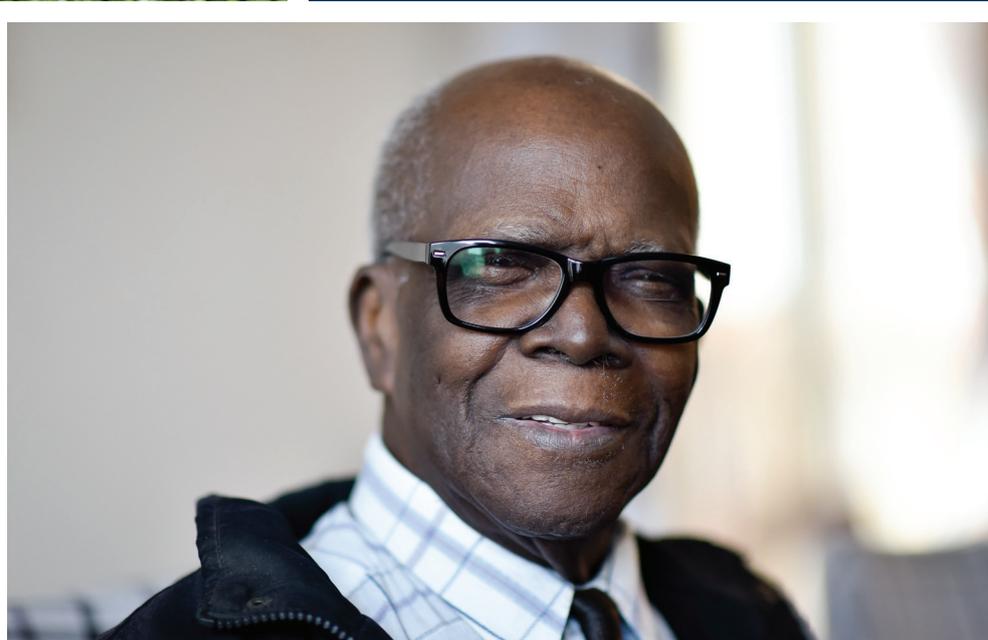




Management services
for homeowners



Management services for homeowners

At Housing 21 we want to ensure you receive a high standard of service that meets both your needs and your expectations. There are many elements to our management service so it is important to us that you understand exactly where your money goes.

