



# VISTRY GROUP POLICY

User Guide: Managing Agent Process and Management 2023

## Contents

Page 2: What is a Management Company and why is it required?

Page 2: Which parts of the development are covered by the Management Company?

Page 3: What is the role of the Managing Agent

Page 3: What is a service charge and how is it calculated?

Page 5: What do the elements of the service charge cover?

Page 6: How and when is the service charge levied?

Page 6: Who maintains the communal areas from the start?

Page 6: What happens when the development is finished?

Page 7: Who should I contact with any queries?

## What is a Management Company and why is it required?

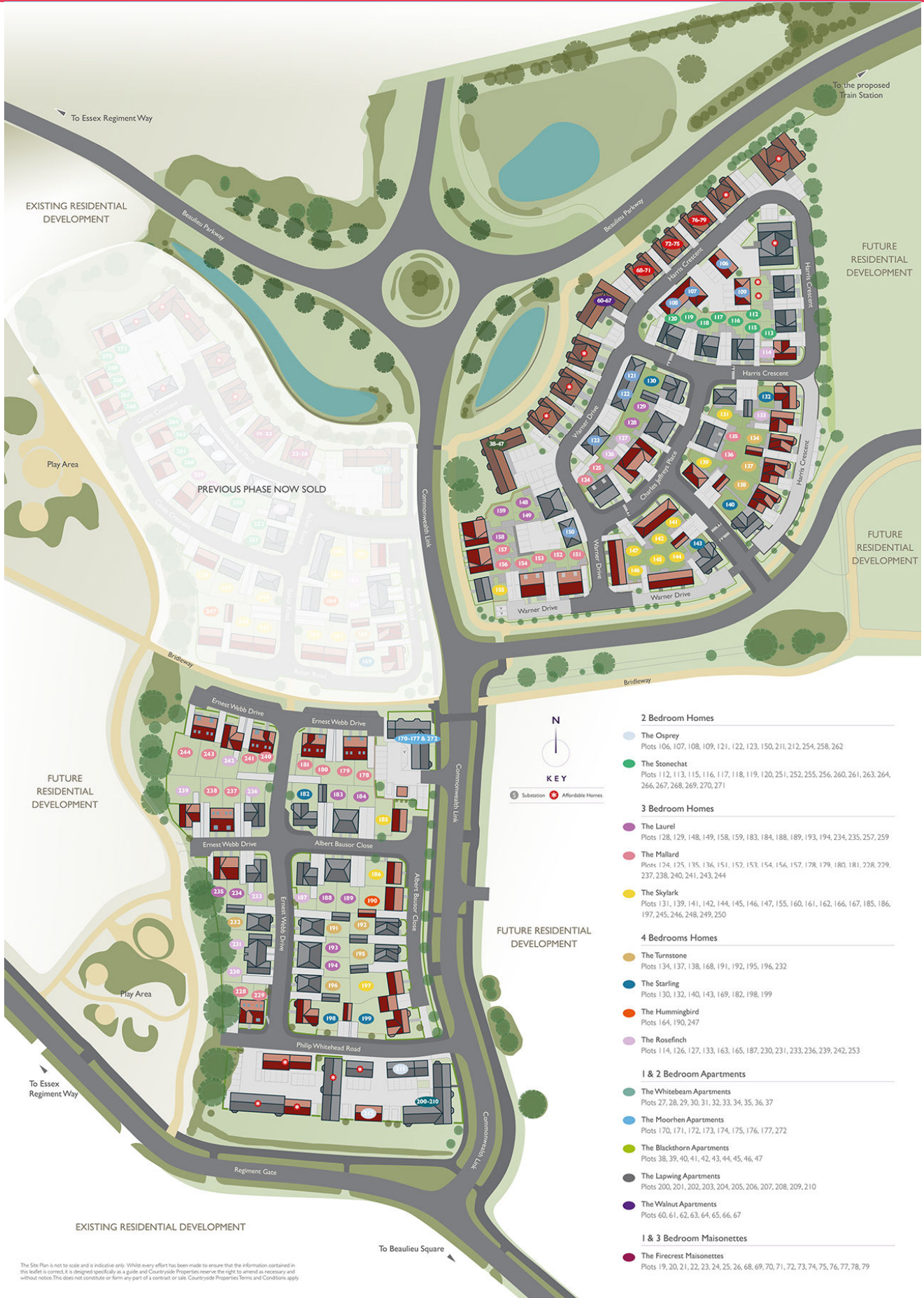
A Management Company called Beaulieu Park M&N (Chelmsford) Management Limited has been set up for your development to manage areas of the development and some parts of its buildings, where ownership of those areas is not transferred to the residents directly. You will be responsible for the maintenance of your home and any land conveyed to you, whilst the Management Company will maintain any areas which are not conveyed to any purchaser. These are communal areas for the benefit of residents and therefore have to be held in a separate entity.

During the initial set up and construction of the development, Countryside provide the directors of the Management Company. This is common practice as it provides time for the communal areas to be completed and Countryside are responsible for making sure that happens. Once the communal areas are ready, Countryside will hand control of them over to the Management Company and when the development is complete, residents will take over as directors of the Management Company. The Managing Agent (see below) will continue to support the residents in the running of the Management Company so that communal areas are maintained after Countryside have left the development.

