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## ***Introduction***

Welcome to your new home in which we trust you will be very happy and where we aim to provide you with an efficient and cost effective management service.

This booklet provides information you will find useful in understanding the management scheme for your new home. We have tried to deal with all the points that normally arise in connection with a block of flats or houses on an estate where we are providing services to the communal areas. If you have any queries on a particular point, please contact your management team.

If your property is on a new site, you may find that not all the services have yet been introduced. This is often due to the way in which the developer hands over the site for management.

New sites can also have their problems relating to general cleanliness. Parking spaces for example may have building materials on them leading to short term difficulties in parking in your allocated space. We would request your co-operation and patience in such situations which tend to be overcome as the development is completed.



## ***About Us***

Solitaire Property Management is a specialist property management company whose business is the management of communal areas of blocks of flats and housing estates.

We aim to provide a professional standard of property management and to ensure that a building is managed in accordance with the wishes of the majority of residents at a cost which is reasonable.

We manage thousands of properties throughout the country and our services are used by many national and regional developers as well as resident management companies. We are independent of any developer.

Our management activities and related accounting procedures are governed by statute and the code of practice laid down by the Association of Residential Managing Agents (ARMA) of which we are a member. Independent auditors certify annually that they have audited our clients' accounts and that we have fully complied with the Client Account Regulations. Additionally, we have substantial professional indemnity insurance cover for our activities. These requirements are all designed to protect you, by ensuring that your service charge fund is adequately safeguarded against fraud or theft, that you are only charged a reasonable sum for the services provided and that a proper professional attitude is adopted by us in our dealings with you.

We trust that you will be satisfied with the service that we provide for you. We will do our best!



## **Duties of the Management Agent**

In the minds of many residents, the managing agent is the company that does nothing except send out bills and collect money. Management is far more involved than this. We summarise below our main duties:

- Maintaining a full financial service to calculate and collect service charges, make payments to contractors, produce estimates and annual accounts, etc.
- Preparing, tendering and supervising contracts for routine servicing
- Dealing with questions, queries, complaints, etc. from residents and others
- Dealing with work requests, work orders and contractors to ensure proper maintenance of the building
- Maintaining a regular inspection programme of all buildings
- Dealing with all insurance matters relating to the structure of the property
- Meetings with residents and residents' associations to discuss the management of the building
- Drawing up specifications, obtaining tenders and supervising major and nonannual works
- Carrying out referenda and other similar communications to gauge residents' views on proposals affecting the building



## **Your Management Team**

For normal management matters please make contact with the Management Assistant for your area who will be able to assist you. Where an answer to your question cannot be given immediately, the Management Assistant will consult with an Area Manager in order to obtain the answer for you.

In the event of any complaints or comments regarding our service, please address these in writing to the Area Manager. If you should still be dissatisfied, then please write to our National Property Manager or if still not satisfied to our Managing Director.

## **Regular Services**

Most blocks of flats have the following services provided:

**Cleaning Communal Areas** This would normally be carried out once per week and would cover dusting, damp wiping, hoovering and cleaning of glass to internal doors and fire screens.

**Wall Marks** Where walls are badly marked/scuffed a special clean or redecoration may be required which would be the subject of a special order.

**Bin Stores** These would be swept and disinfected as required (normally at least once a month) during the cleaner's visit.

**Communal Area Window Cleaning** Again this is carried out once per month. We do not normally arrange cleaning of individual flat windows.

**Carpet Cleaning** The common parts' cleaning would provide for weekly hoovering but twice per year we would normally arrange for a shampoo of the carpets.

**Path/Parking Court Sweeping** This would normally be carried out once per month.

(continued)

**Regular Services** (continued)

**Garden Maintenance** During the season (March - October) there would be attendance by the contractor once every two weeks. During the winter this would be once per month. This contract would cover grass cutting and weeding of beds whilst hedge cutting and shrub pruning would be carried out 'as and when' required. The contract does not cover planting or replacement of plants. These would be dealt with by a special order. Watering during drought periods or dry spells is not part of the standard contract. When a development is first built, the show area may have lots of annuals, pots and hanging baskets. These would not normally be the specification planting and when the site is completed, they would normally disappear and be replaced with low maintenance ground cover green shrubs. Residents can, of course, require additional planting in which case this will be undertaken by the contractors and paid for through the service charge.