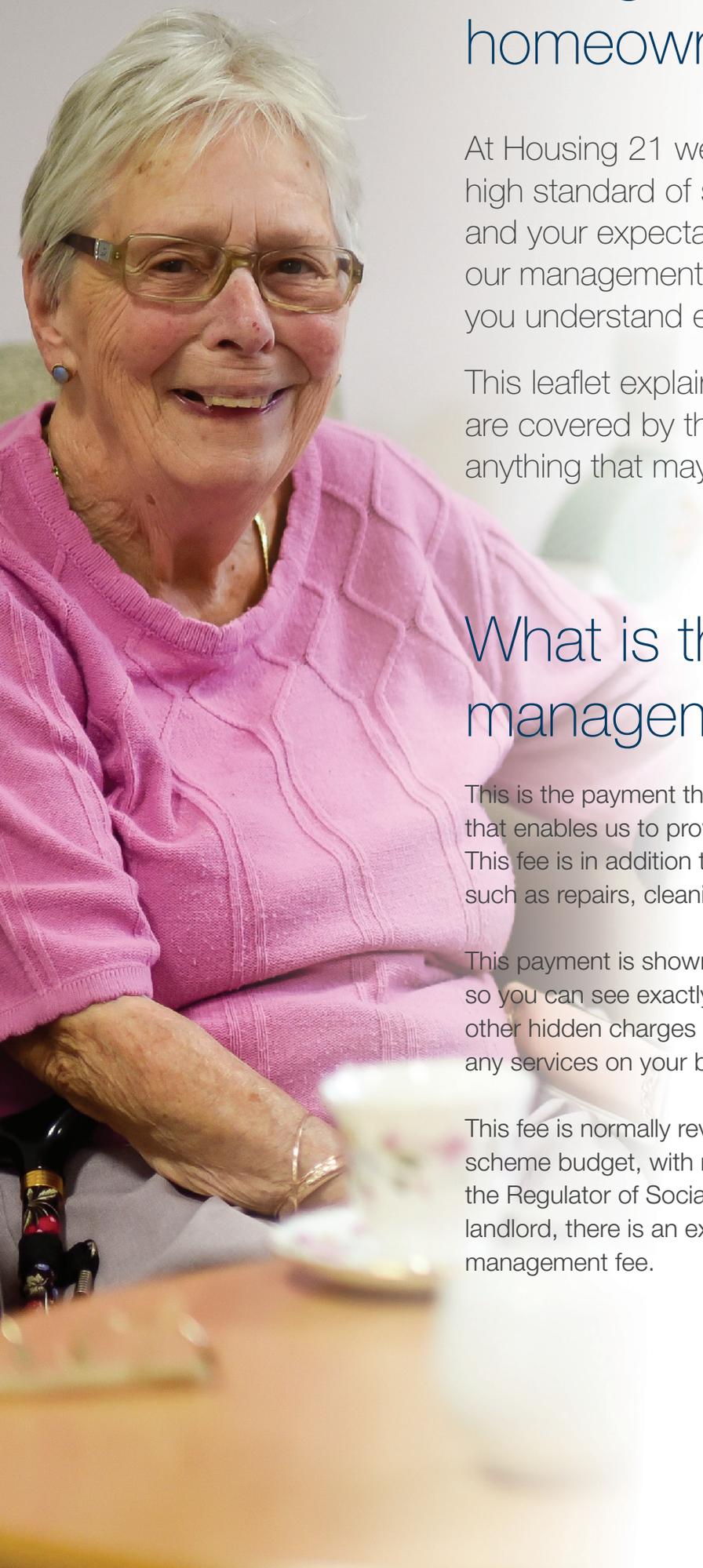
This leaflet explains the parts of our service that are covered by the management fee and highlights anything that may be charged as extra.

What is the management fee?

This is the payment that we receive through your service charge that enables us to provide management services to homeowners. This fee is in addition to those made for direct scheme services, such as repairs, cleaning, gardening, etc.

This payment is shown clearly on your service charge statement so you can see exactly what you pay and be assured there are no other hidden charges or commission, which we do not apply to any services on your behalf.

This fee is normally reviewed annually before we prepare each scheme budget, with reference to the guidance issued by the Regulator of Social Housing. Where Housing 21 is your landlord, there is an exemption to having to charge VAT on your management fee.



What does our management fee include?

Local management:

- The recruitment, induction and ongoing training for all employees on your scheme.
- Providing payroll services for all employees on your scheme.
- Providing management employees to supervise, support and manage the general performance of the Scheme Manager, including regular visits to the scheme.
- Providing information to, or consulting with, residents on management matters.
- Liaising with and supporting Residents' Association Committees and resident representatives.
- Preparing specifications and contracts for minor works and services such as cleaning, gardening and window cleaning.
- Procuring local utility supplies, such as water, gas and electricity.
- Consulting residents before entering into local contracts lasting longer than 12 months; as a minimum this must adhere to the statutory consultation process and requirements of the Association of Retirement Housing Managers Code of Practice.
- Making periodic health and safety checks, including asbestos and fire-risk safety checks.
- Enforcing any non-compliance with the terms of the lease (but excluding any action requiring legal work or tribunals).
- Liaising with statutory and local authorities about the operation of local services, such as refuse collection, highway maintenance etc.

