

OUR REF: 21100
DATE: 23rd November 2023

Dear customer,

Your estimated Service Charge for Becketts Grove Phase 2

Each year, we assess how much money will be needed to ensure your development continues to be well maintained and safe and make every effort to keep any increases as low as possible.

I have enclosed your latest service charge estimate, which shows how much I predict we will be spending on your development during the budget year.

Service Charge summary

I have unfortunately needed to increase the service charge from £68,277.00 to £71,596.00.

The service charge covers the external contractors we appoint to help look after your development, such as window cleaners and gardeners. When their costs go up, we have to reflect this in the service charge.

We are working hard to rectify any issues and carry out essential preventative work throughout the year at your development, with your safety and comfort always our number one priority.

I have listed below some examples of anticipated spend this year which is an essential part of maintaining and running your development.

- **Communal area cleaning:** There is a tailored specification in place and the cleaning attendances are fortnightly throughout the year. We have allowed for a small additional budget amount on top of the contract cost for any additional requirements that may arise throughout the year.
- **Landscaping:** There is a tailored specification in place and the gardening attendances are fortnightly throughout the April – Oct and monthly Nov – March. We have allowed for a small additional budget amount on top of the contract cost for any additional requirements that may arise throughout the year.
- **Fire systems maintenance:** This contract includes testing and service of communal equipment such as emergency lighting, fire alarms, automatic smoke vents. We have allowed for a small additional budget amount on top of the contract cost for any additional requirements that may arise throughout the year.
- **Accounts preparation:** these fees cover preparing, reviewing, and distributing annual accounts for your development through use of our dedicated in-house accountants. Our fee is calculated on a number of factors, including the complexity of your scheme and the number of units.
- **Audit/Accounts Certification Fee:** is the fee charged by the external accountant for the review of the accounts. We benchmark these fees periodically to ensure they remain fair and competitive.
- **Reserve fund:** This is to make sure we maintain sufficient funds to carry out essential and significant works to ensure your development remains well cared for and in good condition. The reserve fund will continue to be assessed and reviewed on an annual basis in conjunction with the Asset Management Plan created for your development.

Energy tender

For most of our developments, we are responsible for purchasing energy to power the communal areas, such as lighting, security systems and heating. We use our scale as the UK's largest property manager to negotiate with a wide range of reputable suppliers to lock in the best possible price available. This means that despite a volatile energy market, we are pleased to confirm that this year there will be a reduction in your development's communal energy costs.

Management fee

Like everyone, we are experiencing a significant rise in costs across all areas of our business. There has been a small increase in our management fee, which is necessary so that we can support our staff with the cost of living, and to make sure we're prepared for significant changes to fire safety legislation, by ensuring our colleagues receive the required training. We do everything we can to keep any price increases to a minimum, whilst ensuring we can continue to provide high standards of service.

Insurance

Unfortunately, there has been an increase in insurance costs this year. Whilst the insurance market conditions continue to be difficult, the primary driver for the increase has been the Index Linking of the 'building declared value' (BDV). BDV is the amount that it costs to reinstate a building in the event it is destroyed due to an insured peril, e.g., fire. While the index linking rate has been at its highest for several years, we are starting to see a reduction as we go into 2024.

Frequently Asked Questions

I have included some frequently asked questions, which I hope you will find useful.

- **Why we are invoicing you now.** We need to make sure there are sufficient funds to maintain your development throughout the year, so we need to ask you to pay in advance, as set out by your Lease or Transfer document.
- **What does your service charge pay for?** The service charge enables us to take care of your development. The money goes into a bank account set up especially for you and your neighbours. If you do not pay your service charge on time, it will not affect FirstPort as a business, but it will affect your development and your neighbours. If there are not enough funds in your development's bank account, this may mean we will need to postpone essential works, which will impact our ability to keep your development in good order and to the standards you would expect.
- **What we do with your money.** Although we ask you to make payment to FirstPort, your money is credited to an interest-bearing designated service charge bank account and held by way of statutory trust. All our development bank accounts are completely independent of the trading accounts of any of the FirstPort group companies. Our development bank accounts are with Barclays.
- **Online account management.** Easy to use and free to register, your online account My Home provides e-billing and updates about your property. You can track major works and repairs and view your statements and balance. Visit myhome.firstport.co.uk/ to register and find out more.
- **Making a payment.** Your invoice explains the different ways you can make a payment, but the quickest and easiest method is by signing up to your online account using the above website address.

