

Royal Clarence Marina Residents Association Key Performance Indicators requirements – 1st July 2025

Background.

Berkeley Homes is the freeholder and has the obligation, under the leases, to provide defined services for the leaseholders. These services are outsourced to a property management company (currently RMG) through a contract vehicle titled 'Management Agreement (Conditions of Engagement)'.

This Management Agreement details what services are to be provided, how they will be provided and to what standard. It also contains a number of Key Performance Indicators (KPI's) with financial penalties for the property management company if the associated conditions are not met.

These KPI's are currently all focused on the needs of Berkeley Homes and there are no provisions for the needs of the leaseholders with respect to the provision of the services.

For a number of years, the service received by the leaseholders has not been meeting the standards defined in the Management Agreement. This was highlighted in the Royal Clarence Marina Residents Association - RMG Annual Review 2024-25 Feedback document and subsequent meeting.

The Management Agreement needs to recognise that there are three parties in this relationship and that checks and balances are needed to address the needs of the leaseholders, as well as the Freeholder. The addition of KPI's focused on the needs of the residents and leaseholders should be aimed at driving the behaviour of RMG and any other future property management company, to meet the needs of all parties and not just the Freeholder.

KPI's need to meet the following.

1. They need to meet the 'SMART' (Specific, Measurable, Achievable, Realistic and Timed) criteria.
2. They need to measure output from RMG (and can be verified independently from RMG and RMG IT systems).
3. They need to be focused on the key things that matter to residents and leaseholders.
4. They must not present a significant additional overhead to RMG, or BH, else they will be rejected.
5. The KPI's should seek to drive behaviour in RMG to provide the service we need, as defined in the Management Agreement.

With respect to a deduction of the annual management fee if the agreed KPIs are not fully met. Our view is that, as Berkeley Homes believed that 10% would be the correct figure to ensure their needs are met, then a similar figure should be used to meet the needs of the residents and leaseholders and that a total of 20% should be used. We are firmly of the view that the objective for this approach is not about penalising RMG but rather changing behaviour. RMG say that they have started a culture change journey. Putting the right incentives should help them focus on the necessary changes they need to make.

Existing KPI's

See Platinum Management Service attached at appendix 111

10% of the agreed Management Fee will be held back and released upon successful performance against the agreed targets/KPIs as follows:

Section	KPI Description	KPI Element	Evidence
Budget	Draft budget to be prepared 3 months before year end.	2%	Draft issue date
Billing	Budget process to be run such that demands based on approved budget are issued at least 14 days before due date. Water demands to be demanded regularly at pre-agreed intervals.	2%	Demand date
Accounts	Service charge year end accounts to be completed in draft form within 4 months of year end. Owner and resident representatives to have sight of audit file and reconciliation of surplus/deficit position prior to sign off of Accounts. Accounts to be issued and service charge deficits/surpluses to be demanded/credited within 6 months of year end (subject to no delays being caused by third parties)	2%	Accounts issued within 6 months of year end
Reporting	Quarterly expenditure reports against budget to be provided with bank balance position. Subject to pre-notified exceptions, service charge costs to be managed to budget.	2%	Noted as provided within 1 month of quarter end
Meetings	Attend quarterly meetings with the Owner Attend quarterly meetings with Phase resident representatives	1%	Minutes to be issued within 2 weeks of meeting date.
Site Visits	Manager to provide minutes of both meetings A minimum of 2 site visits by the Property Manager per month	1%	

Table above is an extract from the Management Agreement (Conditions of Engagement) between Berkeley Homes and RMG dated 31 May 2017.

Leaseholder/residents focused KPI requirements:

Quality:-

RMG to run a Customer Satisfaction Survey of 200 hundred residents chosen at random once every year, run by an independent organisation (such as SurveyMonkey), reporting to BH and RA.

Evidence: - Minimum reply rate of 40 with a satisfaction rate score of 7 out of 10. To be reviewed at an annual audit.

KPI Element 2%.

Costs:-

Existing Budget KPI to be amended to include the following:

Draft budget to be prepared for review by Owner and Residents Association representatives 3 months before year end.