**Building Repairs** These would be dealt with as required and according to priority.

**Electrical Maintenance** Emergency lighting and smoke detectors are often provided and maintenance contracts are entered into.

**Lift Maintenance** A contract is entered into for routine maintenance and emergency call-outs for (where fitted) breakdowns.

**Door Entry System/TV Aerial Maintenance** These are not normally subject to a maintenance agreement as we find that the costs do not warrant it. They are dealt with on a call out basis when a breakdown occurs. In some blocks these are subject to a rental agreement which would normally include dealing with breakdowns caused by defective components.

**External and Internal Decoration** This work is carried out periodically according to the decorative finish which has been used. Normally, external decoration would be dealt with on a three to four year cycle and internal decoration on a five to seven year cycle. Where the current decoration is particularly poor, we would consider with residents, bringing the work forward.

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**Regular Services** (continued)

**Other Services** According to the requirements of the building, other services may be provided on a regular basis through the service charge fund. For example, these may cover the hiring of refuse bins; the provision of metered water; the provision and maintenance of sewerage pump stations etc. Within the estimate and accounts for a particular block, all such items would normally be shown in order that you can see what services you receive and what you are paying for them.

**Residents' Choice**

Most services provided by us at your building can be changed in accordance with the wishes of the majority of the residents. It is your home and you know what services you want provided. Clearly in order for us to vary the servicing, we have to be sure that the change does represent the wishes of the majority, and accords with our legal obligations.



## **Repair Liability**

The best forum for discussing service levels and costs is a residents' association which has a strong membership and a mandate from the flat owners. We welcome the formation of such associations as it provides us with a focal point and a body with whom we can plan changes.

For flat owners the repairing liabilities of both the resident and the managing agent are set out within the lease. These can be summarised as follows:

**The Resident (You)** You are responsible for all matters within the flat itself plus the repair of any pipe, wire or drain which may be outside the flat but which only serves the flat itself. An example of this is the waste from your kitchen sink until it meets the main waste stack or main drain serving both your flat and other flats.

It may be that your flat is damaged due to problems with another flat e.g. water leakage from the flat above. This would still be your responsibility although the cost involved may be a charge to the insurance policy for the building.

**The Managing Agent (Us)** On behalf of all the residents and at a cost to the service charge fund, we are responsible for arranging all repairs to the main structure of the building, the communal areas of the building, all communal drains and rain water gutters and pipes, the surrounds of the building and common areas such as parking, courtyards, paths, driveways, gardens, etc.

If you are ever in doubt about the repairing obligation or liability on any item, your management team will be pleased to advise.



## **Building Insurance**

For most flats, the building insurance is arranged by us through a Block Policy - a summary of which is available upon request. There may be some blocks where the insurance is arranged via the Freeholder and if yours is one of those, the details below may not apply in full although the general principles will be the same.

The insurance policy covers the following risks to the building:

- Fire
- Flood
- Storm
- Subsidence or heave - subject to certain conditions
- Vandalism - subject to certain conditions
- Theft and/or attempted break-in - subject to certain conditions
- Escape of water (e.g. a water leak from a tank or an appliance such as a radiator or washing machine)
- Accidental damage to sanitary ware and fixed glass
- Collision with the building by a vehicle
- Third party and public liability cover
- Excess. As with the majority of block policies there are excess charges in respect of each and every claim made. A copy of the policy summary and schedule is available detailing the level of excess as well as the extent of the policy.



## **Insurance Claims**

Each lessee is an insured person under the terms of the policy and as such if you have a claim which relates to your flat - or those conduits which serve your flat - you have to complete a claims form and arrange to have the work done. Where there is a claim which affects the communal areas, the structure or several flats within the building, then we would deal with both the claim and the works required.