Find out more

If you would like further information, we recommend looking at the FAQs on our website, which provide helpful information on a range of topics including a glossary of terms to help explain the terminology used in your accounts and service charge estimates - www.firstport.co.uk/residents-help-and-advice

I hope that the above budget explanation gives you a good understanding as to my approach to looking after your home and development's funds.

Yours sincerely,

Carly Smith
Property Manager
FirstPort Property Services

Beckets Grove Ph2 (Wymondham)

Estimate of Service Charge for the Year to 31st December 2024

	AMOUNT
<u>S1 Apartment Charge</u>	
S1	
Insurance	£ 1,259.00
Insurance Revaluation	£ 51.00
Utility Electricity	£ 600.00
Utility Water & Sewerage	£ 85.00
Cleaning Window Cleaning	£ 120.00
Cleaning Communal Area	£ 700.00
General Maintenance	£ 1,200.00
Management Fees	£ 992.00
Accounts Preparation Fee	£ 65.00
H&S and Risk Assessments	£ 858.00
SUB TOTAL	£ 5,930.00
Total Expenditure S1 Apartment Charge	£ 5,930.00

S2 Courtyard Charge

S2

Grounds Maintenance	£	58.00
General Maintenance	£	80.00
Accounts Preparation Fee	£	65.00

SUB TOTAL £ **203.00**

Total Expenditure S2 Courtyard Charge £ **203.00**

S3 Gen Res - Apartment

S3

Contribution-Reserve	£	360.00
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SUB TOTAL £ **360.00**

Total Expenditure S3 Gen Res - Apartment £ **360.00**

S4 Gen Res - Courtyard

S4

Contribution-Reserve	£	120.00
SUB TOTAL	£	120.00
Total Expenditure S4 Gen Res - Courtyard	£	120.00

S5 Gen Res - Estate

S5

Contribution-Reserve	£	1,000.00
SUB TOTAL	£	1,000.00
Total Expenditure S5 Gen Res - Estate	£	1,000.00

S6 Estate Charge

S6

Insurance	£	3,215.00
Insurance Revaluation	£	595.00
Grounds Maintenance	£	25,349.00
General Maintenance	£	4,300.00
Management Fees	£	26,952.00
Accounts Preparation Fee	£	559.00
Audit/Accounts Cert Fee	£	819.00
Company Secretarial Fees	£	645.00
H&S and Risk Assessments	£	209.00
SUB TOTAL	£	62,643.00
Total Expenditure S6 Estate Charge	£	62,643.00

S7 Equip Res - Apartment

S7

Contribution-Reserve	£	180.00
SUB TOTAL	£	180.00
Total Expenditure S7 Equip Res - Apartment	£	180.00

S8 Equip Res - Courtyard

S8

Contribution-Reserve	£	160.00
SUB TOTAL	£	160.00
Total Expenditure S8 Equip Res - Courtyard	£	160.00

S9 Equip Res - Estate

S9

Contribution-Reserve	£	1,000.00
SUB TOTAL	£	1,000.00
Total Expenditure S9 Equip Res - Estate	£	1,000.00

SCHEME GRAND TOTAL £ **71,596.00**

The Reserve Fund allocation is set aside to provide a contribution only to the actual costs when incurred.

At that time any balance will be included in the service charge or collected as a special levy.

Whilst different items of expense are indicated, all the reserves in hand within a schedule will be available for any exceptional expenditure, subject to the timing and urgency of other future works