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UTILITY BROKERS WHAT'S WATT

Jonathan Channing provides a helpful guide for RMC directors and managing agents when choosing a utility provider



IN LINE WITH BEST PRACTICE, if a managing agent has a specialist issue, it will seek the help and advice of a specialist.

So when it comes to buying electricity, gas, oil and water for your block of flats, do you consider utilities as a specialist area?

Is the managing agent best placed to ensure the client enjoys the most competitive rates for their common parts electricity and gas or oil for their communal boilers?

When renewal notices appear on the managing agent's doormat, is the managing agent savvy enough about the current utilities markets to know if a renewal price represents good value?

Most managing agents will

be honest enough to say they don't, and they will point to the fact they use a utility broker to do the hard work. But this can lead to uncompetitive unit prices, seemingly unnecessarily high standing charges, a poorly integrated approach, lack of transparency, no apparent use of 'bulk buying', and a lack of understanding of how managing agents operate.

However, not all brokers are the same. Some do not earn undisclosed commissions from the utility suppliers, but charge a fee instead - which is different and refreshing. This alone means the prices obtained for the client are the very best they are able to extract from likes of British Gas, EDF, SSE and E.on. They

have bulk bought and built up relationships with key personnel at these utility providers. It is clear that these utility providers also crave the organisational skills that a specialist can provide and the more efficient the relationship between specialist and utility provider, the lower the prices.

For the client, this is all great news. For the managing agent always looking to become more efficient in their own right, below is a non-exhaustive list of why a specialist utility broker is so very useful:

The specialist diarises for all utility renewal dates; sends side-by-side price comparisons; organises VAT declaration forms to be completed; ensures all invoices are in the

client's name rather than in the managing agent's own name; completes all contract renewal paperwork; gets the best prices even when the utility company insists on Direct Debit as the payment method; collates all meter readings and sends these to the suppliers to ensure actual readings are noted; understands 'section 20' as applied to qualifying long term agreements; assists with reconciliations when payments are made but not recognised...

The list is long, and the burden taken away by having a specialist deal with these tasks is immeasurable.

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