

RESIDENTIAL SERVICE CHARGE MANAGEMENT SELECTING A MANAGING AGENT

1. Competence and honesty are the two major factors which most clients usually require.

Assessing competence

2. Clients are advised to give the candidate managing agents:
 - a) A copy of the standard form of lease.
 - b) A copy of the last published service charge accounts and current service budget.
 - c) An explanation of the particular problems or issues which the client wishes to have resolved.
3. Each candidate managing agent should be asked to look at the documents, carry out a preliminary inspection of the property and submit a management plan setting out:
 - a) Their own assessment of the individual problems/issues.
 - b) Their advice as to resolution.
 - c) Relevant information about their general management resources and procedures.
 - d) Their fee quotation.
4. In many cases, it appears that candidate interviews take place at the block of flats. It is suggested that there is much to gain by the clients in carrying out an interview of their preferred candidate at the candidate's own offices. Much can be learned from seeing the staffing set up, record keeping, something about the accounting function, and benefiting from seeing the candidate's offices generally.

RICS and ARMA Membership

- 5.1 This firm is a member of the Royal Institution of Chartered Surveyors (RICS) and has also met their qualification criteria so that it is regulated by the RICS. That involves making an annual return about the clients' bank accounts and methods of client account control as well as an inspection of

our client account banking and financial transaction arrangements by an accountant appointed by the RICS (not our own accountant), at our offices, about once every 3 years. The RICS require us to have appropriate professional indemnity insurance and the RICS has a bonding scheme for its members which covers up to £50,000 of clients' money.

- 5.2 This firm is also a member of the Association of Residential Managing Agents (ARMA) which has recently issued a consumer's charter and professional standards by which all members of ARMA must comply. A comprehensive annual return has to be given to ARMA and they also have an independent regulatory visit to their members' offices about once every 3 years which not only looks into the handling of client funds but also looks into other aspects of the residential service charge management procedures.
- 5.3 Both RICS and ARMA require members to have a complaints handling policy and to belong to an Ombudsman scheme for the resolution of any complaints which cannot be resolved directly between the complainant and the managing agent.

For further information

6. To receive a copy of our Residential Service Charge Management brochure or to discuss our service in greater depth, please contact either
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