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# Management Fees

## What is a management fee?

Management fees pay for all those things that need to be done to provide a service to home owners, other than the costs which are shown in the estate service charge. As a leaseholder or freeholder you pay a management fee which is shown in your service charge – this income is used by Hanover towards the following aspects of management.

- Local management – appointing contractors, answering queries, dealing with problems, holding meetings, appointing and supervising staff, consulting with owners, regular safety checks, liaising with the local authority or other agencies about local services.
- Financial Management – opening and managing estate bank accounts, acting as trustee for the bank account, paying invoices and tax bills, estimating service charges and producing regular accounts, sending bills, collecting service charges and arrears, appointing and supervising auditors.
- Insurance - arranging and administering insurance for the buildings, contents, lifts and other shared parts of the building. This includes where we need to arrange a valuation of the rebuild cost and also arranging our “professional indemnity” insurance.
- Repairs & Maintenance - checking the condition of the property, arranging repairs and service contracts, consulting the owners in accordance with legislation and providing ad hoc technical advice.

- Informing & Involving – arranging area meetings, providing newsletters and other opportunities for you to be involved like the “Intouch” panel.
- Record keeping - keeping records of ownership.

## **What isn't included?**

- Local Management - advertising costs for a replacement estate manager, providing cover if your estate manager is absent for any reason, charges for hiring a meeting room if your estate doesn't have anywhere to meet
- Financial Management - audits or certification of service charge accounts; we pay an auditor a fee to do this
- Insurance - valuation fees
- Repairs & Maintenance – we charge a separate fee for managing major work contracts and also for specialist advice on major works and health & safety
- Management Agencies - liaising with landlords (when the landlord is not Hanover), where we provide a company secretarial service to a management company
- Individual charges - sometimes it is appropriate to recover the cost of something from the individual leaseholder (e.g. for consents, alterations)
- Sales - providing information and copies of documents when you sell your property. Some leases require that you pay a fee to the landlord.

## **How do we set the management fee?**

After listening to feedback from residents, Hanover has decided to set its management fee at the limit which is set by the government agency called the Homes & Communities Agency.

### **Commission:**

We do not receive an incentive or commission from third party suppliers relating to any of the services paid for by residents through the service charge.

### **Related documents**

- Association of Retirement Housing Managers (ARHM) Code of Practice
- We also publish a detailed leaflet for those people who use our sales or technical service called “Management services for homeowners”.

**Main Title Procedure**

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**Version Control**

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H13.8	Amended information, which states that no incentive or commission is received from third party suppliers	Alison Seymour	December 2016