

OUR REF: RCS/20429
YOUR REF: 20429000147

27 November 2023

**Ms J Bullough
20 Inkerman Close**

Bristol

**United Kingdom
BS7 0XU**

Dear Ms J Bullough

BUTTERFIELDS ESTIMATED SERVICE CHARGE FOR THE YEAR

Your estimated Service Charge for Butterfields

Each year, I 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 your service charge cost from **£145,243** to **£156,277**

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.

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.

- Bin Store Doors – Painting or replacement
- Grounds– additional planting around site

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

Energy tender 2022

For most developments, we are responsible for purchasing energy to power the communal areas, such as lighting, security systems and heating. As you'll know, the energy market has been extremely volatile as of late, and high prices unfortunately look set to continue. We are

doing everything we can to help our customers through this difficult time. We use our scale as the UK's largest property manager to negotiate with a wide range of reputable suppliers and lock in the best possible price available.

We know our customers want the lowest price possible without risk of in-year price hikes and we tender our contracts as a whole portfolio, fixing the price for twelve months. We are in the process of moving your development's communal energy into a contract with EDF, our main electricity provider, so you'll benefit from the preferential rates we've secured until September 2024 as part of our bulk tendering.

Management fee

Like everyone, we are experiencing a significant rise in costs across all areas of our business. The current rate of inflation stands at 11.1% (October 2022) and we've been able to keep our management fee increase below this, at 7.5%.

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 impact of inflationary factors on 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 and considers the cost of materials and labour in the construction industry. The index linking figures are currently adding double digit increases to the BDV, the highest amount for several years, and that is before the insurer reviews the underlying insurance rate for each building.

The continued difficult market has been driven by several factors, but predominantly because of fewer insurers wanting to underwrite real estate insurance and an increase in the number and cost of claims; particularly escape of water claims. Climate change is also impacting the insurance market which is seeing an increase in the frequency of significant events such as storms and flooding, not just in the UK, but globally. These factors combined with the impact of changing building regulations, have all contributed to the higher insurance premiums you see in your budget.

The insurance cost in your budget also includes the government's Insurance Premium Tax (IPT), this is currently set at 12% of the underlying premium.

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 provides e-billing and updates about your home. You can track major works and repairs and view your statements and balance. Go to firstport.co.uk and click on the 'my account' button to register.
- **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:

<https://www.firstport.co.uk/residents-help-and-advice>

Yours sincerely,

Yasmin Bailey MIRPM
Property Manager
FirstPort Property Services

The attached Statement of Anticipated Expenditure will indicate what proportion (if any) you contribute to each schedule.

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.

All Reserves in hand within a schedule will be available for any exceptional expenditure, subject to the timing and urgency of other future works.

Statement of Anticipated Service Charge Expenditure

Re: 20 Inkerman Close
Butterfields

Date: 1 Jan 2024

Estate Service Charge

Ref: 20429000147

Service Charge period: **1 Jan 2024 - 31 Dec 2024**

Expenditure heading	Anticipated expenditure	Percentage	Anticipated share due
S4 Estate Gen Res			
Contribution-Reserve	1,000.00		
	1,000.00	0.5025%	5.03
S7 Coach House			
Insurance	18,000.00		
Insurance Revaluation	260.00		
Utility Water & Sewerage	261.00		
Grounds Maintenance	5,877.00		
General Maintenance	1,202.00		
Management Fees	3,112.00		
Accounts Preparation Fee	257.00		
	28,969.00	2.7027%	782.95
S10 Estate			
Insurance	2,424.00		
Insurance Revaluation	100.00		
Grounds Maintenance	2,352.00		
General Maintenance	2,874.00		
Pest Control	1,000.00		
Management Fees	16,164.00		
Accounts Preparation Fee	1,449.00		
Company Secretarial Fees	645.00		
H&S and Risk Assessments	89.00		
	27,097.00	0.5025%	136.17
S14 Coach House GenRes			
Contribution-Reserve	925.00		
	925.00	2.7027%	25.00
Total anticipated expenditure	57,991.00		
Total on account payable			949.15
Charge details			
Estate Service Charge Due on 1st January 2024			949.15

Ms J Bullough
20 Inkerman Close
Bristol
United Kingdom
BS7 0XU

Your details

Account no: **20429000147**
Invoice no: **7052153**
Date: **27th November 2023**

Account balance

£949.15

To view your full account statement, log in to your online account or call us

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Invoice

20 Inkerman Close

Description	For period	Payment due	Amount
Estate Service Charge	1 Jan 24 to 31 Dec 24	1 Jan 24	£949.15

