

OUR REF:
YOUR REF:39209

4th May 2022

Dear Resident

Your estimated service charge for Fernwood

Please find enclosed your service charge estimate, statement of anticipated expenditure and invoice. The estimate shows how much we predict we will be spending on your development during the next financial year.

Property Manager's Comments

The enclosed service charge estimate has been reviewed by your property manager and with inflation running high and predicted to increase we have made every effort to keep any increases in this years' service charge estimate as low as possible but still allowing us to manage the site effectively with spiraling external costs. Fuel cost for machinery alone have gone up by 38% compared to the same time last year

During this year we will need to carry out a full site tree survey to comply with safety regulation. In addition, we need to ensure there is a healthy reserve fund in place to avoid large levies when we come to carry out major works.

For ease of reference, I have included a summary below of some key spend areas within the budget where costs have changed since last years' service charge estimate:

Insurance

You will see that insurance costs have increased considerably this year. Unfortunately, this is the result changes in the insurance industry.

For a number of years, insurance premiums have not been subject to significant increases. However, over the last year the position in the industry has substantially changed because of 'market hardening'.

This 'hardening' has been driven by several factors, but predominantly because of fewer insurers wanting to underwrite the real estate insurance and an increase in the number of claims. There has also been an increase in frequency of significant events such as storms and flooding. 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.

Electricity

There has been an increase in the electricity cost for communal areas at your development. Your electricity costs are based on actual usage and therefore the increase in this year's budget has been based on the data available to us to more accurately reflect your development's likely usage and planned market price increases over the next year.

FirstPort has secured a contract with EDF for electricity, which enables you to benefit from the preferential rates we're able to secure. These savings are passed directly on to you as the customer.

Reserve Fund

There has been an increase in the contribution being made into the reserve fund in comparison to last year's costs but these are in line with inflation. This is to ensure 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.

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 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.

The major work we have planned within this service charge period is as follows:

Schedule 4P, 4Q and 4U carpet replacement

If you have any questions about the scheduling of major cyclical works to your development, please do get in touch with me.

Why we are invoicing you now

We must make sure there are sufficient funds to maintain your development throughout the year. This means we are required to ask you to pay in advance, as set out by your Lease or Transfer document.

The service charge you pay helps us to take care of your development. The money you pay goes into a bank account set up especially for you and your neighbours to make sure there is enough money to pay for the work your building needs. If you don't pay your service charge on time it doesn't affect FirstPort as a business, but it does affect your development and your neighbours. If there aren't enough funds in your development's bank account because of non-payment of your service charge this may mean we have to postpone jobs that need doing and impacts 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 of our development bank accounts are completely independent of the trading

accounts of any of the FirstPort group companies. Our development bank accounts are all with Barclays; we made this switch in 2016 as part of our continued commitment to sourcing the best rates and benefits for our customers.

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

We offer a number of different ways for you to pay your share of the service charge. Please refer to your invoice for further details. For the quickest and easiest way to pay, we recommend signing up to your online account by visiting the website address above.

Find out more

If you would like further information, we recommend taking a look 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

John Jeys

John Jeys

Property Manager

FirstPort Property Services

Fernwood
Detailed Schedule Budget
for the Financial Year ending 31st May 2023

2023/22
AMOUNT

S1 Estate

Monitoring Service	£1,422
Insurance	£2,195
Utility Electricity	£590
Utility Water & Sewerage	£150
Grounds Maintenance	£87,000
General Maintenance	£5,000
Playground Facilities	£250
Vehicle Leasing	£3,060
Contribution-Reserve	£19,800
Contrib For Shared Costs	-£7,134
Management Fees	£123,922
Accounts Preparation Fee	£2,455
Audit/Accounts Cert Fee	£1,403

Total For S1 Estate	£240,113
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S2A Private Courtyard

Insurance	£300
Utility Electricity	£2,731
Grounds Maintenance	£9,583
General Maintenance	£3,000
Vehicle Leasing	£465
Contribution-Reserve	£10,095

