



**FIRST  
PORT**

Property  
Services  
Scotland

A Guide to Fees

# Our fees explained

We believe you should enjoy your home, safe in the knowledge the money you spend on maintenance and the upkeep of your property is being well spent. So here's a handy guide to weighing up your fees.



# Looking after your money



## Contents

Service Charges and Management Fees	1
Explaining Management Fees	3
Explaining Service Charges	6
Savings and Efficiencies	9
Procurement Policy	10
Payment Processes	12
For More Information	13

## Service Charges and Management Fees

### Clarity over costs and charges



Service charges and management fees fund the costs of maintaining the development in good order and to a standard you expect. Each development may be different but in principle this guide tells you what the charges are, what they cover and ways to pay.

#### What is the service charge?

Your service charge is the money you pay towards the day-to-day running costs of your development. Every resident pays a service charge and the money is used to cover items such as buildings insurance, maintenance, repairs, gardening and communal facilities, as well as your Development Manager.



### When is the service charge paid?

This depends on the terms of your Deed of Conditions. You may be required to pay your service charge once a year, twice a year (usually every six months) or in monthly instalments. If you aren't sure when you should pay your service charge please, just ask your Development Manager or contact our Customer Service Team. You'll find their details on the inside back cover.

### What bills and costs am I responsible for?

#### You're responsible for:

The internal decoration, repairs and maintenance of your property

Your electricity bill

Your television licence

Your council tax

Your telephone bill

Your home contents insurance

Cleaning your inside windows

### Are there resident's meetings to discuss the estimated costs and annual accounts?

Yes there are. A file containing all invoices and receipts can be made available for inspection via your

Development Manager or Area Manager. This enables you to see exactly how much has been spent and on what.

### How do you work out the annual service charge?

For new build developments, the service charge is based on estimated costs. We make every attempt to make sure the budget is accurate and as close as possible to actual costs. For established developments, the previous year's costs are used to prepare the estimate for the coming year.

We have extremely limited control over charges such as electricity usage and VAT, so we can only anticipate what these costs might be. Rest assured that we keep track of the best market prices to ensure charges remain as low as possible.

### When is the service charge worked out?

We prepare a budget based on the estimated service charges for the next financial year. You will be invited to a budget meeting, held by the Area Manager, where they will consult with you before the budget is finalised.

### What does our management fee cover?

## Explaining Management Fees

# Your money, our management

This is the fee you pay to FirstPort Property Services Scotland to cover the costs of a wide range of activities that we carry out to efficiently manage your development.

#### Financial

- Annual budget review meetings with customers
- Preparation and issue of annual service charge budget
- Administration of direct debit/credit card payments
- Preparation of annual accounts and invoice files
- Service charge accounts can be assessed and verified by independent auditors
- Well-managed contingency fund
- Annual account liaison with external auditors
- Arranging tenders for maintenance and repair work to be carried out.

#### Communications

- Production and distribution of helpful printed information for customers, including our welcome pack
- Website and online customer information service.

#### Estate Management

- Development Manager training and welfare
- Company operating costs including staff travel, staff visits to developments and support centre overheads
- Area Manager support.

#### Regulatory Compliance

- Assistance with major works and consultations
- Health and safety
- Member of the Property Managers' Association Scotland (PMAS).

#### Treasury

- Development bank account interest paid to customers
- All bank accounts held under a statutory trust
- Safeguarding customers' money.

#### Credit Control

- Chasing late/non-payers.

### What is the financial year?

The financial year is a standard accounting period. At the end of every financial year, the actual costs for your development are compared with the budget provided at the beginning of the year. Where, and if applicable, audited accounts will be circulated to all residents within six months of the end of the financial year.

A typical financial year will vary and may depend upon your development's Deed of Conditions. If you are unsure, please ask your Development Manager or our Customer Service team.

### What happens if the actual cost is different from the estimated budget?

If running your development has cost less than the estimate, there will be a surplus for that year. This will be refunded or credited to you or your development in accordance with your Deed of Conditions.

If running your development has cost more than the estimate, there will be a deficit. Depending on your Deed of Conditions the deficit could either be added to your next service charge or an additional invoice will be raised.

### Is the money I pay for the service charge safe?

Yes. The service charge you pay is held in a bank account in your development's own name under statutory trust and is completely separate from all other FirstPort Property Services Scotland accounts. The money can only be used for your development and any interest earned remains in the account.

### What is the contingency fund (often called the reserve or sinking fund) and redecoration fund?

Each year a certain amount of money may be put by for your redecoration fund. This goes towards the cost of internal and external decoration of the communal areas.

The contingency fund is there to pay for the renewal or replacement of other major items such as communal items, including carpets, plus the major structural maintenance, e.g. lifts, roofs, fire safety systems.

### What is the audit fee?

When, and if applicable, i.e. in many of our retirement developments, a fee may be payable for any independent qualified accountants who may be required to audit your accounts.



100

people dedicated  
to looking after  
our residents.

