



Management Charges Explained

This leaflet explains the charges
we make to home owners for
management services





What is changing?

We have reviewed the management charge element of your service charges.

This is currently charged at a rate of 15% of the cost of the services. The review has shown we have not been recovering the full costs of managing services to homeowners' properties.

We are therefore proposing to change the way we set the management charge and intend to move away from a percentage to a fixed band structure. This will be

more consistent and fair, and will reflect the number and complexity of services applicable to each property.

The changes to management charges will be introduced in increments over a three-year period starting in the 2017/18 financial year and will be charged in full from the 2019/20 financial year.



Why are we making these changes?

What is a management charge?

Our management charge relates mainly to the administration cost of providing services to homeowners. These costs include a contribution to the information technology, human resources, facilities and legal services required to manage homeowner services. The management charge also covers costs involved in calculating, apportioning and billing your service charge, and reconciling your account.

Any costs that appear in the following list are not part of the service charge and will be invoiced separately:

- Arrears
- Consents (present or retrospective)
- Administration of major works and decorations projects
- Lease extensions and release of covenant restrictions
- Sales enquiries and assignment/transfer fees

Why are we making these changes?

Our management charges have previously been based on 15% of your total service cost. Under this method your management charge could fluctuate with any changes to the services you receive and how often we provide them. For example, in any given year your management charge would vary significantly if additional repairs and services were provided to your block or estate, creating uncertainty for residents about what their charge will be.

It is considered good practice by The Royal Institute of Chartered Surveyors (RICS) to move away from percentage-based management charges. To ensure fair and consistent management charges for all our customers, we will be introducing a fixed band structure.



How will the change affect me?

What are the new management charges?

Your property will now be placed into one of five fee bands – A, B, C, D and E – depending on the services you receive and how often they are provided. The management charge for your band will be billed as part of your yearly service charge. The band your property is in is shown in the accompanying letter.

The management charge will include the amount of time spent managing the services provided to your property, block and estate over a year by Curo.

How will the new bands affect me?

We are introducing these new management charges in phased increments over two years to reduce the impact of any increase. The annual phased amounts for each band are on page 3 – the amount shown for Year 3 is the full annual fee.

If your current management charge is more than the Year 1 or Year 2 phased amount your charges will continue at the current level. When your charges come into line with the phased amount you will be charged in line with the phases.

Some customers will see their charges reduce with immediate effect in Year 1 to match the final calculated band structure for Year 3 (April 2019).

How will the change affect me?

What services are included in the management charge bands?

We have undertaken a review of the administration costs to Curo for services that apply to your home. We looked at the frequency and complexity of the services provided to your block and estate and used this to determine the management bands listed overleaf.

A list of specific services that apply to your property will be shown in the service charge estimate we will issue in February.

Will management charges change again in the future?

Once the revised management charges are fully implemented in 2019/20 we will undertake annual reviews. Details will be provided each year in the annual service charge estimate demand we send to you.

To contact us about your management charges, please email service.charges@curo-group.co.uk.



What are the bands and fees?

Band	Applies to	Services	Phasing of charge		
			Year 1 (April 2017)	Year 2 (April 2018)	Year 3 (April 2019)
A External agent/ management company services	Properties where an external agent or company provides full management services to a block or estate. Curo will be responsible for the collection and payment of service charges to the 'superior landlord'.	<ul style="list-style-type: none"> Collection of rent and service charges 	£63	£63	£63
B Estate charges	Areas of private estate that have not been adopted by the Local Authority and remain within Curo's remit to maintain and service –chargeable to homeowners through lease/ transfer agreements.	<ul style="list-style-type: none"> Collection of rent and service charges Estate maintenance and servicing 	£58	£83	£108
C Communal Services (minimum of two services)	Blocks and estates where Curo provides communal services as managing agent. Properties in this band receive 2-5 services.	<ul style="list-style-type: none"> Collection of rent and service charges Estate maintenance and servicing Buildings insurance Communal area maintenance Repairs 	£85	£107	£129
D Communal Services (more than five services)	Blocks and estates where Curo provides communal services as managing agent. Properties in this band receive 5 or more services.	<ul style="list-style-type: none"> Collection of rent and service charges Estate maintenance and servicing Buildings insurance Communal area maintenance Fire servicing equipment Repairs 	£119	£142	£165
E Sheltered accommodation	Estates where support services for older or disabled customers are provided in addition to the communal estate/block services. The service offer may include an alarm system, internal heating systems and support officers where applicable.	<ul style="list-style-type: none"> Supported Call Alarm System Sheltered Service Officer Internal Maintenance Services Collection of Rent and Service Charges Estate Maintenance and servicing Buildings Insurance Communal Area Maintenance Fire Servicing Equipment Repairs 	£135	£173	£210



NEED HELP?

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Visit us in Bath, Keynsham, Midsomer Norton or Bristol
Please see website for addresses and opening hours

If you would like this information in an alternative
format please get in touch.

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