



**FIRST
PORT**

Retirement
Property
Services

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

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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 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.

What is ground rent?

Ground rent is the money you pay to your landlord, annually, for living at your development. Either we will collect this money on the landlord's behalf or, more usually, the landlord will invoice you directly.

When is the service charge paid?

This depends on your lease or transfer. 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 Centre. 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 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.

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 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.

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 completely separate from all other FirstPort Retirement accounts. The money can only be used for your development and any interest earned remains in 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 the major structural maintenance, e.g. lifts, roofs, fire safety systems.

What is the audit fee?

This fee is payable to independent qualified accountants who are required by law to audit your accounts. This helps ensure residents' money is properly and carefully managed.



3,000

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)

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



Insurance:

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

Buildings

Terrorism cover

Communal items such as furniture and carpets

Lifts

Sick leave for the Development Manager (after 10 days)

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 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 www.FirstPort.co.uk. You will then be able to pay via the portal and receive an instant confirmation of receipt.



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.

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



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firstport.co.uk

More than just bricks and mortar

A service brought to you by FirstPort
firstport.co.uk

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**INVESTORS
IN PEOPLE**

Silver