Total For S2A Private Courtyard	£26,174
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S2B Private Courtyard

Insurance	£749
Grounds Maintenance	£1,863
General Maintenance	£250
Contribution-Reserve	£1,443
Vehicle Leasing	£133

Total For S2B Private Courtyard	£4,438
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S2D Parking Court

Insurance	£53
Grounds Maintenance	£634
General Maintenance	£150
Vehicle Leasing	£49
Contribution-Reserve	£655

Total For S2D Parking Court	£1,541
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SCHEDULE 4D - APARTMENT ONLY COSTS (Plots 130-144)

Insurance	£3,295
Utility Electricity	£1,615
Utility Water & Sewerage	£50
Cleaning Communal Area	£1,250
Grounds Maintenance	£465
Fire Systems Maintenance	£1,429
General Maintenance	£840
Contribution-Reserve	£3,623
Vehicle Leasing	£148
Management Fees	£2,759

TOTAL SCHEDULE 4D COSTS	£15,474
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SCHEDULE 4I - APARTMENT ONLY COSTS (Plots 300-311)

Insurance	£2,540
Utility Electricity	£1,050
Cleaning Communal Area	£1,025
Grounds Maintenance	£387
Fire Systems Maintenance	£1,164
General Maintenance	£700
Vehicle Leasing	£118
Contribution-Reserve	£3,045
Management Fees	£2,207

TOTAL SCHEDULE 4I COSTS	£12,236
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SCHEDULE 4L - APARTMENT ONLY COSTS (Plots 322-336)

Insurance	£3,850
Utility Electricity	£2,715
Cleaning Communal Area	£1,250
Grounds Maintenance	£1,180
Fire Systems Maintenance	£1,430
General Maintenance	£800
Contribution-Reserve	£3,360
Vehicle Leasing	£148
Management Fees	£2,763

TOTAL SCHEDULE 4L COSTS	£17,496
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SCHEDULE 3A - MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
Plots 111-112 & 114-115 & 118-119

Insurance	£1,004
Contribution-Reserve	£289
Management Fees	£477

TOTAL SCHEDULE 3A COSTS **£1,770**

SCHEDULE 3B - MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
Plots 416 & 123

Insurance	£300
Contribution-Reserve	£116
Management Fees	£212

TOTAL SCHEDULE 3B COSTS **£628**

SCHEDULE 3C - MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
Plots 126-129

Insurance	£730
Contribution-Reserve	£116
Management Fees	£280

TOTAL SCHEDULE 3C COSTS **£1,126**

SCHEDULE 4E - APARTMENT ONLY COSTS (Plots 145-150)

Insurance	£1,356
Utility Electricity	£1,255
Cleaning Communal Area	£500
Grounds Maintenance	£243
Fire Systems Maintenance	£845
General Maintenance	£450
Vehicle Leasing	£59
Contribution-Reserve	£1,575
Management Fees	£1,104

SCHEDULE 4E - APARTMENT ONLY COSTS (Plots 145-150) **£7,387**

SCHEDULE 3F - MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
Plots 253-254 & 259-260

Insurance	£719
Contribution-Reserve	£210
Management Fees	£280

TOTAL SCHEDULE 3F COSTS **£1,209**

SCHEDULE 3H - MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
Plots 298-299 & 312-313

Insurance	£719
Contribution-Reserve	£263
Management Fees	£280

TOTAL SCHEDULE 3H COSTS **£1,262**

SCHEDULE 3J - MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
Plots 314-315

Insurance	£300
Contribution-Reserve	£105
Management Fees	£212

TOTAL SCHEDULE 3J COSTS **£617**

SCHEDULE 3K- MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
Plots 317-320

Insurance	£719
Contribution-Reserve	£105
Management Fees	£280

TOTAL SCHEDULE 3K COSTS **£1,104**

SCHEDULE 4P - APARTMENT ONLY COSTS (Plots 361-366)

