Residential Management Group

Property Management Proposal

for

Varsity Quarter, Northenden

Miller Homes

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Budget Introduction and Key Assumptions

To ensure the management proposal matches your requirements for Varsity Quarter, I have outlined the considerations and assumptions made when constructing the tender. If you have any comments in regards to these points please do not hesitate to contact me.

Notes & Assumptions

- The legal framework for the scheme is based on a Management Company being incorporated to be responsible for providing the on-site services. The Management Company will appoint RMG to act as Managing Agent on a contract which can be renewed annually. The Management Company will be controlled by Miller Homes (as Directors) until legal completion of the final unit. At this point, control of the Management Company will be handed over to the residents (replacing Miller as Directors).

- The Estate Charge assumes an equal contribution for all 224 units.

- RMG Management Fees are based on the enclosed Service Level Agreement, found on page 6 & 7.

- In line with the assumption that a Management Company is to be incorporated to be the responsible body for the estate, an allowance for a Company Secretarial service is included within the budget.

- Public Liability Insurance has been included to safeguard the estate (LIO £10 Million) with an additional element of material damage cover up to the value of £50,000.

- Health & Safety – an allowance has been included for annual Health & Safety inspections to be carried out.

- It has been assumed that there is no lighting to be maintained as part of the overall estate. If there is lighting to be maintained, the budget can be amended to reflect the likely expenditure including repairs & maintenance of the lights and the electricity supply.

- The budget makes no allowance for play area inspections – none shown on the plan.

- Shared drives (other than those shown on the plot schedule) are assumed to be 'sliced' and deeded to plot owners and therefore fall outside of management.

- Maintenance of the **attenuation crate system** is the responsibility of the Management Company and will be funded through the service charge.

  The system will be maintained in line with manufacturers guidelines but typically includes inspecting the following periodically as part of a preventative regime:

  - Catchpits
  - Interceptors
  - Inspection Chambers
  - Inspect after severe storms
  - Catchpits and interceptors should be emptied to prevent them from becoming full.
  - Frequency of scheduled inspections – Two per Annum

Proposed Budget

Varsity Quarter, Northenden

V002

Budget for period	01.01.2022	**to**	31.12.2022	
Date of this issue	15.03.2022		**Prepared by**	AG

Type of Unit		Estate Charge (All Units)	Shared Driveway Charge (Plot Specific - See Schedule)
No. of Units of Type		224	19
% per Unit		0.45%	VARIOUS
Total Cost	**33,671.00**	**£ 142.00**	**£ 98.00**
Contract Maintenance			
Tree Survey - Annual	949.00	**4.24**	-
Play Area Inspections	-	-	-
Grounds Maintenance - 22 visits pa	8,438.00	**34.80**	**33.79**
Insurance	-	-	-
Public Liability Insurance	1,100.00	**4.91**	-
Terrorism Cover	-	-	-
Insurance Valuation	-	-	-
Administrative	-	-	-
Management Fees	11,189.00	**49.95**	-
Audit & Accountancy	2,220.00	**9.91**	-
Company Secretaries	450.00	**2.01**	-
Health & Safety Inspection	250.00	**1.12**	-
Postage / Sundries	785.00	**3.50**	-
Repairs	-	-	-
General Repairs & Maintenance	2,500.00	**8.93**	**26.32**
Electrical Repairs	-	-	-
Contingency	1,000.00	**4.46**	-
Facilities Maintenance /Contracts	-	-	-
Attenuation Crates	1,470.00	**6.56**	-
Bin Store	-	-	-
Pest Control	-	-	-
Utilities	-	-	-
Electricity	-	-	-
Common Water Supply	-	-	-
Reserves	-	-	-
General Reserve Fund	3,320.00	**11.61**	**37.89**

*Please notes this is a draft service charge budget and may be subject to change.

Plot Schedule

Plot number	Unit Type	Estate Charge	Shared Drive	Total
16	HOUSE	£ 142.00	£ 98.00	£ 240.00
17	HOUSE	£ 142.00	£ 98.00	£ 240.00
18	HOUSE	£ 142.00	£ 98.00	£ 240.00
19	HOUSE	£ 142.00	£ 98.00	£ 240.00
20	HOUSE	£ 142.00	£ 98.00	£ 240.00
27	HOUSE	£ 142.00	£ 98.00	£ 240.00
28	HOUSE	£ 142.00	£ 98.00	£ 240.00
29	HOUSE	£ 142.00	£ 98.00	£ 240.00
30	HOUSE	£ 142.00	£ 98.00	£ 240.00
31	HOUSE	£ 142.00	£ 98.00	£ 240.00
97	HOUSE	£ 142.00	£ 98.00	£ 240.00
98	HOUSE	£ 142.00	£ 98.00	£ 240.00
99	HOUSE	£ 142.00	£ 98.00	£ 240.00
100	HOUSE	£ 142.00	£ 98.00	£ 240.00
106	HOUSE	£ 142.00	£ 98.00	£ 240.00
107	HOUSE	£ 142.00	£ 98.00	£ 240.00
108	HOUSE	£ 142.00	£ 98.00	£ 240.00
109	HOUSE	£ 142.00	£ 98.00	£ 240.00
110	HOUSE	£ 142.00	£ 98.00	£ 240.00

Detail of Services

The Service Charge covers the wide range of services that are required at Varsity Quarter. Please see the below information which gives an explanation of the items that the Service Charge budget includes:-

Contract Maintenance

Grounds Maintenance: An allowance for the provision of a maintenance contract to provide grounds maintenance to the communal grounds in line with the maintenance recommendation in the Landcscape & Ecological Management Plan (LEMP) dated February 2022.

