

Negotiating a balanced agreement

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Single Homeless Project



SHP

- London based homelessness charity
- Agent to nine housing associations
- 450 units of supported accommodation
- 500 units of floating support



Management Agreements in England

- New model agreement introduced in 2003
- Model developed by a panel of representatives from HA's and agents and elsewhere
- HA sets the rent, authorises tenure agreement, sets housing management standards, approves legal action and monitors agent's performance
- Transfers risk on voids and bad debts to agent
- Three main models of payment – fee, charges, percentage split



What makes a good management agreement?

- A focus on joint provision of a high quality service for residents
- Clarity about roles and responsibilities of both partners in managing the property
- Risks are shared
- Monitoring is proportionate to risk
- Provision for resolution of disagreements and/or breaches
- Financial arrangements are fair and negotiable
- Commitment from partners to good working relationship



Maintenance split – who does what?

- Reporting
- Cyclical decorations – internal and external
- Day to day maintenance and major repairs
- Void works
- Tenant damage
- 'Minor' maintenance
- Improvements
- Response times, including for void works



Financial arrangements:

Negotiate from an informed position – i.e. know your costs

- Staff costs
- Overheads
- Direct costs
- ✓ Maintenance that's agent's responsibility – e.g void works, resident damage, minor maintenance, internal dec's
- ✓ Legal fees
 - Voids and bad debt provision
 - Service charges



Payment arrangements

- In line with collection of rent/payment of HB
- Variable in certain circumstances – e.g. delays on void works, decants
- Annual increase on fee