Financial management:

- Opening and administering leaseholder bank accounts.
- Acting as trustee for trust bank accounts.
- Paying tax, where applicable.
- Producing scheme accounts and providing information to auditors for accounts to be certified or audited.
- Producing scheme budgets.
- Holding annual meetings with residents to review [accounts] and plan [budgets] service charge expenditure for the scheme.
- Providing copies of invoices and receipts, where requested within statutory timescales.
- Producing long-term projections in relation to future capital income and expenditure.
- Collecting routine service charge payments, providing individual statements and recovering any unpaid service charge payments (but excluding any action requiring legal work or tribunals).
- Administering supplier information, including payment of invoices for services provided.

Insurances:

- Administering buildings and other insurances (excluding contents insurance as this is the responsibility of the individual householder).
- Preparing replacement cost assessments for landlord's contents (not including structural/building valuations or survey).
- Providing copies of insurance schedules and other relevant documents.
- Providing professional indemnity insurance.
- Providing employee liability insurance.

Repairs, servicing and maintenance:

- Inspecting buildings to assess the general condition and provide recommendations regarding future maintenance.
- Preparing specifications and contracts for services such as lifts, fire alarms, emergency lighting, portable electrical appliances etc.
- Specifying and ordering repairs within the building or grounds, limited only to repairs for which we are responsible.
- Providing advice on repair and maintenance matters for projects of a value up to £1,999.
- Consulting residents before entering into contracts for qualifying repair work costing more than the statutory limit; as a minimum this must adhere to the statutory consultation process and requirements of the Association of Retirement Housing Managers Code of Practice.
- Analysing the stock condition survey for the purpose of advising on long-term capital income and expenditure.

Involving and informing:

- Providing opportunities for residents to be involved in making decisions that affect the management of their scheme. This may include involvement at scheme, regional or national level (or any combination) and may involve meetings, focus groups, panel-reading (or any combination).
- Providing a Court Service Agreements for each scheme that sets out a summary of all the services and facilities available.
- Keeping landlords advised on management policy if working as an agent.

Record keeping:

- Keeping records of residents and property ownership.
- Keeping records of health and safety checks, risk assessments and servicing of scheme equipment.
- Keeping records of emergency contact details.

What is not included in the management fee?

Additional charges are made for the following, in line with the accompanying schedules, or as explained:

Local management:

- Advertising costs for Scheme Manager vacancies.
- Advertising options will be discussed with residents but any resultant costs will be included in the service charge.
- Relief cover when the Scheme Manager is on sickness or maternity leave. Cover alternatives will be discussed with residents and any resultant costs included in the service charge.
- Sickness insurance cover for Scheme Managers.
- Charges for venues for meetings with residents when there is no meeting room facility at the scheme.

Financial management:

- Auditing of scheme accounts by external auditors – these fees are shown on the annual service charge accounts.

Insurances:

- Fees for valuations carried out by independent valuers.

Repairs and maintenance:

- Fees for works exceeding £2,000 are set out in the attached schedule of additional charges.
- Fees for specialist advice from external organisations on the assessment of major repairs and decorations.
- Fees for specialist health and safety checks and tests carried out by external organisations.

Management agencies:

- Keeping landlords advised of management policies when working as an agent. A fee is usually agreed directly with landlord.
- Provision of secretarial services to resident management companies or right to manage companies.

Charges to individuals:

- All costs involved with the recovery of unpaid service charges or ground rents or non-compliance with leases, including giving evidence in scheme and instructing solicitors.
- Providing copy documents (or facilities to copy), including insurance policies, copies of invoices and receipts, leases etc. Dealing with requests for improvements or alterations. Advising and providing information on the assignment of leases, subletting and handling requests for approvals.

Association of Retirement Housing Managers Code of Practice

- Housing 21 is a member of the Association of Retirement Housing Managers and through this membership we agree to comply with a Code of Practice.
- This code has been approved by the First Secretary of State under section 87, Leasehold Reform, Housing and Urban Development Act 1993 (as amended by the Commonhold and Leasehold Reform Act 2002, schedule 9(11)).
- This code requires us to provide a list of management services for which payment is made from the management fee.
- In addition to the code, there is a more detailed Good Practice Note that gives further recommendations as to what services should be 'core' and what may be charged as 'extra'.
- A copy of the code of practice is available at every scheme and we will provide you (on request) with a copy of the Good Practice Notes so you may cross reference the services that we include in our management fee.