Pay by direct debit

Call us on **0333 321 4080** to set up a direct debit. It's the easiest and most convenient way to pay

We are going paperless

Detailed accounts are now available to view online when you register at firstport.co.uk. You will also receive updates about your home; repairs & track progress on major works

Register Online Today

Visit firstport.co.uk and register to see invoices; statements & make secure online payments

Invoice total: £949.15

Balance brought forward: £0.00

Total amount now due: £949.15

Thank You

Your payment slip

We accept most debit and credit cards. If you pay by credit card it can take up to three working days for the payment to reach us

Please enclose this payment slip with your cheque

Development bank account

Barclays Bank Plc a/c: 33718557 s/c: 205950
IBAN: GB82BARC20595033718557
BIC code: BARCGB22
Reference: 20429000147

FirstPort Property Services No.6 Limited
PO Box 7730
New Milton
BH25 9EP

Your details

Account no: 20429000147
Date: 27th November 2023

Total: £949.15

Ms J Bullough
20 Inkerman Close



Legal information

**** The following is only applicable to leaseholders ****

Summary of rights and obligations

Attached to this invoice is a Summary of Tenants' Rights and Obligations. This document sets out your legal rights and obligations in accordance with section 153 and Paragraph 4 Schedule 11 of the Commonhold and Leasehold Reform Act 2002.

Notices

Please note your Landlord is Butterfields Management Company Limited, Queensway House, 11 Queensway, New Milton, Hampshire, United Kingdom BH25 5NR

If you need to serve any notices on the Landlord, including notices in relation to proceedings, these may be served at Butterfields Management Company Limited, FirstPort Property Services, Marlborough House, Wigmore Place, Wigmore Lane, Luton, LU2 9EX.

FirstPort Property Services is a trading name of FirstPort Property Services No. 6 Limited.
Registered Office: Queensway House 11 Queensway New Milton Hampshire BH25 5NR.
Registered in England No. 05851267



How to pay



Pay by direct debit

Call us on **0333 321 4080** to set up a direct debit. It's the easiest and most convenient way to pay.



Pay by card

We accept most debit and credit cards.



Pay by cheque

Please make cheques payable to **FirstPort Property Services No.6 Limited** and write your customer account number **20429000147** on the back. Send your cheque with this payment slip to:

FirstPort Property Services No.6 Limited
PO Box 7730 New Milton BH25 9EP



Pay by phone (24 hrs)

Please call us on **0333 321 4079** and have your account number to hand when calling.



Pay online

Easy to use and free to register; your online account provides e-billing and updates about your home. You can track major works and repairs and view your statements and balance. Go to **www.firstport.co.uk**



Pay by bank transfer

To pay by bank transfer, please use your customer account number as the reference.

Barclays Bank Plc a/c: 33718557 s/c: 205950

To pay from abroad

IBAN: **GB82BARC20595033718557**

BIC code: **BARCGB22**

Reference: **20429000147**

Contact us



Telephone

0333 321 4080



Write to us

FirstPort Property Services Marlborough House
Wigmore Place Wigmore Lane Luton LU2 9EX



Email

help@FirstPort.co.uk



Online

www.firstport.co.uk

Our opening hours are 9am-5pm Monday-Friday

Service Charges Summary of tenants' rights and obligations

(1) This summary, which briefly sets out your rights and obligations in relation to variable service charges, must by law accompany a demand for service charges. Unless a summary is sent to you with a demand, you may withhold the service charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.

(2) Your lease sets out your obligations to pay service charges to your landlord in addition to your rent. Service charges are amounts payable for services, repairs, maintenance, improvements, insurance or the landlord's costs of management, to the extent that the costs have been reasonably incurred.

(3) You have the right to ask the First-tier Tribunal to determine whether you are liable to pay service charges for services, repairs, maintenance, improvements, insurance or management. You may make a request before or after you have paid the service charge. If the tribunal determines that the service charge is payable, the tribunal may also determine-

- who should pay the service charge and who it should be paid to;
- the amount;
- the date it should be paid by; and
- how it should be paid.

However, you do not have these right where-

- a matter has been agreed or admitted by you;
- a matter has already been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the service charge or costs arose; or
- a matter has been decided by a court.

