



# User Guide: Managing Agent Process and Management 2023

## Contents

Page 2: **1. What is a Management Agent and why is it required?**

Page 2: **2. Which parts of the development are covered by the Management Agent?**

Page 2: **3. What is a service charge and how is it calculated?**

Page 5: **4. What do the elements of the service charge cover?**

Page 6: **5. How and when is the service charge levied?**

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

Page 6: **7. What happens when the development is finished?**

Page 6: **8. Who should I contact with any queries?**

## 1. What is the role of the Managing Agent?

The Managing Agent is an external company, appointed by the landlord (in this instance Countryside Partnerships) to maintain the communal areas of the development/buildings. Home Group is the Managing Agent for the South Oxhey development.

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 any ensuing administration is handled promptly. This ensures that the residents don't have to worry about getting areas insured, appointing landscapers to care for public open space and play areas or appointing cleaners to maintain stairwells and other internal communal areas.

Over time, Home Group is expected to replace Countryside Partnerships as the landlord, while retaining its role as the managing agent. Home Group will be appointing itself as the Managing Agent once it assumes the position of landlord. In the event of this transition, the point of contact for customers should remain unchanged.

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.

## 2. Which parts of the development are covered by the Managing Agent?

The areas which are planned to fall to the Managing Agent include communal areas, shared exterior spaces (i.e. podiums), any associated insurances, Public Open Spaces (POS), play equipment and footpaths.

If you are purchasing an apartment, the structure of your building will also fall to the Managing Agent to manage, maintain and insure, for example the foundations, roof, stairwells, lifts, service risers, bin/cycle store, etc.

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

When you legally complete, 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.

Your total service charge is broken down into three main categories: a charge for shared external areas, known as 'Estate Charge'; a charge for shared areas within an apartment block, also referred to as a 'Service Charge' (although better understood as a block charge); and an 'Other' charge, which would include any additional management charges.

Below is a schedule of the items which the Managing Agent will manage that could be included.

The below is **indicative** only. Your charges may differ. Please refer to your customised Customer Summary for costs.

<b>ESTATE CHARGE ESTIMATE DETAIL</b>	<b>Cost Estimate</b>
Cleaning of Bin and Cycle Store	£30
Gardening	£77
Maintenance & Servicing	£5
<b><u>TOTAL ESTATE CHARGE ESTIMATED COST</u></b>	<b><u>£112</u></b>
<b>BLOCK CHARGE ESTIMATE DETAIL</b>	<b>Cost Estimate</b>
Staff Costs	£24
Utilities	£93
Cleaning	£217
Monitoring & Security	£27
Repairs & Maintenance	£22
Maintenance & Servicing	£90
Telecommunications & IT	£6
<b><u>TOTAL BLOCK CHARGE ESTIMATED COST</u></b>	<b><u>£479</u></b>
<b>OTHER CHARGES ESTIMATE DETAIL</b>	<b>Cost Estimate</b>
Insurance	£284
Building Fund	£678
Management Charge	£276
<b><u>TOTAL OTHER ESTIMATED COST</u></b>	<b><u>£1,238</u></b>
<b><u>TOTAL SERVICE ESTIMATED COST</u></b>	<b><u>£1,829</u></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.

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

- A. **Staff costs** – this includes all associated costs for retaining staff, such as salaries and compliance checks.
- B. **Utilities** – including electricity, water and sewage to common parts.
- C. **Cleaning** - there are a number of internal and external areas which will likely require regular cleaning.
- D. **Monitoring & Security** – for example an entry phone.
- E. **Repairs & Maintenance** – all the communal areas will be maintained to ensure they are safe, warm, lit, and presentable, as required. There will be regular inspections to ensure that everything is in good working order and repairs will be made as required.
- F. **Maintenance & Servicing** – this specifically refers to items that require maintaining and servicing, such as lifts, CCTV, any electrical and/ or fire equipment.
- G. **Telecommunications & IT** – costs around telephone calls or other IT requirements used within the management of the development.
- H. **Cleaning of Bin and Cycle Store** – all the bin and cycle store areas will be cleaned and maintained to ensure they are safe, warm, lit, and presentable, as required.
- I. **Gardening** – any landscaped communal areas will be maintained to stay presentable and safe. This will include, but not limited to, the replanting of beds, maintenance of hedges, weeding and ensuring the paving stones are kept clean.
- J. **Insurance** – any costs associated with insuring the common areas and buildings.
- K. **Building Fund** – whilst the equipment and structures forming part of the communal parts will be carefully maintained, sometimes there is a requirement to replace items. This would be particularly relevant to play equipment, which sometimes becomes unsafe and needs replacement. A fund is built up to pay for these items when such occasions require.
- L. **Management Charge** – the fee the managing agent charges for their services in managing the scheme.
- M. **Other Expenses** – further items not covered by the above

## 5. 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 Managing Agent, an amount of Service Charge will be taken, in order to cover the first number of 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 March 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.

## 6. Who maintains the communal areas from the start?

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

For a period of time, Countryside will maintain everything and only when the communal areas are complete, can they be handed over to the Managing Agent for maintenance.

During the period that Countryside is 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 5. above) but if it continues for a long period, you may be asked to pay a further service charge.

## 7. 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 Managing Agent. 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.

## 8. Who should I contact with any queries?

In an **emergency**: call Home Group 24/7 on [0345 141 4663](tel:0345 141 4663)

For **non-emergencies**: their lines can be busy at times, so skip the queues and contact them online: <https://www.homegroup.org.uk/get-in-touch>

Email: [contactus@homegroup.org.uk](mailto:contactus@homegroup.org.uk)