The procedure for making claims is as follows:

- You contact us and we will either send a claim form to you for completion, or we will direct you to the insurer's free telephone help line.
- If you carry out the work - except as noted below - before acceptance of your claim you do so at your own risk.
- When the claim has been approved you have to pay any contractors employed by you and forward the original receipt to insurers for you to be reimbursed. When large amounts are involved the insurers will normally pay the contractor direct upon receipt of a satisfaction note.
- Where works are of an emergency nature either to secure the premises or to prevent further damage you will usually receive a verbal authority from us to proceed with essential works without the need for an estimate for that part of the works.
- When the damage to your flat is to such an extent that the flat is uninhabitable, the policy provides cover for alternate accommodation. It would be for you to negotiate with loss adjusters the type of alternative accommodation to be provided.



### **Pets in Flats**

Some leases have an absolute ban on any pets or certain pets. Other leases allow pets provided consent is obtained beforehand. In these cases a written consent is required. We are not concerned about fish, small caged birds, etc.

Where you wish to have a cat or dog, please write to us for consent. In the case of a dog, we would normally require a photograph to ensure that it is a breed which is consistent with flat living. The written consent is given subject to what are termed 'good neighbour' conditions as follows:

- Only one cat or dog per flat would be permitted (for a dog it would be restricted to that shown in the photograph)
- No noise or nuisance must be caused to other residents
- No cat flaps are allowed and cats must not be permitted to roam the communal areas of the building
- Dogs must not be left alone in the flat for long periods of time and, when, within the building or grounds, they must be on a leash
- They must not be allowed to foul the grounds or common parts of the building. (In the event of an 'accident' we would expect the resident concerned to clear away any mess as cleaners are now reluctant to deal with this due to Health & Safety at Work Regulations)

***Any breaches of these conditions can result in the permission being withdrawn.***

### **Satellite Dishes**

Most leases carry a prohibition against any form of receiving equipment except communal receivers. Indeed planning restrictions prohibit more than one satellite dish per building. Should residents collectively wish to have a satellite service they should make their wishes known to us in writing. At no time should individual dishes be affixed to the buildings or placed in the grounds.



## **Sub-Letting Your Flat**

If you wish to sub-let your flat, most leases state that you should obtain consent and that the sub-tenant should enter into a 'direct deed of covenant' to ensure that the sub-tenant complies with the general terms and regulations contained within the lease. A standard application form can be sent to you.

In order to protect the other residents in the building and to comply with the terms of the lease, references are required and the letting must be to a specific person. We would not be able to accept a proposed letting to, say, a housing association, a local authority or a DSS tenant.

You will be required to pay reasonable solicitor's costs for the preparation and completion of the 'deed of covenant' and an administration cost to us for dealing with the matter. These fees are set out within the application form.

Before you consider sub-letting, please make sure you check with your building society, bank or other lender to see if they have any rules that you have to follow.

## **Parking**

A major source of neighbour disputes in a block of flats is parking. Most leases allocate a parking space (or sometimes two spaces) to each flat and these are shown on the lease plan. Residents should ensure that they only park in their allocated space, leaving any other car outside of the parking area. Second cars should not be regularly parked on visitor spaces.

Where a lease does not allocate spaces, parking is on a 'first come, first served' basis but again it is for one car per flat only.

Visitor spaces are for visitors' vehicles only and leases state that they are available for visitors' 'short-term' parking. This is interpreted as meaning not more than a day or night.

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### **Parking** (continued)

As the management company we cannot protect a resident's individual space and if any vehicle parks upon it the only person who can take action is the leaseholder who owns that space. There is normally no objection to a resident neatly marking their space number or erecting a drop-post to protect the space.

Where there is abuse of the visitors' parking spaces we would take action against the abuser or, if it is an abandoned car we would locate the owner via DVLA - although this process can take up to one month from notification of the registration number. We cannot deal with abandoned cars on a resident's space.