(4) If your lease allows your landlord to recover costs incurred or that may be incurred in legal proceedings as service charges, you may ask the court or tribunal, before which those proceedings were brought, to rule that your landlord may not do so.

(5) Where you seek a determination from the First-tier Tribunal, you will have to pay an application fee and, where the matter proceeds to an oral hearing, a hearing fee unless you qualify for fee remission or exemption. Making such an application may incur additional costs, such as professional fees, which you may have to pay.

(6) The First-tier Tribunal and Upper Tribunal (in determining an appeal against a decision of the First-tier Tribunal) have the power to award costs in accordance with section 29 of the Tribunals, Courts and Enforcement Act 2007.

(7) If your landlord-

- proposes works on a building or any other premises that will cost you or any other tenant more than £250; or
- proposes to enter into an agreement for works or services which will last for more than 12 months and will cost you or any other tenant more than £100 in any 12 month period,

your contribution will be limited to these amounts unless your landlord has properly consulted on the proposed works or agreement or the First-tier Tribunal has agreed that consultation is not required.

(8) You have the right to apply to the First-tier Tribunal to ask it to determine whether your lease should be varied on the grounds that it does not make satisfactory provision in respect to the calculation of a service charge payable under the lease.

(9) You have the right to write to your landlord to request a written summary of the costs which make up the service charges. The summary must-

- cover the last 12 month period used for making up the accounts relating to the service charge ending no later than the date of your request, where the accounts are made up for 12 month periods; or
- cover the 12 month period ending with the date of your request, where the accounts are not made up for 12 month periods.

The summary must be given to you within 1 month of your request or 6 months of the end of the period to which the summary relates whichever is later.

(10) you have the right, within 6 months of receiving a written summary of costs, to require the landlord to provide you with reasonable facilities to inspect the accounts, receipts and other documents supporting the summary and for taking copies or extracts from them.

(11) you have the right to ask an accountant or surveyor to carry out an audit of the financial management of the premises containing your dwelling, to establish the obligations of your landlord and the extent to which the service charges you pay are being used efficiently. It will depend on your circumstances whether you can exercise this right alone or only with the support of others living in the premises. You are strongly advised to seek independent advice before exercising this right.

(12) Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by the court, tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.

Administration Charges Summary of tenants' rights and obligations

(1) This summary, which briefly sets out your rights and obligations in relation to administration charges, must by law accompany a demand for administration charges. Unless a summary is sent to you with a demand, you may withhold the administration charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice/

(2) An administration charge is an amount which may be payable by you as part of or in addition to the rent directly or indirectly-

- for or in connection with the grant of an approval under your lease, or an application for such approval;
- for or in connection with the provision of information or documents;
- in respect of your failure to make any payment due under your lease; or
- in connection with a breach of a covenant of your lease.

If you are liable to pay an administration charge, it is payable only to the extent that the amount is reasonable.

(3) Any provision contained in a grant of a lease under the right to buy under the Housing Act 1985, which claims to allow the landlord to charge a sum for consent or approval, is void.

(4) You have the right to ask the First-tier Tribunal whether an administration charge is payable. You may make a request before or after you have paid the administration charge. If the tribunal determines the charge is payable, the tribunal may also determine-

- who should pay the administration charge and who it should be paid to;
- the amount;
- the date it should be paid by; and
- how it should be paid.

However, you do not have this right where-

- a matter has been agreed or admitted by you;
- a matter has been, or is to be, referred to arbitration or has been determined by arbitration and you agree to go to arbitration after the disagreement about the administration charge arose; or
- a matter has been decided by a court.

(5) you have the right to apply to the First-tier Tribunal for an order varying the lease on the grounds that any administration charge specified in the lease, or any formula specified in the lease for calculating an administration charge is unreasonable.

(6) Where you seek a determination or order from the First-tier Tribunal, you will have to pay an application fee and, where the matter proceeds to an oral hearing, a hearing fee, unless you qualify for fee remission or exemption. Making such an application may incur additional costs, such as professional fees, which you may have to pay.

(7) The First-tier Tribunal and Upper Tribunal (in determining an appeal against a decision of the First-tier Tribunal) have the power to award costs in accordance with section 29 of the Tribunals, Courts and Enforcement Act 2007.

(8) Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you admitted you are liable to pay the amount or it is finally determined by a court, tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.