## Which parts of the development are covered by the Management Company?

The development known as Beaulieu Park M&N (Gate) is situated in Chelmsford, Essex and comprises of 150 New build houses and apartments along with associated infrastructure and landscaping.

The areas which are planned to fall to the Management Company to manage and maintain are highlighted on the plan below, which includes the insurance, management, and maintenance of the Public Open Spaces (POS), the attenuation pond, play equipment and footpaths. The plan included below, also details the development as a whole.



The Site Plan is not to scale and is indicative only. Whilst every effort has been made to ensure that the information contained in the leaflet is correct, it is designed specifically as a guide and Countryside Properties reserve the right to amend as necessary and without notice. This does not constitute or form any part of a contract or sale. Countryside Properties Terms and Conditions apply.

## What is the role of the Managing Agent?

The Managing Agent is an external company, appointed by the developer, to maintain the communal areas of the development/buildings, once they have been handed over to the Management Company.

Their role is to assist the residents of the development in building their community, by maintaining the communal areas to a good standard and ensuring that the administration of the Management Company is professionally handled. This ensures that the residents don't have to worry about getting areas insured, getting accounts and audits done for the Management Company, appointing landscapers to care for public open space and play areas or appointing cleaners to maintain stairwells and other internal communal areas.

Whilst initially appointed by the developer, before any homes are handed over, the Managing Agent is employed by the Management Company and therefore by the residents. The residents can challenge the Managing Agent on their performance and on the service charge and, if necessary, replace them with a different Managing Agent.

## What is a service charge and how is it calculated?

When you legally complete, you will become a member of the Management Company and you will agree to pay an annual service charge for the maintenance of the communal areas on the development.

The service charge is paid to the Managing Agent so that they can then pay for all the costs which they incur in managing the estate and buildings on your development. The amount you pay is your share of the total cost, based on the Managing Agents estimate of what they will spend, given their experience of other similar developments.

Below is a schedule of the items which the Managing Agent will maintain on behalf of the Management Company, together with their estimate of the likely cost for the coming year.

<b>SERVICE CHARGE ESTIMATE DETAIL – ZONAL CHARGE</b>	<b>Cost Estimate</b>
Grounds Maintenance (General)	£800
General Repairs	£2,500
Landlords Electricity	£1,900
Insurances – Public Liability	£1,000
Insurance Reinstatement Valuation	£0
Management Fee	£22,848
H&S Risk Assessment	£2,582.40
Accountancy	£800
Postage and Couriers	£208

Bank charges	£80
<b>TOTAL ESTIMATED COST</b>	<b>£32,718.40</b>
Number of units on the development	272
<b>Estimated Service Charge per Household per year</b>	<b>£120.29</b>

Your service charge is likely to increase, year on year, because prices of labour and materials are likely to rise in line with inflation. The Managing Agent will keep you informed of any increases each year and provide an explanation of why the increase is necessary.

## Estate Charge Estimate Detail

	Budget 01/04/2024 to 31/03/2025	Budget 01/04/2023 to 31/03/2024	Variance Increase or (Decrease)
	Net	Net	Net
<b>Site Costs</b>			
Landscape Maintenance	£344,676.87	£324,849.76	£19,827.11
Play Area Maintenance	£16,804.92	£16,573.45	£231.47
Public Liability Insurance	£773.64	£658.96	£114.68
Site Utilities	£2,100.00	£2,100.00	-
<b>Total Site costs</b>	<b>£364,355.43</b>	<b>£344,182.17</b>	<b>£20,173.26</b>
<b>Sinking Fund Contributions</b>			
Sinking Fund Contributions	£84,666.64	£105,070.27	(£20,403.63)
<b>Contractor Management Fee</b>			
Contractor Management Fee	£80,823.97	£80,865.44	(£41.47)
<b>Total Expenditure</b>	<b>£529,846.04</b>	<b>£530,117.88</b>	<b>(£271.84)</b>

## Capped Charge Per Dwelling

	2024/25 Cap		
	Net	VAT	Gross
1 Bedroom	£118.47	£23.70	£142.17
2 Bedroom	£179.00	£35.80	£214.80
3 Bedroom	£239.52	£47.91	£287.43
4 Bedroom	£300.04	£60.01	£360.05
5 Bedroom	£360.57	£72.11	£432.68

<b>SERVICE CHARGE ESTIMATE DETAIL – APARTMENT BLOCKS</b>	<b>Cost Estimate</b>
Maintenance	£5,350
Utilities	£650
Insurances	£2,300
Professional Services & Fees	£4,332.64
<b>Total</b>	<b>£12,632.64</b>

<b>SERVICE CHARGE ESTIMATE DETAIL – MAISONETTES</b>	<b>Cost Estimate</b>
Maintenance	£800
Utilities	£200
Insurances	£1,650
Professional Services & Fees	£802.64
<b>Total</b>	<b>£3,452.64</b>