Utility Electricity	£210
Cleaning Communal Area	£500
Grounds Maintenance	£210
Fire Systems Maintenance	£793
General Maintenance	£450
Vehicle Leasing	£59
Contribution-Reserve	£1,785
Insurance	£1,156
Management Fees	£1,104

TOTAL SCHEDULE 4P COSTS **£6,267**

SCHEDULE 4Q - APARTMENT ONLY COSTS (Plots 394-399)

Utility Electricity	£590
Insurance	£1,156
Cleaning Communal Area	£500
Grounds Maintenance	£210
Fire Systems Maintenance	£582
General Maintenance	£250
Vehicle Leasing	£59
Contribution-Reserve	£1,680
Management Fees	£1,104

TOTAL SCHEDULE 4Q COSTS **£6,131**

SCHEDULE 4U - APARTMENT ONLY COSTS (Phase 4A, Plots 1-10)

Insurance	£2,043
Utility Electricity	£1,070
Cleaning Communal Area	£750
Grounds Maintenance	£210
Fire Systems Maintenance	£1,005
General Maintenance	£600
Plant & Machinery	£600
Contribution-Reserve	£2,205
Management Fees	£1,841

TOTAL SCHEDULE 4U COSTS **£10,324**

SCHEDULE 3V- MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
(phase 4A) Plots 17, 18 & 36

Insurance	£365
Contribution-Reserve	£105
Management Fees	£255

TOTAL SCHEDULE 3V COSTS **£725**

SCHEDULE 3W- MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
(phase 4A) Plots 16, 19 & 35

Insurance	£365
Contribution-Reserve	£105
Management Fees	£255

TOTAL SCHEDULE 3W COSTS **£725**

SCHEDULE 3X- MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
(phase 4A) Plots 70, 71 & 73

Insurance	£295
Contribution-Reserve	£116
Management Fees	£255

TOTAL SCHEDULE 3X COSTS **£666**

SCHEDULE 3Y- MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
(phase 4A) Plots 74 & 75

Insurance	£295
Contribution-Reserve	£116
Management Fees	£212

TOTAL SCHEDULE 3Y COSTS **£623**

SCHEDULE 3Z- MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
(phase 4A) Plots 79 & 84

Insurance	£295
Contribution-Reserve	£105
Management Fees	£212

TOTAL SCHEDULE 3Z COSTS **£612**

SCHEDULE 3ZA - MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
(Phase 6 I-Life) Plots 11, 12 & 25

Insurance	£295
Contribution-Reserve	£105
Management Fees	£240

TOTAL SCHEDULE 3ZA COSTS **£640**

SCHEDULE 3ZB - MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
(Phase 6 I-Life) Plots 13,18,19 & 24

Insurance	£295
Contribution-Reserve	£105
Management Fees	£284

TOTAL SCHEDULE 3ZB COSTS **£684**

SCHEDULE 3ZC - MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
(Phase 5a) Plots 118,119 & 120

Insurance	£295
Contribution-Reserve	£105
Management Fees	£240

TOTAL SCHEDULE 3ZC COSTS **£640**

SCHEDULE 3ZD - MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
(Phase 5a) Plots 157,158 & 159

Insurance	£295
Contribution-Reserve	£116
Management Fees	£280

TOTAL SCHEDULE 3ZD COSTS **£691**

SCHEDULE 3ZE - MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
(Phase 2) Plots 406 & 407

Insurance	£295
Contribution-Reserve	£105
Management Fees	£240

TOTAL SCHEDULE 3ZE COSTS **£640**

SCHEDULE 3ZF - MAISONETTE/FLAT OVER GARAGE & LEASEHOLD GARAGE COSTS
(Phase 4A) Plots 65 & 66

Insurance	£300
Contribution-Reserve	£105
Management Fees	£211

TOTAL SCHEDULE 3ZF COSTS **£616**

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 may be 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