For variation of an order appointing a manager [LTA 1987, s.24]

Applicant(s) : Robert Wells, 2 Duke Street, Norwich NR3 3AJ

Respondent(s) : See attached sheet

DECISION (VARIATION OF MANAGEMENT ORDER)

Handed down Thursday 25th May 2006

Tribunal : **G K Sinclair (Chairman) & R W Marshall FRICS FAAV**

Hearing date : **Thursday 25th May 2006**

1. By an Order dated 30th May 2003 Mr Robert Wells was appointed as Receiver & Manager of the above property for a term of three years. At the time it was anticipated by the tribunal that he would be able to proceed reasonably promptly with preliminary steps towards the execution of major roofing and other works at the property. For reasons set out in various tribunal decisions since that date such optimism proved unfounded.
2. Only recently has the Receiver & Manager been able to collect in approximately £500,000 towards the cost of the works and appoint a contract supervisor. The next stage is the drawing up and submission of tenders to appropriate contractors. There is therefore much to be done.
3. In these circumstances the Receiver & Manager applies for the continuation of his term of office for a further three years. The freeholder and the majority of the leaseholders have also expressed their consent to the extension of the Receiver & Manager's term of office, the only issue being its length. No objections to the extension of the Receiver & Manager's term of office have been received by the tribunal from any leaseholder or other person affected.
4. On behalf of the freeholder Mr Sharma suggests that the appointment be extended only until the conclusion of the major works, not for a fixed period of three years. There are, in the tribunal's view, several problems with that proposal :
 - a. The freeholder may be adopting too optimistic a view of when the works may finish. If they take longer than three years then the appointment would continue indefinitely, and the tribunal would prefer to be in a position to ask for a progress report and review the situation
 - b. How one defines the "completion" of the major works is open to argument.

- Does it mean when the contract supervisor signs off the work and the contractor vacates the site, or does one include the subsequent snagging period?
- c. Various contractor's bills may be submitted following practical completion, or adjustments may need to be attended to; a process which could take months. During this period continuity of control should be maintained
 - d. Insofar as the provision of other services under the lease are concerned, the Receiver & Manager would not know in advance precisely how long his tenure may last, which could well affect his ability or willingness to enter into long or medium term maintenance agreements, etc
 - e. Splitting the management functions between different managers or agents part-way through the one accounting year would add unnecessary complexity and the potential for confusion.
5. For the reasons set out in the application, which is not opposed, the tribunal is prepared to amend the current management order by extending the current Receiver & Manager's term of office.
6. For the reasons set out above the tribunal considers that it is more appropriate to do so for a fixed period rather than the indeterminate one put forward (although not with any great force) by the freeholder.
7. The existing Order dated 30th May 2003 is therefore amended by deleting, in line one of paragraph 3 of the Order, the words "...for a period of 3 years (the management period)..." and inserting in substitution the words "...for a term expiring on 29th March 2009 (the management period)..."

Dated 25th May 2006



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Graham Sinclair – Chairman
for the Leasehold Valuation Tribunal