### **Noise and Nuisance**

Noise from T.V.'s, stereos, parties, guests leaving, etc. can be very annoying - particularly late at night. Persistent noise nuisance is best dealt with by your local Environmental Health Department who have the necessary powers to deal with this and whose involvement usually provides a speedy resolution.

Nuisance can be caused by undertaking activities which do not accord with the community spirit. Carrying out major car repairs in your parking space; leaving a derelict car in the parking court; abuse of the visitors' parking spaces; not taking correct control of your pets and erecting satellite dishes are all examples and are matters about which we regularly receive complaints.

We do not wish to become involved in inter-neighbour disputes unless this is unavoidable. A time may however arise where you feel we have to become involved. In those instances we would require the complaint in writing and it should be verified by at least one, or preferably two other flat owners. Initially we will write to the lessee concerned advising them of the complaint - but not the complainant - and requesting that the activity ceases. If this is not successful, then solicitors would have to become involved. We would then ask you for security for their costs as provided for within the lease. This would normally be an initial sum of £200.00 (plus VAT) but would increase if the matter had to go to court. You and other flat owners affected must also be prepared to give evidence in court to substantiate the nuisance claim.



## Out of Hours Emergencies

In common with other managing agents, our offices are open Monday to Friday during normal business hours. Outside of those hours, we have an answerphone and a fax machine for you to leave a message.

During Public and Bank Holiday periods, the answerphone will usually provide you with a telephone number of a duty member of the management teams who could deal with building emergencies - this number would again be available during reasonable hours of the day.

When the office is closed, if an emergency should arise you should make arrangements as below and/or as may be indicated on the Management Notice Board within your block and advise us when we re-open.

**Blocked Drains** Call Dyno-Rod or similar emergency plumbing service. They will require you to pay their account on the spot but we will arrange to reimburse you where it is the communal drain that is blocked.

**Electrical Failure to Common Parts** This is normally due to a circuit breaker operating. If you know its location you can reset it. If in doubt, call the emergency number of the local Electricity Company.

**Door Entry Breakdown/T.V Aerial Failure** These can normally be left until we re-open. A message on our answerphone will ensure that a work order is placed with the appropriate contractors.

**Lift Breakdown** If persons are trapped in the lift, call the fire brigade on 999. Where an emergency number is displayed on site for the lift engineers, also call them. If the lift engineers are called out outside of normal working hours, their call out charges (payable by you and your fellow residents through the service charge fund) are very high. It is often better to wait until we open and report the failure to us so that we can then issue instructions.

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## **Out of Hours Emergencies** (continued)

**Water Leak** Call the emergency number for your local water company.

**Other Building Emergencies** Telephone DynoServices with whom we have account arrangements. They provide locksmith, plumbing, electrical, carpentry, roofing, etc. services which are normally provided within one or two hours in cases of emergency. If there is uncertainty in the mind of the operator as to the account arrangements, you may be required to pay on the spot. Credit card payments are normally accepted.

Where you have to call out a contractor and meet his charge we will arrange prompt reimbursement where the problem involves the communal parts of the building and (according to) payment for repair is the responsibility of the service charge fund.

## **The Accounting System**

For the majority of flats, the service charge accounting system is similar and is set out within the lease and cannot be altered or amended by us. It can be summarised as follows:

At the beginning of each service charge year an estimate is prepared detailing what amounts we consider will be needed to provide the services to your building.

You are invoiced on the basis of this estimate according to the frequency set out within the letter. This will either be annually in advance; half-yearly in advance or quarterly in advance. Payment is then due.

Within six months of the year end an account of what has actually been spent is produced and independently audited. This account is sent to you.

You receive with the account an adjusting invoice. If the account shows we have spent more than we estimated, then a further payment is due on receipt of the invoice. Where the account should have spent less than the estimate, the invoice will show the amount of credit which has been to your account and which will either reduce what you already owe (if amounts are outstanding will reduce the payment you make when the next regular invoice is issued. If you have any query regarding the accounting system please speak with the Management Assistant.