Evidence: - No change

KPI Element - No change

Existing Billing KPI to be amended to include the following:

Budget process to be run such that demands based on approved budget are issued at least 14 days before the due date. Water demands to be issued to leaseholders coincident with service charge demands, using latest publicised water and waste water rates.

Evidence: - No change

KPI Element - No change.

Existing Accounts KPI to be amended to include the following

Service charge year end accounts to be completed in draft form within 4 months of year end. Owner and Residents Association representatives to have sight of the audit file (including draft accounts) and reconciliation of surplus/deficit position prior to sign off of Accounts. Accounts to be issued and service charge deficits/surpluses to be demanded/credited within 6 months of year end (subject to no delays being caused by third parties. Any delays to be notified to Owner and Residents Association representatives)

Evidence: - No change

KPI Element - No change

Delivery:-

Routine repairs and maintenance:-all routine repairs tabled at RMG/Residents Association monthly meetings shall be added to the 'tracker'. All repairs shall be completed within 182 days of being added to the tracker. Emergency works – target of completion within 1 working day, Urgent repairs within 7 days, and Routine repairs within 30 days, as stated in the RMG Platinum Management Service agreement. The number of days counter since 'added to the tracker' will be kept for each repair.

Evidence: - No repairs to exceed 182 days for completion and 80% of Routine repairs completed within 30 days of being added to the tracker. Data to be collated monthly, to be reviewed at an annual audit.

KPI Element 4%

The process for reporting the need for a repair is that the resident, or leaseholder will report the need for a repair to RMG in the first instant. If RMG fail to reply to the resident, or leaseholder within 1 working day for phone calls, or 4 working days for emails, or the repair is not completed within 30 days, then the resident, or leaseholder can report the problem to the Residents Association. The Residents Association will raise the issue at the monthly RMG progress meeting and it will be added to the tracker. This in effect gives up to 60 days for RMG to complete Routine repairs, since progress meeting are held monthly.

Major works:-

Major works will be identified as necessary by the capital expenditure plan, or by the identification of the need for major works occurring. Once identified and agreed by the Freeholder, it will be recorded on the tracker at the monthly Residents Association/RMG meeting and the time from Notice of Intent (NOI) being issued to commencement of works, shall be no greater than 365 days.

Evidence: -Time between issue of NOI and works commencing not greater than 365 days. To be reviewed at an annual audit.

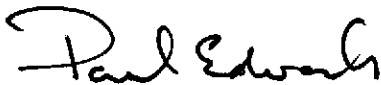
KPI Element 4%

Tables below are an extract from Management Agreement (Conditions of Engagement) between Berkeley Homes and RMG dated 31 May 2017, Platinum Management Service.

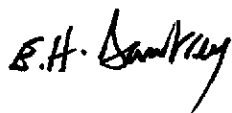
MAINTENANCE	General Maintenance /Utilities	Administering service and utilities contracts and routine repairs to the structure and landlord's fittings and equipment. This includes defining services required, requesting bids, recommending contractors, documenting contracts and inspection of works done. Emergency works - target of completion: within 1 working day. Urgent: 7 days. Routine: 30 days. Specification for minor works (in-house building surveyors)
	Planned Maintenance	Commissioning, updating, management and delivery of PPM programme. Fee for building surveyors work in preparation of plan (site visits, reports)
	Major Works	Property manager attendance at works meetings - 2 meetings included. Compliance with statutory notification /tendering procedure; Cash management; payment of contractors and adhering to CDM.
	Apartment Works	Administering works within apartments / licence to alter. Extra fee applicable

ADMINISTRATION CUSTOMER SERVICES	General	Keep documents and records relating to all management activity.
	File and record storage	Storage of all current files and records on the property and indexing and storage of archived files. The free retrieval of 10 boxes from archive per year. Holding of all leases for the property in fire-proof box
	Phone messages	Respond to telephone messages within 1 working day unless urgent
	Letters/Emails	Respond to correspondence within 4 working days
	Meter Readings	Included

Paul Edwards
Chairman RCMRA



Erica Dawtrey
Treasurer and Bakery South Rep



Adrian Barnes
Vice Chairman RCMRA



David Whitehead
Galleon Place Rep

