



This definitive version 2.0 is prepared to issue with the Contract for Services from 1 July 2007. There are no substantive changes from definitive version 1.1 issued during the tendering exercise. Minor changes to reflect comments in the Contractor's tender response are highlighted in **bold**.

1 Guidance and Principles

1.1 For your guidance, St Benedicts estate ('St Benedicts' or 'the estate'):

- (1) Is located between Church Lane and Rectory Lane in Tooting, London SW17;
- (2) Is in the London Borough of Wandsworth;
- (3) Has 132 leasehold flats in 21 blocks;
- (4) Has 49 freehold houses;
- (5) Has one freehold block of 8 flats owned by Delta Housing Association (DHA);
- (6) Includes the grounds surrounding the above properties;
- (7) Has a clock tower, portico and trees in the grounds;
- (8) Has a limited liability Management Company, St Benedicts (Tooting) Management Company Limited ('the Management Company'), with the property owners as its shareholders, which is run by directors ('the directors') appointed by and from the shareholders;
- (9) Has a company financial year from 1 July to 30 June;
- (10) Was built in around 1985 to 1987, using standard construction of brick, block and tile.

1.2 Service principles:

- (1) Ensure the smooth running of the estate;
- (2) Manage the estate finances prudently;
- (3) Provide the point of contact for all matters to do with the estate;
- (4) Manage the contractors and work on the estate to appropriate standards and obtain value for money;
- (5) Ensure compliance with all legal, regulatory and contractual obligations;
- (6) Not make any profit or commission from management of the estate except as specifically set out in the contract for services and this *Specification*. The agent is permitted to take commission from insurance or to share the benefits of reductions in charges through bulk purchase of services across multiple estates. The exact nature and value of such commission or benefits arising from St Benedicts must be declared to the directors and the agent must still obtain multiple quotations for St Benedicts alone as set out in this *Specification* to demonstrate the benefit of those arrangements.
- (7) The contract for services may only be assigned, transferred or its obligations sub-contracted with the agreement in advance of the Management Company.

2 Basic Services

2.1 Financial services:

- (1) Prepare an annual budget of regular expenditure and maintenance funds, matching the chart of accounts, to be used as the basis for setting service charges, agreed by the directors [draft by 30 April, final by 31 May – major];
- (2) Run the company current and investment bank accounts (this is an alternative to (3));
- (3) Alternatively, if preferred by the agent and agreed with the directors, receive and make day-to-day payments to and from (a) suitably protected client account(s) of the managing agent earning appropriate interest on surplus cash (this is an alternative to (2) **and is the option agreed with the Contractor**);



- (4) Collect, record and account for service charges paid by cheque and standing order and other payments received and paid into the bank accounts;
- (5) Make, record and account for payments to suppliers from the bank accounts;
- (6) Manage expenditure in accordance with the budget and notify the directors of any likely over-runs [as soon as they are identified – major];
- (7) Provide regular monthly (**or quarterly with agreement of the directors**) summary reports to the directors of income, service charge collection and arrears, expenditure against budget and bank account reconciliations [within 1 month of the reporting date – minor].

2.2 Accounting:

- (1) Maintain the company financial records from:
 - a chart of accounts to be agreed with directors that matches the annual accounts and separates periodic maintenance from annual expenditure;
 - paid invoices and other payments made;
 - service charges collected and other payments received;
- (2) Maintain specific records of the separate funds for:
 - leasehold maintenance and other periodic expenditure;
 - general estate maintenance and other periodic expenditure;
- (3) Prepare the annual accounts [within **3** months of the financial year end – major];
- (4) Have the annual accounts audited or otherwise examined as required by current law and agreed with the directors by a suitably qualified accountant chosen by agreement with the directors [within 4 months of the financial year end – major];
- (5) Maintain the service charge accounts for 181 properties plus one for Delta Housing Association (DHA):
 - duplicate and distribute the budget, agreed with the directors, to each account before the start of each financial year (1 July) [major];
 - issue a statement and request for payment for each account before the start of each financial quarter (1 July, 1 October, 1 January, 1 April) [major];
 - send monthly reminders if service charge accounts are in arrears;
 - add interest to service charge accounts in line with legal agreement if agreed by the directors;
 - take legal action for non-payment after approval by the directors in conjunction with solicitors (with the costs to be borne by the owner of property);
- (6) Regularly reconcile the company financial records of service charge payments, other receipts and paid invoices with the bank account statements.