## **The Estimate**

**How is the estimate service charge calculated?** The lease requires us to estimate at the beginning of each financial year the total likely expenditure to be incurred during the year. To assist residents, we do not just quote a figure, but we estimate expenditure against each of the main items of expense - gardening, cleaning, insurance, etc.

The estimate figures are based upon a combination of known expenditure during the previous year, existing regular service contracts, quotes from contractors and our own knowledge and experience, and is subject to adjustment after the end of the financial year.

**The estimate includes building insurance, but I already pay this to my building society/bank/other lender** Under the terms of most leases we are required to insure the whole building but not your belongings. Where your bank or building society has required you to insure through them, you should obtain from us a copy of the insurance summary details and current schedule and give this to them.

**Why does the estimate contain a provision for 'building repairs' when there is a maintenance period from the developer/a ten year N.H.B. C. guarantee?** There are a lot of misunderstandings regarding both the developer's repair liability obligations and the N.H.B.C. cover. The developer will only deal with defects due to bad/defective workmanship within two years of the sale of the first flat. This is not a maintenance provision for any item that requires repair. Electrical items such as door entry systems are only covered for six months from the completion of the installation. This could expire before the first flat is occupied!

There are numerous matters that may have to be dealt with by the service charge fund as building repairs. Examples are blocked drains, door entry system repairs, electrical repairs, blocked gutters, etc.

The N.H.B.C. insurance cover only deals with major **structural** failure which occurs during the first ten years. Therefore minor repairs (chipped roof tiles etc.) are not covered by them and will be dealt with as building repairs. Windows and doors are not deemed as structural and are therefore normally excluded.

**Why is the figure in the estimate different from the figure in my lease?** The service charge figure shown in the lease refers to the estimate for the first financial year only. Thereafter, it has to be re-estimated.



## **The Audited Account**

We set out the most commonly asked questions about the audited account together with the answers.

**The account seems to be simple. Why therefore does it sometimes take so long to produce?**

Whilst most accounts take a few hours to produce, they have to be audited, duplicated and the resulting adjustment posted to individual lessee accounts. There are often several hundred properties with the same year end date. This means that they cannot all be prepared at once. We try to rotate the order in which they are prepared and circulated so that you may wait up to six months in one year, but only one month the next year.

**On the account there is a heading for a service I do not receive. Why is this?**

Our accounts are produced to a standard format. As such there may well be a heading that does not apply to your building because that service is not provided. You will however find that no expenditure is recorded against that heading.

**On the service charge adjustment schedule attached to the account, I am paying a different amount to my neighbour. Why?**

There could be several reasons for this. The most common is that the lease of your property specifies a different percentage or proportion of the charges to your neighbours. This is legally binding upon you.

Another reason could be that this is the first account for your building. In these cases charges are usually levied on a 'daily rate' basis. You would be charged for each day of the accounting period the flat was owned by you and your neighbours would be charged for the days they owned their flats. The 'on account' payment during the period of ownership could be different and this would mean that your adjustment is different even though the percentage charge is the same.

**What happens to money collected which is not spent for a period?**

All reserve funds and service charge receipts surplus to current requirements are invested in an interest bearing account. The net interest earned is added to the reserve fund. Details of this are shown on your annual service charge account.

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## **The Audited Account**

**Some of the expenditure on building repairs look very high considering the description of the work. Why?** Within the account we can only give a very brief description of the type of work that was undertaken and not a full note. For example, clearing gutters could include remaking joints etc. and it may well have involved the use of some scaffold tower or 'cherry picker' hydraulic platform for access.

## **The Service Charge Adjustment**

As indicated under "The Estimate" and "The Audited Account", there is always an adjustment to the service charge after the year end as it is highly unlikely that our estimate would equal exactly the amount expended during the year. This adjustment can be a credit if we over estimated or a debit if we under estimated. If we under estimated, an invoice will be sent to you for the balance due. If we over estimated, the adjustment is credited to your account and will reduce future invoices.

