



# Charles Cox

Property Management



## MANAGEMENT GUIDE

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# MANAGEMENT GUIDE

## INTRODUCTION

Charles Cox specialises in the block management of various sized flats as well as unadopted roads.

A key part of Charles Cox's success is our ability to tailor services to the requirements of our clients. Whether you own the Freehold, share the Freehold, are a Right to Manage Company or a Commonhold, we can provide a flexible and professional approach to the management of your buildings. It is for this reason Charles Cox has been chosen as the preferred Managing Agents by local Freeholders and Residents Management companies.

Why should you use a Managing Agent? Consider the following:

Charles Cox is Managing Agent to a number of Residential Management Companies throughout the Sussex Coast. In our capacity as Managing Agent, we can act as the Company Secretary and the Registered Office to help fulfil your obligations, both in terms of Estate Management and from a Company point of view. Tasks such as the completion and filing of annual accounts and other statutory information with Companies House, the issuing of Share Certificates, Registration of Directors, organisation of Annual General Meetings, Ground Rent and Service Charge collection are an example of some of the matters we regularly attend to, on behalf of Residential Management Companies throughout the Sussex Coast.



We charge a fixed rate per flat, according to the size of the block and depending on the terms of the lease. Please contact us for further details about professional management.

Once instructed, we would set up records, review existing contracts and make suitable proposals for future maintenance. We would also consider a programmed schedule of work and the formation of a reserve fund in preference to high cost section works.

## EMERGENCY PROCEDURES

We can, if requested, provide each of the Lessees with a point of contact in case of emergencies outside of our office hours. The service is available 365 days a year and covers any emergency affecting any common area or a common utility.

## DUTIES

On appointment, we would undertake all of the obligations of the Lessor under the terms of the Lease. We will liaise closely with the Directors of the Management Company, taking instructions on matters relating to the efficient management of the property. We would provide advice and guidance to the Directors on legal obligations relating to the Landlord & Tenant Act and the Commonhold and Leasehold Reform Act 2002, and other statutory requirements. We would also provide information on other matters such as Health & Safety, i.e Asbestos in the Workplace Regulations 2002, Lift Health & Safety requirements etc. The frequency of the inspections would be by agreement with the Directors. We would also be prepared to attend as many Board meetings a year, including the Company's AGM, subject to negotiation.



## CONTRACTUAL DUTIES

- ◆ To agree, in writing, the Terms of Engagement to manage a client's property, in as detailed a form as is reasonably possible, and to make clear the fee structure and the categories of other services for which additional fees may be charged.
- ◆ To manage the client's property in compliance with all the current applicable legislation, terms of leases, contract documentation and good business practice.
- ◆ To provide as cost effective a service as is reasonably possible within the constraints of prudent and planned maintenance, and to enquire as to whether contractors preferred or selected by clients or Lessees have suitable references, and where contracted to do so, that all final work is checked and signed off before funds are released.

On request, to provide guidance to the client as to the insurance requirements under the lease terms, and where required by the client, to supply an appropriate level of insurance cover, based on an independent valuation, sufficient to meet the client's obligations.

## FINANCIAL DUTIES

- ◆ To ensure that clients' money is kept separate from office accounts at all times, and that client accounts can be individually identified. Funds in any one-client account will not be used to finance another client's property. Funds shall be held in a recognised Bank or Building Society in a clearly designated client account.



- ◆ To maintain a current insurance policy adequately indemnifying the firm against proven professional negligence claims.
- ◆ To ensure that client's money is properly and regularly accounted for, and that any funds or monies required for specific future works are placed on deposit in an appropriate interest-bearing account to earn interest to the credit of that account.

- ◆ To keep detailed records of all transactions relating to the clients' property with all expenditure made from the client's account suitably authorised.
- ◆ To ensure that annual or other required periodic accounting is carried out promptly, ensuring adequate support information is provided or available for inspection.
- ◆ To endeavour, where so required, to provide all the necessary information for the audit of any end-of period accounts, so that the audit can be carried out with the minimum of delay.

## STANDARDS OF SERVICE

- ◆ To extend courteous and professional services to Lessees and tenants and to members of the public. As far as is possible, to ensure that in all their dealings, there is no bias and that all are treated equally.
- ◆ To maintain adequate records of all leases and tenancies and deal expeditiously with enquiries, particularly where information is required to assist in a sale.
- ◆ To be aware, as far as is reasonably possible, of the terms of the leases and tenancies applicable to the property concerned, and the effect of legislation and any other relevant documentation, and to deal with Lessees and tenants both in the spirit of the legal requirements as well as in the letter of the law.
- ◆ To ensure that procedures are in place to deal with repairs within an appropriate timescale, having regard to the urgency of the matter and the availability of funds.
- ◆ To actively and regularly consult with Residents Management Association and to encourage them to become part of the decision-making process.
- ◆ To discuss and consult with Residents Management Association where major works are contemplated, and to meet the statutory requirements.



- ◆ To have appropriate regard to views of representative groups of Lessees and tenants, even where they are not a formally recognised Residents Association.
- ◆ To manage the premises by enforcing covenants for the common good, fairly and without favour, where so instructed.
- ◆ To disclose in writing to relevant parties any existing conflict of interest of any circumstances which are likely to give rise to a conflict of interest.
- ◆ To declare any interest in any contractor or business employed to provide services at the property that may be associated with the Managing Agent.
- ◆ To ensure, where there is a change of Managing Agent, that all pertinent information is handed over with the minimum of delay to the new agent.
- ◆ To place the fullest emphasis of any matter relating to Health & Safety and environmental legislation, bringing to the urgent attention of landlords and/or residents any areas of concern.
- ◆ To use all reasonable efforts, both in the interests of landlords and tenants, to settle disputes by mediating and negotiating with all relevant parties.



