

RESIDENTIAL BLOCK MANAGEMENT Q&A

What is the role of a managing agent?

The role of the managing agent is to look after the communal parts of the building including the structure, arranging the services, repairs and maintenance, etc on behalf of the landlord. Under the terms of the lease, the landlord will have covenanted to carry out a number of tasks. It is these tasks that the landlord asks the managing agent to arrange on their behalf.

It is how we provide these services on behalf of the landlord, that we believe differentiates us from our competitors. We pride ourselves on having a much more hands on and visible approach to management. We work on behalf of the landlord and leaseholders to lower your time investment and to give you peace of mind that your monies are being spent appropriately and that our service, in particular our customer service, exceeds expectations.

Does Cluttons have all the necessary insurances in place to protect me as a client?

We have the following insurances in place:

- Professional Indemnity £10m
- Public Liability £10m
- Employers' Liability £10m

Does Cluttons belong to any professional or trade bodies?

Yes, we are members of the Royal Institution of Chartered Surveyors, (RICS), Association of Residential Managing Agents (ARMA) and a number of other organisations. (A full list is available on request).

How do I know that my money is secure with Cluttons?

In accordance with statutory requirements, all of the service charge and reserve/sinking fund monies we hold on behalf of clients and leaseholders, are held in nominated trust accounts so separate from Cluttons own funds. As members of the RICS, we adhere rigorously to its accounting standards. They undertake independent external audits of our accounting function regularly to ensure that we are complying with all accounting regulations.

Do you have a complaints' procedure and do you belong to a recognised Ombudsman Scheme?

Yes, we have a complaints procedure. We also belong to the Ombudsman Services: Property Scheme one of the Government recognised schemes.

Does Cluttons follow the guidance given in recognised Codes such as the RICS Service Charge Code?

Yes, we take care to manage all of our clients' buildings in accordance with the law, recognised Codes and best practice, including the RICS Service Charge and Residential Management Code.

Will my block have a dedicated team to manage it or will I always be speaking to someone new?

Your block will have a dedicated team of property manager and assistant property manager. The team is led by the head of residential management and each instruction has a nominated client audit Partner.

Does Cluttons support property managers to obtain recognised qualifications?

Yes; all of our property managers have passed the member exams of the Institute of Residential Property Managers and have the AssocRICS qualification.

Where are your property managers based? Can they get to my building quickly in an emergency?

The team is based at our Head Office at Portman House, Portman Street, London W1, close to Marble Arch.

What services will be included in the management fee Cluttons charge?

This is an example of our service but it can be tailored to meet your requirements.

Service charges

- Preparation of the annual service charge budget
- Management of expenditure within budget limits
- Billing and collection of service charges
- Preparation of year end service charge accounts for independent certification
- Billing and collection of ground rents
- Collection and management of arrears (If solicitors have to be instructed we will charge an additional fee)
- Routine payment of invoices

Repair and maintenance

- Deal with day to day repairs and maintenance promptly and efficiently using competent contractors
- Tender and manage contracts for routine services
- Preparation of a ten year maintenance and repair plan (included within our set up fee)
- Tender and manage contracts for the maintenance of plant and machinery
- Provide an 'out of hours' emergency service
- Administer basic insurance claims. (Depending on the severity of the issue, we reserve the right to charge an additional fee but this would be agreed with the client and may be covered by the insurance)
- The service of s.20 consultation notices

Compliance with legislation and lease terms

- Ensure that all management functions are carried out in accordance with current legislation
- Abide by relevant Codes of Practice
- Ensure compliance with the terms of leases
- Deal with any simple breaches in accordance with landlord's instructions. (If the matter becomes protracted, we reserve the right to charge for the time involved in resolving the issue. This would normally be a charge to the leaseholder involved.)

Health and safety and risk management

- Carry out a visual inspection of the common areas of the property usually once a month or as agreed with the client and deal promptly with any issues
- Arrange periodic general health and safety and fire risk assessments
- Arrange any other risk assessments/statutory testing which may be required to ensure compliance, eg asbestos, fixed wiring, water tanks

Communication with leaseholders

- Attend to routine enquiries from lessees
- Produce explanatory notes for the service charge budget and year end accounts
- Produce a periodic newsletter to lessees

Reporting to the Landlord and Residents' Association

- Attend routine meetings (anticipated quarterly) and an AGM
- Provide a quarterly status report of financial, maintenance and legal matters
- Report on significant lessee communications including disputes

In addition to the management fee, what commissions will Cluttons expect to earn if they manage my building?

