



**FIRST  
PORT**

Retirement  
Property  
Services

Assisted Living - 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 the fees that come out of your pot.



# Looking after your money



## Contents

Service Charges and Management Fees	1
Explaining Management Fees	3
Explaining Service Charges	6
Saving 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. This guide tells you what these charges are, what they cover and ways to pay.**

### What is the service charge?

Your service charge is split into two parts, called schedules.

### When is the service charge paid?

Depending on your lease 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 are unsure of when you are required to pay your service charge please speak to your Development Manager or contact our Customer Service Centre (the details are on the inside back cover of this brochure).

### Schedule one

This covers the day-to-day running costs at your development. Every resident pays towards this and the money is used to cover:

Buildings insurance

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Maintenance

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Repairs

---

Gardening

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Communal facilities

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Salaries for the development's 24 hour, on-site team, including your Development Manager

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### Schedule two

This covers the day-to-day costs of running your development's food service and housekeeping. It covers:

Electricity

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Gas

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Water and sewage

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Cleaning materials

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Housekeeping and catering staff

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### What is ground rent?

Ground rent is the money you pay to your landlord, annually, for living at your development. In some cases we will collect this money on behalf of the landlord and will pass it on directly, but in many cases the landlord will invoice you directly.

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

#### You're responsible for:

The internal decoration, repairs and maintenance of your property

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Your electricity bill

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Your television licence

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Your council tax

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Your telephone bill

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Home contents insurance

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Internal window cleaning

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

Yes there are. A file containing all invoices and receipts will also be 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 no control over charges such as electricity 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.

What  
does our  
management  
fee cover?

## Explaining Management Fees

# Your money, our management

This is the fee you pay to FirstPort Retirement 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 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 and Regional Manager support.

### Regulatory Compliance

- Major works consultation
- Health and safety
- Association of Retirement Housing Managers (ARHM) codes of practice.

### 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. Audited accounts will be circulated to all residents within six months of the end of the financial year.

A typical financial year will run from the beginning of April to the end of March, but this can vary based on when your development's lease was drawn up. If you are unsure, please ask your Development Manager or contact our Customer Service team.

### When is the service charge worked out?

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

### What happens if the actual budget 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 lease.

If running your development has cost more than the estimate, there will be a deficit. Depending on your lease 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 name under statutory trust and is separate from all other FirstPort Retirement Property Services accounts. The money can only be used for your development and all interest earned goes back into the account.

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

Each year a certain amount of money is put by for the **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 major items such as communal carpets plus major structural maintenance, e.g. lifts, roofs, fire safety systems.



**3,000**

people dedicated  
to looking after  
our residents.

## Explaining Service Charges

# The bottom line, line by line

Your service charge covers all the costs of running the development, including any Assisted Living services.

### **Estate management:**

Salaries for the  
Development Manager

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Employer's National Insurance  
contribution

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Pension contributions  
(if applicable)

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Deputy or Relief Development  
Manager (if applicable)

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Office telephone rental and  
cost of business calls

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Telephone link to your  
emergency call monitoring centre  
(for example, Appello)

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Employers Liability cover in relation  
to your Development Manager

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### **Communal maintenance and running costs:**

Cleaning communal areas

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Maintaining garden and grounds

---

Cleaning all exterior windows

---

Lighting, power and heating

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Light bulbs and sundries

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### **Maintenance contracts:**

Lift

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Emergency lighting

---

Fire prevention equipment

---

Door entry system and  
intercom systems

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Laundry equipment  
(post warranty period)

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**Your service charge covers all the costs of running the development, including any Assisted Living services.**



**Insurance:**

This may be placed by the landlord or, where we are responsible, via our insurance business

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Buildings

---

Terrorism cover

---

Communal items such as furniture and carpets

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Lifts

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Sick leave for the Development Manager (after 10 days)

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**Contingency fund (reserve fund):**

Internal and external redecoration

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Furniture costs  
(for the communal areas)

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**Food service:**

Catering staff

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Kitchen electricity, gas, water and sewage

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**Housekeeping:**

Staff salaries

---

National Insurance contributions

---

Pension contributions  
(if applicable)

---

Cleaning materials

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**Essential Health & Safety**

FirstPort Retirement employs external surveyors to handle major tenders on our behalf. This ensures the process is entirely independent and neutral. Major tenders are required when at least one property has to pay more than £250 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 consistent across all sites.

Savings and Efficiencies

We save,  
you benefit



**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 that we arrange instead of your landlord. Whenever that is the case, 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 in the 'Your money, our management' summary on page 3.

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

Energy savings  
in 2014:

**20%**

We saved 20% on  
telecoms compared  
with 2013.

**25%**

Electricity  
contracts were  
also 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 [www.FirstPort.co.uk](http://www.FirstPort.co.uk).



### Card

Just call our 24 hour automated payment line on 0333 321 4079 to arrange a payment by credit or debit card. We accept most debit and credit cards.



### Direct bank transfer to the development account

Please use the bank details which appear on your invoice, alternatively just call us on 0333 321 4079 for guidance or assistance.



### Direct debit

If you'd like to set up payment by Direct Debit, just call us on 0333 321 4051 to discuss the options available.



### Cheque

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

FirstPort Retirement Property Services  
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 we can provide and ultimately affects your development and your neighbours.

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

### Our policy on late payment:

A first reminder will be sent to you in writing if an invoice remains unpaid after the due date.

If we haven't received payment, a second reminder letter will be sent. A £60 late payment fee will be charged to cover administration costs. Interest may also be charged to your account.

Finally, a third letter will be sent 7 days after the second reminder. This will confirm that we are passing your account to independent solicitors or debt collection agency and will include a further £60 charge to cover the legal review of 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 lease or 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 us on the number below.

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## How to contact us



### Post

FirstPort Retirement Property Services  
1st Floor  
Trinity Point  
New Road  
Halesowen B63 3HY



### Telephone

0333 321 4041  
(Monday to Friday, 8.30am to 5pm)



### Email

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



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## More than just bricks and mortar

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IN PEOPLE** | Silver