Tree Survey: An allowance for an annual survey of the mature trees onsite.

Insurance

Public Liability Insurance: An allowance to cover the cost of insurance to any communal areas covering claims made by a third party against an insured risk.

Administrative

Management Fee: A fee for the provision of services provided by RMG in accordance with the Management Agreement and Service Level Agreement.

Company Secretary: Covers the cost of company secretarial services that are required for the administration and maintenance of the Management Company at Companies House.

Audit & Accountancy: Covers the cost of RMG's services in relation to the preparation of accounts and an external independent audit.

Sundries: An allowance for the cost of postage to allow for communications to be sent out to residents including newsletters, general communications and serving the service charge accounts. Also to cover the cost of any venue hire costs when residents meetings will take place.

General Repairs & Maintenance

Minor Repairs: An allowance for any minor repairs which may be required to the communal areas from time to time.

Health & Safety Inspection: An allowance for the Annual Health & Safety Inspection to ensure the safety of the residents of Chapel View. This inspection is to be carried out every 2 years following the handover of management.

Reserves

Reserve Fund: A sum to be set aside for any unexpected, unbudgeted expenditure items of major expenditure for the development.

Management – Service Level Agreement

RMG believe that it is fundamental that the service that we provide is measurable, fits the developments specific needs and can be monitored. RMG have created a Service Level Agreement to ensure that this is the case and to ensure that the level of service is clear.

Service Area	Frequency
1 - Communication	
All customer emails and letters acknowledged within 24 hours, responded to within 5 days.	Continuous
Fully trained and monitored property teams answering all property related calls. All calls are tracked and receive unique reference number. Target for 80% of all property maintenance enquiries to be resolved within 24 hours. Customer Contact Centre agents empowered to instruct contractors.	Continuous
Property Manager available to meet individual residents / Client to discuss issues on request.	On Request
Client meeting to review Service Level Agreement and Financial Performance.	Quarterly
Annual Residential Meetings held, organised by RMG. Available to residents & local authorities	Annually
Resident Surgeries arranged to allow for one-to-one appointments as an alternate for a residents meeting.	As Required
Establish and maintain Resident Committee.	Continuous
2 - On Site Responsibilities	
Detailed Site Inspection Report carried out by Property Manager and presented to the Client.	Quarterly
Appointment and monitoring of contractors, re-tendering on instruction of the Client.	Annually
Health & Safety Inspection Report – all issues identified and actioned by the Property Manager. ** please note this is not covered as part of the management fee.*	Annually or as required
Reactive repairs – instruction within 24 hours providing funds are available.	Continuous
Facilities Management – ensuring maintenance contracts in place, for all on site systems and soft services.	Continuous

3 - Financial Performance	
Invoicing of Service Charges – providing budget and explanations notes upon issuance.	Annual
Management of Arrears – tight monitoring and control of each stage of the recovery process.	Continuous
Budget – produced a month in advance of period end and approved in a meeting with Client.	Annually
Accounts – produce and review with Client.	Annually
Payment of Contractors – within 30 days on receipt of invoice.	Continuous
Financial Pack for Client – Ensuring all finances are being managed appropriately. This pack will include: report on arrears, expenditure for the period review, bank balance statement and budget comparison report.	Quarterly
Reserve Fund Management – ensure account is 'ring-fenced' and appropriate amounts are accrued each year to meet the demands of the lease.	Continuous

4 – Insurance	
Claims – ensure all claims are actioned within 24 hours of receipt/ escalated where appropriate.	Continuous

Company Secretarial Services

The below outlines what is included within our quoted Company Secretarial fees as part of the draft service charge budget. We do offer a further minimal service if required which can be tailored as needed.

Full Service:

- Registered office address
- Annual return
- Keeping safe the companies statutory books
- Provision of Service Address for Directors
- Maintenance of the Register of Members
- Maintenance of the Register of Officers
- Compliance Audit
- Liaison with the management companies accountants to ensure on-time filling of the company accounts
- Filling at Companies House
- Arrangement and Notification of General Meetings
- Drafting of Resolutions
- Attendance and Minute Taking at General Meetings
- Business Advise as required
- Amendments to Articles of Association

Please note there is no limit to the number of transactions to be completed within the quoted fee.

Should a full service not be required we are able to offer the below. Please don't hesitate to contact us for the amended fees for these minimised services.

- Registered office address only
- Annual return only
- Registered office address & Annual return

Contact RMG

To ensure that communication between Miller Homes and RMG remains open, we are pleased to provide the below key contacts. This information can be freely communicated across both organisations.

Head of Property (North): Paul Hitchen

[redacted]

Business Development Manager: Antony Gore

[redacted]