**I am being invoiced for an adjustment for a period prior to my ownership. Do I pay this?** As the current owner, you are now liable for making this payment. However, your solicitor should have made arrangements to cover this contingency, usually by holding a small retention from the money due to the person who sold the property to you. In most leases there are provisions for the collection of a reserve or "sinking fund" as part of the annual estimate. The lease may well also state that this fund should be started from the second accounting year, thereby increasing the charge from the second year by the amount of the reserve.



## **Reserve Funds**

The objective of a reserve fund is to offset the costs of non-annual major work such as decorating so that when this work is carried out there is not a massive increase in the service charge collection for that year. It is therefore forward spreading the costs of such work. As far as possible, we try to set the level of reserve fund collection so that very little extra payment - if any - is required when substantial building expenditure needs to be incurred.

The reserve fund is invested in an interest bearing account and the level of the fund and the interest earned, together with details of any expenditure from the fund are all shown as part of the annual audited account.

When you come to sell your property, you should tell your Estate Agent that reserve funds exist as this helps to allay fears that prospective purchasers may have, that there will be substantial increases in service charges, particularly if the building is due for decoration.

## **Service Charge Payment**

Service charge payments are due in advance as defined within the lease. The reason why advance payment is stipulated is because the only source of money to pay for the servicing of your building is the service charge fund itself. Therefore, if residents do not pay, there are no funds to insure or service the building.

It is our duty to collect the service charge when it is due. We carry out this duty by issuing the invoice for payment just before the due date and by issuing a reminder some 14 days after the due date if payment has not been received. The reminder is a final demand. If payment is not received, we have no alternative but to take legal action to recover outstanding amounts. The lease usually provides that the legal costs incurred are met by the resident concerned.

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**Service Charge Payment** (continued)

Regular questions asked about payments are as follows:

**My last invoice showed a credit balance. Shall I deduct this from my next invoice?** No. The deduction will already have been made by the computer program in calculating the amount now due from you. Your invoice will always show as the bottom figure the amount due after allowing for all credits and debits.

**Can I pay by instalments?** We regret that this is not possible as it is not permitted under the lease.

**I am in financial difficulties and cannot pay. What shall I do?** In such circumstances you should immediately contact your mortgage lender. They have an interest in your property as it is security for their loan to you. In normal circumstances they will usually assist you with the payment. It is important that you keep them advised as, if solicitors are instructed for collection of your charges, they have a duty to inform your mortgage lender that they are taking action.

**The invoice received is not in my name. Why and what is my liability?** This usually occurs when a sale has taken place and your solicitor has not registered the assignment with us as required by the lease. You should contact your solicitor immediately to ensure that the position is regularised.

Until registration has taken place, we are unable to amend the record relating to your flat. However, as the owner, you are responsible for the charges and should pay these even though you may be resolving matters with your solicitor.

**I am going to sell before the period end date on the invoice. Do I still have to pay?** Yes. As the owner of the property when the invoice was issued the payment is due from you in full. You should request a receipt when you pay as your solicitor will require this and will obtain a refund from your purchaser or a contribution to the cost you have incurred.

If you are completing a sale prior to the beginning of the invoice period, pass the invoice to your solicitor and he will then see that the purchaser becomes aware of it.

For most sales, solicitors write to ask us if there are any payments outstanding. If you have not paid it is possible that this may hold up your sale.



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### ***Lastly ... Our Mission Statement***

We wish you every happiness in your new home. For your benefit we have set ourselves the following standards of service:

- Our surveyors and managers will deal with all your questions in a speedy, clear and courteous manner.
- We will advise all residents of any matters which affect your block of flats, its maintenance or the level of service charge in good time.
- We will manage the block of flats in a cost effective manner for the benefit of all residents.
- In the unlikely event of a complaint about our service we will attempt to resolve the matter amicably and, if necessary, refer the complaint to one of our managing directors.