

4th October 2019

Dear Resident,

REF: Bellway at Channels Address

Please find enclosed your first half year service charge demand for the period 1st July 2019 to 31st December 2019. This has been issued slightly later than we would have liked so apologies for this. Unfortunately, it took a while to obtain the information necessary from the previous managing agent to issue the demands.

What does the budget include and why have the costs changed?

Each year the Resident Management Company (RMC) set a budget to maintain and manage the estate in accordance with best practice and legislative or statutory requirements. In the case of the Bellway at Channels development, this includes the following:

1. **Maintenance** – Grounds/landscape maintenance as well as any costs associated with reactive or proactive repairs on the estate.
2. **Reserves** - Each year a small contribution is made to the reserve fund for the estate.
3. **Utilities** - The cost of the utilities (electricity), required to operate the fountain and central lighting on the green.
4. **Insurance** – Public Liability Insurance for the estate, payable by all properties.
5. **Administration** - The cost of our fees, audit and accountancy fees as well as Company Secretary fees for the administration of the Resident Management Company (RMC).

You will notice that costs have increased as the provision for grounds maintenance was set too low from the outset by the previous managing agent both to meet expectations of residents and more importantly to comply with planning requirements. We have therefore set a more realistic estimate for the coming year, pending a formal procurement of this contract.

There is also an obligation, as part of planning conditions, for all residents across the entire Channels development to contribute to the upkeep of site-wide estate areas.

The cost of the Wider Estate Charge remains the same as we're yet to be notified of the new budget set in respect of this for 2019/20. We are aware the year end accounts for the Wider Estate Charge have been drafted and it has been indicated that there may be a surplus of monies to be refunded to each property owner. If this is indeed the case the money will be duly credited back.

Once the Wider Estate Charge budget for the 2019/20 year is known we may need to adjust the second half year demand accordingly and we will let you know nearer the time. At present, and as part of the handover to POD, we are scrutinising what exactly the Wider Estate Charge has been used to pay for. This is to ensure that you have not been paying for the upkeep of an area which you haven't had access to or have been able to use of yet.

Indeed RMC directors are clear that we should move forward with the principle that residents should only contribute to the cost of site-wide open spaces for which they have access to. There is further work to be undertaken to ensure that the Wider Estate Charges are fully understood and we will keep you informed as to our findings accordingly.

What are we responsible for?

In case you don't already know, we are responsible for the maintenance and management of what is called the 'managed' areas of the estate (Bellway Phase 1 & 2), primarily this is the grounds maintenance. This is essentially any area within and including the boundary of the Bellway Build, except for roadways and pathways to be adopted by the local authority.

The financial year end for the Resident Management Company - Channels (Chelmsford) Management Company Limited - is 30th of June. This means we will issue service charge demands half yearly in advance in a normal year during May and December. Then, following the completion of the accounts for Channels (Chelmsford) Management Company Limited, we will issue what is called a 'year-end adjustment'. This is the collection or distribution of any overspend (deficit) or underspend (surplus).

How can you pay?

You can pay your service charges via BACS or bank transfer using the details noted on the demand and payment is due by 31st October 2019.

Of course, if you have questions or queries please do not hesitate to contact us.

Kind Regards,



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