

OUR REF: 20429
DATE:

Dear customer,

Your estimated Service Charge for Butterfields

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 **£156,277** to **£162,141**.

The service charge covers the external contractors we appoint to help look after your development, such as 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.

- **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:** there has been an increase in the contribution being made into the reserve fund in comparison to last year's costs. 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.

Upcoming major works

To keep you informed of your development's cyclical and long-term maintenance plan, please note the major projects we are planning to deliver this year.

We are still working on the badger project and are currently in discussions with Natural England to assist with licenses needed for the safe removal of the badgers and then we will need to make good to the damage caused, please rest assured that no structural damage is being caused to the blocks

We will advise you of more detail closer to the project, when we formally consult and issue notices to customers inclusive of specifications. You do not need to do anything until you receive formal notification in our notice of intentions.

Out of hours emergency support

Your development has access to an out-of-hours support line, to report any emergency repairs and the cost comes under the 'monitoring service' heading within the budget.

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.

Following a rigorous tender process, EDF will remain as our electricity provider and continue to provide 100% UK generated clean energy, with the communal areas of your development powered by wind, solar and hydro. The new rate will run from October 2023 until September 2024, protecting you from any potential rises that the energy market may experience and allowing us to set budgets accurately.

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.

Fire safety information

The Fire Safety (England) Regulations 2022 made it a legal requirement for responsible persons of all multi-occupied residential buildings to provide residents with fire safety instructions. This information is available online at www.firstport.co.uk/firesafety. If you require this in a different format, please contact your Property Manager.

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.

Please feel free to get in touch if you have any further queries.

Yours sincerely,

Yasmin Bailey MTPI
Property Manager
FirstPort

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Butterfields

Estimated Service Charge for the Year to 31st December 2025

**2024/25
AMOUNT**

S1 Private Apartment

S1

Insurance	£	29,857.00
Insurance Revaluation	£	500.00
Utility Electricity	£	5,500.00
Utility Water & Sewerage	£	500.00
Cleaning Window Cleaning	£	680.00
Cleaning Communal Area	£	8,617.00
Grounds Maintenance	£	12,800.00
General Maintenance	£	7,000.00
Management Fees	£	16,365.00
H&S and Risk Assessments	£	3,000.00

Total Expenditure S1 Private Apartment £ **84,819.00**

S2 Coach Hse Plots 41 & 45 Res

S2

Contribution-Reserve	£	50.00
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Total Expenditure S2 Coach Hse Plots 41 & 45 Res £ **50.00**

S3 Garage / Courtyard GenRes

S3

Contribution-Reserve	£	444.00
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Total Expenditure S3 Garage / Courtyard GenRes £ **444.00**

S4 Estate Gen Res

S4

Contribution-Reserve	£	1,000.00
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Total Expenditure S4 Estate Gen Res £ **1,000.00**

S5 Garage

S5

Insurance	£	1,242.00
General Maintenance	£	108.00

Total Expenditure S5 Garage £ **1,350.00**

S6 Gen Res - Garage

S6

Contribution-Reserve	£	210.00
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Total Expenditure S6 Gen Res - Garage £ **210.00**

S7 Coach House

S7

Insurance	£	19,800.00
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Insurance Revaluation	£	260.00
Utility Water & Sewerage	£	261.00
Grounds Maintenance	£	5,877.00
General Maintenance	£	1,000.00
Management Fees	£	3,314.00

Total Expenditure S7 Coach House **£ 30,512.00**

S8 Coach House Plots 41 & 45

S8

Insurance	£	1,220.00
Insurance Revaluation	£	15.00
Grounds Maintenance	£	45.00
General Maintenance	£	48.00
Management Fees	£	180.00

Total Expenditure S8 Coach House Plots 41 & 45 **£ 1,508.00**

S9 Courtyard Charge

S9

Utility Electricity	£	1,650.00
Grounds Maintenance	£	2,000.00
General Maintenance	£	850.00

Total Expenditure S9 Courtyard Charge **£ 4,500.00**

S10 Estate

S10

Insurance	£	2,666.00
Insurance D & O	£	190.00
Insurance Revaluation	£	100.00
Grounds Maintenance	£	2,352.00
General Maintenance	£	2,874.00
Pest Control	£	1,000.00
Management Fees	£	17,215.00
Accounts Preparation Fee	£	2,759.00
Audit/Accounts Cert Fee	£	1,325.00
Company Secretarial Fees	£	909.00

Total Expenditure S10 Estate **£ 31,390.00**

S11 Social Apartment

S11

Insurance	£	134.00
Insurance D & O	£	10.00
Insurance Revaluation	£	5.00
Grounds Maintenance	£	166.00
Management Fees	£	866.00
Accounts Preparation Fee	£	139.00
Audit/Accounts Cert Fee	£	67.00
Company Secretarial Fees	£	46.00

Total Expenditure S11 Social Apartment **£ 1,433.00**

S12 Private Apartment GenRes

S12

Contribution-Reserve	£	4,000.00
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Total Expenditure S12 Private Apartment GenRes **£ 4,000.00**

S14 Coach House GenRes

S14

Contribution-Reserve	£	925.00
Total Expenditure S14 Coach House GenRes	£	925.00

SCHEME GRAND TOTAL	£	162,141.00
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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