2.3 Contact with directors, owners and residents and correspondence:

- (1) Receive correspondence, telephone calls and email from owners and residents and other parties, such as suppliers;
- (2) Answer queries [within 5 working days – minor];
- (3) Send correspondence requiring directors' attention to the relevant director [within 3 working days – minor];
- (4) File correspondence, including copies of that sent by directors to be supplied by them, suitably for future reference, including where relevant by property address;
- (5) Make copies of documents on company files available to the directors on request [within 5 working days – minor];
- (6) Mail correspondence to owners who have provided notification of an address off the estate as well as to their properties;



- (7) Prepare and distribute up to 6 newsletters annually, agreed with the directors, to owners and residents (**there would normally be 4 newsletters annually, distributed with the service charge requests**) [within 10 working days of request – minor].

2.4 Contract services:

- (1) Engage suitable contractors to provide regular services:
- cleaning of communal areas in the blocks of flats;
 - maintaining lighting in communal areas in the blocks of flats;
 - gardening, tidying and tree surgery in the grounds;
 - if required by the directors, parking control, with costs payable by parking offenders.
- (2) Manage regular services:
- every 2 years or as otherwise agreed by the directors, issue competitive invitations to tender, agreed with the directors, to multiple independent companies to obtain at least 3 responses and obtain value for money [major];
 - evaluate the tenders and make recommendations to the directors;
 - engage contractors approved by the directors, for a rolling period not exceeding one year (so that additional provisions of the Landlord and Tenant Act do not apply);
 - monitor and manage the work of the contractors engaged;
 - ensure that work invoiced is carried out, legally and to proper standards, and that payments remain within budget;
 - liaise regularly with the contractors engaged;
 - warn the contractors if work is unsatisfactory and, if the work remains unsatisfactory after a second warning, serve notice and re-tender the work.
- (3) Engage suitable contractors as required for minor work, ensure that value is obtained, payments remain within budget and that work is properly carried out for:
- minor building work and repairs to the blocks of flats, the clock tower, paving and fencing [arrange within 10 working days – minor];
 - repairs to communal entry systems in the blocks of flats [arrange within 3 working days – minor];
 - repairs to communal television aerial systems in the blocks of flats [arrange within 3 working days – minor].

2.5 Insurance:

- (1) Obtain competitive quotations for insurance from at least 3 independent companies [every year – major];
- (2) Arrange suitable insurance for the blocks of leasehold flats on the estate and for the estate facilities with a company agreed by the directors;
- (3) Handle insurance claims [responding within 5 working days – minor].

2.6 Company secretarial work:

- (1) Provide the registered office and the company secretary;
- (2) Report to Companies House and supply copies to the directors [within 10 working days – minor] of:
- annual return including list of shareholders;
 - annual report and signed accounts (see accounting);
 - any change of directors or company secretary;
 - any change of registered office;
 - any other returns required by law;



- (3) Maintain the company files:
 - company secretarial including minutes, list of directors;
 - list of shareholders (ie, property owners), their addresses and emergency contact details;
 - counterpart deeds of properties and correspondence by property address;
 - general files;
- (4) Register property transfers and update the company files (see separate section);
- (5) Duplicate and distribute the previous minutes, accounts, notice of meeting and agenda in time to provide the legally required notice for each General Meeting [major];
- (6) Arrange an Annual General Meeting each year and any required Extraordinary General Meetings locally to the estate;
- (7) Attend each General Meeting to report to shareholders and to take minutes [major].
- (8) Comply with provisions of the Companies Acts, including that enacted in 2006 as its provisions come into effect (planned to be from January 2007 to October 2008). This includes any additional requirements. It cannot be assumed that St Benedicts will take advantage of any reduced requirements, eg, for annual reports and general meetings.