**See schedule for Estimated Service Charge per Household per year**

## Typically, what do the elements of the service charge cover ?

- a) **Landscape and Play Area Maintenance** – this includes regular visits to the site to mow grass, keep down weeds, maintain trees and plants and make sure that the play equipment is safe, carrying out any maintenance as required. The visits are more frequent in the spring and summer, usually every two weeks and generally monthly in the Autumn and Winter.
- b) **Waste and Dog Bin emptying and Maintenance** – the bins around the communal areas are emptied and disposed of every two weeks.
- c) **Benches and other Street Furniture** - there are a number of benches, seats, fences, etc which require maintaining to ensure that they do not get into disrepair
- d) **Electricity and Lighting to Communal Spaces** – some of the pathways have lighting which require power and maintenance, which will be covered in the charge.
- e) **Cleaning of apartment communal areas** – the internal areas of the apartment block will be cleaned every week and the external bin and cycle store every month.
- f) **Maintenance of apartment communal areas** – all the communal areas will be maintained to ensure they are safe, warm, lit, and presentable, as required. There will be an inspection every month to ensure that everything is in good working order.
- g) **Sinking Fund** – whilst the equipment around the communal areas is carefully maintained, sometimes there is a requirement to replace items. This would be particularly relevant to play equipment which becomes unsafe. A fund is built up to pay for these items when such occasions require.
- h) **Public Liability Insurance** – whilst residents will take out insurance on their homes which they own, there is a need to have insurance for the communal areas and for the Management Company itself.
- i) **Accountancy, Legal and Company Secretarial Fees** – because the Management Company is a Limited Company, which provides a level of legal protection for the residents, the Company has to have proper accounts prepared and audited and has to register with Companies House. This will all be arranged by the Managing Agent.
- j) **Health & Safety Requirements** – this is an important element of running the communal areas with the need for periodic risk assessments, advice and action taken to ensure that everything is kept in a safe condition for everyone who wants to use those areas. This will include fire risk assessments for apartments.
- k) **Managing Agent Management Fee** – this is the fee charged by the Managing Agent to act on behalf of the residents in managing the communal areas. All of the items above will need to be arranged and managed, with contractors appointed for maintenance and repair, insurance arranged, and accountants and solicitors appointed.



## How and when is the service charge levied?

When you legally complete on your home and sign up to your rights and obligations relating to the Management Company, an amount of Service Charge will be taken, in order to cover the first months between your completion and the end of the service charge period.

The Managing Agent will then send you an annual service charge invoice, in August of every year. If you recently legally completed and therefore have just paid an amount on completion, this will be credited against the invoiced amount. You will only pay your share of the Service Charge for the period which you have been in ownership of your home.

The Managing Agent will provide you with details of how to pay when they send the invoice as there are options to spread the payment by Direct Debit, if you need to.

## Who maintains the communal areas from the start?

Vistry is responsible for creating and building any communal areas. With apartments, the communal areas form part of the building which is being constructed by Vistry.

For a period of time, Vistry will maintain everything and only when the communal areas are complete, can they be handed over to the Managing Agent for maintenance. This will vary from site to site; on some developments everything will be handed over at the end, on others there will be a phased handover over the course of the development.

When Vistry are maintaining the communal areas, the residents will not be charged for the maintenance of the communal areas. However, a service charge may still be levied as there are administration costs incurred by the Managing Agent in order to ensure that insurance is in place and accounts and audits are carried out. This may be covered by the service charge collected on completion (see 6. Above) but if it continues for a long period you may be asked to pay a further service charge.

## What happens when the development is finished?

When the developer has completed all the homes and all of the environment around the homes, the communal areas will be fully handed over to the Management Company. Those areas must be properly completed and be in good condition, otherwise the Managing Agent, acting on behalf of the residents will refuse handover. Handover will only take place when the Managing Agent is happy to take those communal areas on.

Up to this point, the Directors of the developer will have been acting as Directors of the Management Company, acting on behalf of the residents. When everything is complete, the developer will look for residents who are willing to take on the role as Directors of the Management Company.

Until the resident officers are in place, the developer may ask the Managing Agent to stand in as officer of the Management Company. However, control of the Management Company remains in the hands of the residents as members. The Managing Agent will support the residents in the running of the Management Company, but the residents always have the right to do things differently if they choose to.

## Who should I contact with any queries?

The details of the contacts at the Managing Agent are as follows:

**Phone:** 01212 330 500

**Email:** John.Whelpdale@hmlgroup.com

**Website:** www.hmlgroup.com

**Post:** 9-11 The Quadrant, Richmond, Surrey, TW9 1BP

**Registering on the Portal:** Your Welcome Pack will contain details of how to register

The details of the contacts at the Estate Managing are as follows:

**Phone:** 01925 852005

**Email:** mail@thelandtrust.org.uk

**Website:** <https://thelandtrust.org.uk/space/beaulieu-chelmsford/>

**Post:** 7 Birchwood One, Dewhurst Road, Birchwood, Warrington WA3 7GB

**Registering on the Portal:** Your Welcome Pack will contain details of how to register on 'My Land Trust', a safe a secure way to manage your account and make future payments online.