## ESTATE MANAGEMENT FEES

### Standard Service

Our fee for undertaking the management of a block would be £50 to £300 per flat per annum, dependent on the nature of the block, the requirements of the company and the terms of the lease. Charles Cox Ltd reserves the right to charge VAT should they become liable to do so.

Our charge for the specifying, tendering, consulting and supervising large works is 9%-15%, but also dependent upon the project. In Summary we classify major works as any project that exceeds the threshold for consultation under Section 20 of the Landlord & Tenant Act 1985 (as amended).

Duties of the Managing Agent carried out on behalf of a client normally included in the standard management fees:

- ◆ submitting demands and collecting rents, rates service and other charges at appropriate intervals to each leaseholder three weeks before the due date;
- ◆ making payments to superior lessors, suppliers, staff, contractors, rating authorities, professional advisers, insurers and others as may be appropriate;
- ◆ preparing and submitting statements and account for balances at agreed intervals, normally quarterly;
- ◆ producing and circulating Service Charge accounts and supplying such information and details to which tenants and recognised Tenants Associations are entitled;
- ◆ producing an annual estimate for expenditure for Service Charge purposes and distributing to freeholders;
- ◆ where an auditor is required, answering enquiries from auditors;
- ◆ employing required staff (excluding advertising and agency expenses) and effecting necessary supervision;
- ◆ attending to normal routine management enquiries from tenants;



- ◆ enquiries for general day-to-day repairs to structure, plant, fixtures and fittings and equipment are received by telephone, e-mail or letter and acted upon via this office;
- ◆ keeping records in relation to tenancies and other relevant matters relating to the property;
- ◆ checking compliance with terms of leases and statutory requirements;
- ◆ twenty-one days after the due date, reminder letters giving fourteen days to pay are sent to all leaseholders who have not settled accounts. After this time, action will be taken either direct with Bank or Building Society or through solicitors to enforce the covenants of the lease;
- ◆ advising generally on management policy;
- ◆ preparing an annual budget with the client against which to invoice Service Charge payments;



- ◆ establishing and maintaining a maintenance programme for all routine works such as painting and decorating, carpet cleaning, window servicing, drain cleaning and inspection and other items pertinent to the particular property;

- ◆ arranging for the repair, replacement or refurbishment of existing fixtures and fittings, plant, machinery and grounds;
- ◆ preparing a programme for future major/non-routine works and establishing funding arrangements for those works;
- ◆ setting up and maintaining separate accounts at a Bank of the client's choice and maintaining records of income and expenditure, submitting same to the client's accountants as required. Making available for inspection on written request and during normal weekday business hours, cash books and evidence of expenditure;
- ◆ setting up and maintaining sinking/reserve funds as may be required by the lease or on request of the client;
- ◆ making payments to contractors and taking reasonable steps to ensure the work invoiced for has been completed to a satisfactory standard;
- ◆ issuing invoices for Service Charge, Ground Rent and other payments due at the appropriate times. Chasing late payments of same;
- ◆ carrying out periodical inspections of the common parts of the property. Inspecting the property after severe weather;
- ◆ attending four meetings per year on weekdays during normal business hours. If invited to the Annual General Meeting, this will count as one meeting; however this may be subject to negotiation;
- ◆ advising on management issues;
- ◆ instructing Solicitors in respect of unpaid service charges;



## ESTATE MANAGEMENT FEES

### Non-standard service

Services not provided in our standard service:

- ◆ attending the site for matters other than day-to-day management. This would include, but is not limited to, surveys, investigations into the presence of asbestos, dampness/water penetration and vermin infestation;
- ◆ dealing with the local authority in matters such as planning permissions, building regulations consent and enforcement procedures;
- ◆ arranging for the alteration, additional or change of use of buildings or part of buildings;
- ◆ preparing and serving Notices as part of the consultation process for Qualifying Works of Services;



- ◆ preparing Specifications of Works, obtaining competitive tenders and supervising all works of a substantial nature are dealt as required by the Housing Acts and consultation with the freeholders. Such works are those other than normal day-to-day repairs. Normally a charge of between 9% - 15% will be agreeable at the time, however where extensive drawings or design work is required, a special fee would be chargeable by arrangement;
- ◆ attendance at meetings outside normal weekday business hours;
- ◆ attending Court Hearings and giving evidence if required in relation to recovery of rent or other charges from tenants or ensuring compliance with lease covenants;
- ◆ professional services in connection with requirements arising out of statutes;
- ◆ consideration of application by tenants to carry out alterations;
- ◆ valuation of replacement cost of building for fire insurance purposes;
- ◆ professional services in connection with applications for Lessors' consent to assignments, subletting and changes of use;
- ◆ professional services in connection with determination of Fair Rent under the Rent Acts;
- ◆ preparing Schedules of Dilapidations or Condition;
- ◆ instructing Solicitors in matters of breach or change of lease;







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Charles Cox Property Management is the trading name of Charles Cox Ltd registered in England & Wales, registration number 07432345



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