Our fees for managing repair projects costing more than £2,000

- Our management fee includes costs for our technical team to give advice about repairs and the management of service contracts, but excludes the technical advice and supervision required for planned or major works.
- For simple jobs such as those not requiring specialist technical knowledge or supervision, we use scheme or Operations Managers to oversee this work. If there is no need for technical input then no additional fee is incurred.
- For more complex work we use the services of either our own Building Surveyor or an external Buildings Project Manager. In these cases a separate, additional fee is charged based on the cost of the project.
- Where it is necessary, the supervision of CDM (Construction [Design and Management] Regulations 2007) is contracted out to others. There is a legal requirement to notify the Health and Safety Executive (HSE) if work is expected to either last longer than 30 days; or involve more than 500 person-days of work.
- In some cases it may be necessary to use an external specialist to advise us, e.g. for lift replacement. Where a specialist consultant is used, their fees will be added to the cost of the project – these fees will be in addition to the building surveyor costs.
- Homeowners who live on a mixed tenure scheme will be asked to pay an appropriate share of the technical costs. Costs apportioned to tenants renting their property will depend upon the nature of the work and whether it is captured by the payment of rent.
- Technical fees are applied in bands, rather than per hour. This saves time that would be otherwise spent on administration and ensures homeowners know from the outset what fees they will pay.
- The fee band used will be applied to the accepted tender or quotation (see fees table).
- Technical fees and bandings are reviewed periodically to ensure they remain competitive and reasonable.
- The fee charged from the table will apply to the whole scheme rather than each property. The fee will subsequently be apportioned to individual properties according to the terms of the lease or to tenants that rent on mixed tenure schemes.

Project fees per band

Stage	Staged payment	Band A (£2,000 - £9,999)	Band B (£10,000 - £24,999)	Band C (£25,000 - £39,999)	Band D (£40,000 - £99,999)	Band E (£100,000 & over*)
Example of percentage fees		TBA	12%	12%	10%	9%
1. Preliminary services Inception and feasibility (in line with RIBA stages A & B)	5%	TBA	£150	£240	£500	£675
2. Pre-contract services Outline proposals, scheme design, detail design, production information (in line with RIBA stages C, D, E & F)	35%	TBA	£1,050	£1,680	£3,500	£4,725
Formal Notice of Intention to all leaseholders						
3. Pre-contract services Specification and tender action (in line with RIBA stages G & H)	10%	TBA	£300	£480	£1,000	£1,350
Formal Notice of Estimates to all leaseholders						
4. Pre-contract services Project planning (in-line with RIBA stage J)	10%	TBA	£300	£480	£1,000	£1,350
5. Construction phase Operations on-site (in-line with RIBA stage K)						
6. Post-completion phase Completion and feedback (in-line with RIBA stages L&M)	40%	TBA	£1,200	£1,920	£4,000	£5,400
TOTAL PROJECT COST (plus VAT)		TBA	£3,000	£ 4,800	£10,000	£13,500

Project fees per band are shown only as an example of the percentage fee applied to the minimum value within the range of bandings. This table is an example only as different fee rates may apply to different projects dependent upon the project managed employed to manage the project. It is likely that Band A will be quoted as a fixed rate per project rather than a percentage. Where additional visits to the scheme are required these will be advised*.

* Band E example based on a project costing £150,000



If you need this report in a different format, for example large print, Braille, audio file/CD or another language, please contact your Scheme Manager.

Housing

Tricorn House | 51–53 Hagley Road | Birmingham B16 8TP

0370 192 4000

housing21.org.uk   

Regulated by the Social Housing Regulator Reg. No. L0055
Community Benefit Society FCA Reg. No. 16791R

INVESTORS IN PEOPLE[®]
We invest in people Platinum