

Management Company Procedure

Establishing the Management Company

A Management Company is established as a Limited Company and registered with Companies House. Its primary function is to manage and maintain the communal areas of the development in full compliance with the approved Management Company Plan. The company name is typically derived from the development's sales or marketing title.

The company is initially formed with two Directors, both members of the BARGATE Homes Management Team.

Management Plans

In accordance with planning permission and the associated Section 106 legal agreement, BARGATE Homes prepares a detailed Management Plan. This outlines the maintenance requirements for all communal and managed areas, including (but not limited to):

- Public open spaces including play areas (Landscape Environment Management Plan LEMP/ Woodland Management Plan)
- Communal estate landscaping (LEMP)
- Highways and parking areas (Infrastructure Management Plan)
- Ecology mitigation and enhancements (Ecology Enhancements Plan / Habitats Management Plan / LEMP)
- On-site drainage systems such as Sustainable Urban Drainage Systems (SUDs Management and Maintenance Plan)

These plans are reviewed and approved by the Local Planning Authority.

Appointment of Managing Agent

BARGATE Homes appoints a Managing Agent to act on behalf of the Management Company during the development phase. This Agent assumes responsibility for managing the communal areas in line with the Management Plan. The appointment is on a rolling 12-month contract with an annual renewal, subject to a three-month notice period that can be enacted by either party.

The Managing Agent prepares a development-specific Service/Estate Charge Schedule, based on the approved Management Plan. This schedule typically covers:

- Communal landscaping
- Infrastructure maintenance (roads, footpaths, drainage, pumping stations)
- Ecology works
- Play areas
- Insurance



- Financial administration

Additional fees may apply for apartments due to building-specific responsibilities such as structural maintenance and insurance.

Service/Estate Charges

The Service/Estate Charge Schedule is issued to all buyers at the Reservation Stage. Charges are generally shared equally between all homes, regardless of tenure. However, individual charges may differ depending on the services received. For example, a home not connected to a pumping station would not contribute to its maintenance costs.

On completion of a property, the first years' service charge is paid and held either in an Escrow Account or by the Managing Agent (if already appointed), pending the formal transfer of the first phase of communal space.

Only completed parcels of land, roads, and infrastructure will be handed over for management, in line with the approved Scheme of Works/Phasing Plan. Until then, these remain under BARGATE Homes' operational control.

Ongoing collection of service charges is typically carried out via monthly direct debit or six-monthly invoices in advance.

Developer Voids and Shared Responsibility

The service charge void mechanism ensures fair and continuous maintenance of the estate throughout its development. During this period:

- Unsold or unoccupied plots ("voids") do not have resident contributions.
- BARGATE Homes contributes void payments to ensure sufficient funds are available for the Managing Agent and to maintain estate standards.
- Residents and BARGATE Homes, via this mechanism, jointly support estate maintenance until all homes are occupied.

Example:

If a development consists of 100 homes but only 60 are occupied, BARGATE Homes pays the void service charges for the remaining 40.

Void contributions are based on actual expenditure and exclude management fees and reserve fund contributions. A newly completed home contributes a pro-rata charge from its completion date through to the end of the financial year. Any shortfall for the remainder of the year is treated as a developer void.

Resident Involvement and Governance

Under the terms of the Contract of Sale, all residents are required to become Members of the Management Company. Membership is confirmed when residents sign the necessary documentation at the point of legal completion.



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When the Directors appointed by BARGATE resign (see Audits and Handover below), Members (the residents) are invited to volunteer to become Directors of the Management Company.

Residents may choose to opt out of serving as a Director; however, they are still required to remain as Members of the Company. If no volunteers come forward, a Member is selected to ensure that a quorum of Directors remains in place to provide governance during the transfer of ownership.

For rented affordable homes, the relevant Housing Association is appointed to act on behalf of its tenants.

Audits and Handover

Before the final home is completed, all communal areas managed by the Management Company are audited to confirm compliance with approved plans. This may include:

- A landscape audit
- Tree safety inspections
- RoSPA safety checks (where play areas or SUDs are present)
- Additional inspections by the Local Planning Authority (if required under the Section 106 Agreement)

Once any snagging identified in these inspections is resolved, formal handover of the communal areas takes place.

BARGATE Homes then:

- Instructs the Managing Agent to assume full maintenance responsibility
- Transfers legal ownership of the land to the Management Company
- Resigns the original BARGATE Homes-appointed Directors and appoints new Directors from the residents.

Summary

The Management Company - composed of residents - is responsible for the long-term management and maintenance of the development, in accordance with approved Management Plans.

Key principles include:

- The choice of Managing Agent rests with the residents following transfer.
- The Managing Agent contract includes a three-month mutual notice period.
- All residents are contractually required to become Members of the Management Company with an option of being Directors, ensuring continuity of governance (with Housing Associations acting for rented affordable units).
- The service charge voids mechanism ensures that estate maintenance is funded throughout the development phase, with shared responsibility between BARGATE Homes and the residents until all homes are occupied.