2.7 Other work:

- (1) Visit the estate regularly and inspect it for minor issues and work carried out by contractors [weekly – minor];
- (2) Work with the company directors:
 - provide reports to be considered at the meetings with directors [at least 3 working days beforehand – minor];
 - attend and minute regular meetings **at least quarterly and no more than** monthly, usually on the Estate in early evening, as **agreed with** the directors [attend – minor; provide minutes in format agreed with Directors within 5 working days – minor];
 - communicate with the directors as required, including by email [respond within 3 working days – minor];
 - advise the directors of any statutory or contractual requirements that the company must comply with;
- (3) Carry out other work generally required to manage an estate of this type and size and comply with relevant requirements, including but not limited to:
 - ensure compliance with all legal, regulatory and contractual obligations;
 - comply with the Data Protection Act, maintain data securely and disclose it only as required to manage the estate or by law;
 - ensure compliance with the legal covenants for properties on the estate;
 - uphold the legal covenants for properties on the estate, including but not limited to nuisance, property sale boards, arials and parking [serve notice within 10 working days – minor];
 - liaise with the local council as required by law and to ensure that services are provided properly, including but not limited to building regulations, rights of way, street light maintenance, tree preservation orders, refuse disposal, recycling, fly-tipping removal and graffiti removal [contact within 3 working days – minor];
 - transfer all of the company's records including but not limited to legal agreements, property records, financial and accounting records, company secretarial records and correspondence back to the company or to new managing agents as specified by the directors at the end of the contract [within 5 working days – major].



3 Additional Services

These additional services will be by agreement with the directors regarding their provision, service levels and cost. The directors reserve the right to conduct a separate competitive tender for this work or allocate the work to another supplier if agreement cannot be reached.

3.1 Periodically manage the maintenance of the blocks of flats and estate facilities:

- (1) Every four years as required by the legal agreements for properties on the estate;
- (2) Manage architectural or building surveying work to determine the maintenance work required;
- (3) Issue competitive invitations to tender, agreed with the directors, to multiple companies to obtain at least 4 responses and obtain value for money;
- (4) Evaluate the tenders and make recommendations to the directors;
- (5) Provide information to property owners including that required by law;
- (6) If required, raise any additional service charges to cover the costs involved;
- (7) Engage contractors approved by the directors;
- (8) Monitor and manage the work of the contractors engaged;
- (9) Ensure that the work is carried out legally and to proper standards, and that payments remain within budget.
- (10) Liaise regularly with the contractors engaged;
- (11) Take appropriate action if work is unsatisfactory.

4 Property Transfer

The cost of property transfer is borne by the owners involved as defined in the legal agreements for properties on the estate.

4.1 Receive from the purchaser's solicitor:

- notice of assignment (and mortgage charge, if any);
- fee for registration of assignment;
- deed of covenant exactly in form given in lease;
- certified copy of transfer document;
- vendor's share certificate;
- stamped stack transfer in name of purchaser.

4.2 Update the company records:

- register of transfers;
- register of members - enter purchaser;
- register of members - update vendor;
- register of sealings;
- complete new share certificate in name of purchaser, bearing the same number as the vendor's share certificate (to be signed by the Company Secretary and countersigned by a director of the Management Company);
- alphabetical list of members (shareholders).

4.3 Send to the purchaser's solicitor [within 5 working days – minor]:

- receipted notice of assignment;
- receipt for fee;
- certificate acknowledging deed of covenant;



- new share certificate in name of purchaser.

4.4 Deal with any queries, as required [within 5 working days – minor].

5 Fees and Performance Regime

- (1) The monthly fee for the basic services in section 2 of this *Specification* is to be fixed for a year and any annual increases limited by reference to a suitable independent measure.
- (2) Quantified performance targets are set out in square brackets in this *Specification* thus: [performance target].
- (3) Failures to carry out the work or to meet the performance targets in this *Specification* are deemed minor (for example, missing a deadline for responding to a query) or major (for example, failure to keep proper accounts) as set out in this specification or otherwise at the discretion of the directors of the Management Company.
- (4) The Management Company will give a warning in writing **or by e-mail** of any failures, and only failures so notified will be deemed as such.
- (5) If the failures are not remedied or further failures occur within one month from the initial written warning, the Management Company will give a final warning in writing of failures that have not been remedied.
- (6) If the failures are not remedied or further failures occur within a month from the final written warning, the fees for the basic services will be reduced by a proportion of the maximum penalty set in the contract for each month until all failures are remedied as follows:
 - reduced by 100% of the maximum penalty for any major failure;
 - reduced by 25% of the maximum penalty for each minor failure;
 - subject to a maximum reduction of 100% of the maximum penalty **in any one calendar month.**

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