Our fees are pre-agreed with our clients but we do not take commissions

What additional costs will you charge over and above your management fee?

We charge a set-up fee which will depend on the size and complexity of the building. Included in the set up fee, is the preparation of a ten year major works and maintenance plan for the building.

When solicitors request a pre-contract enquiries pack, we charge £300 + VAT (payable by the individual leaseholder). Licences to alter or sub-let would each carry a fee (payable by the individual leaseholder). The level of fees will depend on the work required.

If we are required by the landlord to instruct solicitors in connection with a breach of the lease, we would charge a fee (payable by the individual leaseholder). The level of fees will depend on the work required.

We will also make a charge to project manage any major works, including writing the specification, tendering, managing the works on site and agreeing the final account. The level of fee will depend on the size and complexity of the work. The service of Notices in connection with s.20 consultation is included in our management fee.

Do you have in-house building surveyors?

Yes, we are a multi-disciplined practice of chartered surveyors. Our in-house project and building surveyor consultancy division provides a full range of building consultancy services.

General Property Management

In an 'out of hours' emergency, who do I contact?

We use a dedicated out of hours service who are provided with comprehensive details about the property and contractor contact details. In the event of a major incident the helpdesk is always able to contact a senior member of Cluttons' staff.

How do you choose the contractors that will work on my block?

We run an approved list of contractors via the SafeContractor Scheme (a third party market leading contractor vetting programme). We regularly tender service contractors. The combination of our knowledge and the contractors' experience ensures a reliable, prompt and cost effective service.

Will Cluttons provide a bespoke 10 year major expenditure plan (PPM) and how much will it cost?

Yes this is completed by our in-house project and building consultancy team. The cost is included in our set-up fee at the start of a management contract.

How often does the property manager visit the buildings in their portfolio?

A member of the team visits each block regularly – the frequency will be depend on our management contract but usually we aim to visit at least once a month and more often when required. The manager will complete a visual site inspection form noting any issues which are then dealt with when the property manager returns to the office. If there is any serious issue found, then this is dealt with by 'phone immediately.

Does Cluttons have a policy on sustainability? Will you give us ideas to make our building 'greener'?

Yes. The initiatives we have implemented in the past include recycling, bicycle racks, and low voltage lighting.

How do Cluttons manage health and safety?

We have a dedicated in-house health and safety team who provide help and guidance. All of the buildings we manage are inspected periodically by an external consultant who completes health and safety and fire risk assessments, as required by law.

I have a dog, can I keep him?

This will depend on the terms of your lease and any rules that have subsequently been introduced by your landlord.

The buildings insurance premium seems quite high. Is it possible to take out a domestic policy for my flat?

No, as your flat forms part of the building, the landlord will arrange the insurance of the whole building with a specialist company in accordance with the covenants set out in your lease. Insurance premiums will reflect the number of claims made in a building so it is in everyone's interests that a building is well maintained. We would always encourage leaseholders to regularly maintain things such as shower seals, hoses on washing machines, etc to help prevent claims and disruption to your neighbours.

Does the buildings insurance cover the contents of my property?

No, the buildings insurance policy covers the structure of the building and the landlords' fixtures and fittings mainly within the common parts but these may include the kitchen cupboards and bathroom fixtures within each flat. You should check with your property manager what the policy covers. You are responsible for the insurance of your own contents. These may include any wooden floor finishes if these are not original to the block.

Service Charges

What will my service charge monies cover?

This will depend on the terms of your lease but will cover the running costs of the building. This may include on-site staff, communal plant, collection of service charges and preparation of budgets and year-end accounts. It may also include a contribution towards a reserve/sinking fund. It will include our management fee.

If my fellow leaseholders fail to pay their service charges, will I have to pay more? What procedures do you have in place to ensure that everyone pays when they should?

No you will not be required to pay your fellow leaseholders service charges if they fail to pay. We have robust systems in place to recover arrears direct from the leaseholder in breach in accordance with the terms of the lease.

Can I pay what I owe by credit card?

Yes, you may pay by credit card, debit card, direct debit or standing order. We do not accept cash under any circumstances.

If I want to inspect the service charge invoices, what would I need to do?

You would need to make an appointment with the property manager to come to our offices during normal office hours and facilities will be made available for you to inspect the invoices and take copies. We reserve the right to charge for any photocopying.

Why do I pay ground rent when I have bought my property?

Ground rent is a charge payable to the freeholder. This charge, together with the frequency of payment, will be set out in your lease, the contract the parties have signed.

Your contacts

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