## Explaining Service Charges

# The bottom line, line by line

### \*Development Manager costs:

Salary

Employer's National Insurance contribution

Pension contributions (if applicable)

Deputy or Relief Development Manager (if applicable)

Development Manager's telephone rental and cost of business calls

Employers Liability cover in relation to your Development Manager

### Emergency call response system costs:

Monitoring charges

\*Telephone link to your emergency response system

Monitoring centre (for example, Appello)

Maintenance and repairs

### Communal maintenance and running costs:

Cleaning communal areas

Maintaining garden and grounds

\*Cleaning all exterior windows

Lighting, power and heating

Light bulbs and sundries

### \*Maintenance contracts:

Lift

Emergency lighting

Fire prevention equipment

Door entry system and intercom systems

Laundry equipment (after the warranty has expired)

Health, safety, fire inspections, tests and checks

\*Costs as and when applicable

Your service charge covers all the costs of running the development.



**Insurance:**

Under the terms of most Deed of Conditions we are often required to insure the whole building including;

Buildings and common areas

Terrorism cover

Communal items such as furniture and carpets

Lifts

\*Sick leave for the Development Manager (after 10 days)

**Essential Health & Safety**

FirstPort Property Services Scotland often employ external surveyors to handle major tenders and works on our behalf. This ensures the process is entirely independent and neutral. We will consult with you when major tenders are required for a repair or essential maintenance work.

Surveyors are appointed on a site-by-site basis when works are required. Their fees are on a sliding scale, depending on the contract value, and their charges are generally consistent across all sites.



\* As and when applicable

**Savings and Efficiencies**

We save,  
you benefit



# 20%

**Lift maintenance  
contract costs cut  
by 20%\***

\*As a result of national lift maintenance contracts negotiated in March 2014.

We've negotiated lower prices across our service portfolio so we can keep your service charges as low as possible.

## Procurement Policy

# Thrifty by nature

**We work hard to obtain competitive prices and negotiate cost savings for insurance cover, utility providers and maintenance contracts through our bulk purchasing power.**

We do not receive or accept payments or commissions from contractors - all cost savings at each development are passed directly to residents.

We sometimes earn commission on essential services. Whenever that is the case, you are consulted and we make it clear in the development's accounts.

Our management fees are competitive and cover the cost of running regional property management and support centre functions, including accounts, human resources and group procurement as outlined in the 'Your money, our management' summary on page 3.

In 2014, for example, we negotiated reductions in line rentals for development phone lines, reduced communal electricity and gas prices.

**Energy savings  
in 2014:**

**20%**

We saved 20% on telecoms compared with 2013.

**25%**

Electricity price contracts were cut by 25%.



## Payment Processes

# Your ways to pay



### Online

If you'd like to pay your service charge online, by debit card or credit card you'll first need to register to use our secure online portal at [firstport.co.uk](https://firstport.co.uk). You will then be able to pay via the portal and receive an instant confirmation of receipt.



### Card

Just call our payment number on 0141 243 5380 to arrange a payment by credit or debit card. We accept most debit and credit cards.



### Direct bank transfer to the development account

Please call 0333 321 4077 to find out how to pay by bank transfer.



### Direct debit

If your Deed of Conditions allow and you'd like to set up a direct debit arrangement, just call us on 0333 321 4077.



### Cheque

Please make cheques payable to FirstPort Property Services Scotland Limited and send to:

FirstPort  
P.O. Box 9012  
New Milton  
Hampshire  
BH25 9FB

### Late payments

It is important that you pay your account on time. Late payments have a huge impact on levels of service and maintenance and ultimately affects your development and your neighbours.

If you're having problems paying, please get in touch.

### Our policy on late payment:

First reminder in writing 15 days after the invoice date.

Second reminder 14 days after the first reminder.

Third reminder 7 days after the second reminder. This is a court warning letter. A late payment fee will be charged to cover our administration costs. Interest may also be charged to your account.

## For more information

The information in this brochure is purely for guidance. You should refer to and rely on the provisions contained in the title document for your property and not on the general provisions outlined here.

If you have any questions please get in touch with your Development Manager or call our Customer Service team on the number below.

## How to contact us



### Post

FirstPort Property Services Scotland  
3rd Floor, Troon House  
199 St Vincent Street  
Glasgow  
G2 5QD



### Telephone

0333 321 4077  
(Monday to Friday, 9am to 5pm)



### Email

[scotlandhelp@firstport.co.uk](mailto:scotlandhelp@firstport.co.uk)



**FIRST  
PORT** | Property  
Services  
Scotland

FirstPort Property Services Scotland  
3rd Floor, Troon House  
199 St Vincent Street  
Glasgow  
G2 5QD

**T** 0333 321 4077

**E** [scotlandhelp@firstport.co.uk](mailto:scotlandhelp@firstport.co.uk)

[firstportscotland.co.uk](http://firstportscotland.co.uk)

## More than just bricks and mortar

A service brought to you by FirstPort  
[firstport.co.uk](http://firstport.co.uk)

Registered in England No 3829468

© FirstPort Property Services Scotland

Scotland's Property Factors Act registration number: PF000095

FPSc/guidetofees/0417



Property  
Managers  
Association  
Scotland



INVESTORS  
IN PEOPLE | Silver