

26th June 2020

Channels (Chelmsford) Management Company Limited 2020-21 Budget Review

The service charge budget for next financial year, which will commence on 1st July 2020 has now been set. Please find enclosed your first half year service charge demand for the period 1st July 2020 to 31st December 2020. It has been necessary to increase the budget for 2020/21 for reasons outlined within this letter.

What does the budget include?

Each year the resident directors of Channels (Chelmsford) Management Company Limited agree a budget to maintain and manage the estate in accordance with best practice and legislative or statutory requirements.

This includes the following:

1. **Maintenance** - Any costs associated with reactive or proactive repairs on the estate, as well as grounds maintenance.
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. **Side Wide Estate Costs** – The cost towards the upkeep of the wider estate, all properties across the entire Channels development contribute towards this.
6. **Administration** - The cost of our fees, audit and accountancy fees as well as Company Secretary fees for the administration of Channels (Chelmsford) Management Company Limited.

What are we responsible for?

In case you don't already know Channels (Chelmsford) Management Company Limited is responsible for the maintenance and management of what is called the 'managed' areas of the estate, primarily this is the grounds maintenance. This is essentially any area within and including the boundary of the estate, except for roadways and pathways to be adopted by the local authority.

The financial year end for 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 June 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).

Why have the costs changed?

The grounds maintenance contract was tendered in December 2019 in line with a detailed landscape service specification to ensure everything contained within is being adhered to and to ensure that all planning conditions continue to be met. For each home this has resulted in an increase of £36 plus VAT a year increase for ground maintenance, and we trust you have seen for yourself the improvements being made over the past six months.

The budget for the Site Wide Estate Costs has largely remained the same, however the provision for ground maintenance has been reduced as many amenity areas which, in time, are due to be maintained, remain underdeveloped. At the same time, we are delighted to announce that POD have been appointed to manage the site wide estate and therefore we must inform you our management cost is now included within the contribution you pay.

We know many of you are wondering when further site wide estate amenities will be opened for your use and enjoyment. The estimated dates for key areas are as follows:

Area	Works Commencement	Estimated Completion
Western Mitigation Area Benches	Commenced	July 2020
Channels Park: Footpath	Commenced	September 2020
Channels Park: Skate Park	Commenced	September 2020
Village Green	Commenced	September 2020
Channels Park: Play Areas	3rd August 2020	December 2020
Channels Park: Remainder	Commenced	February 2021

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 July 2020.

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

Kind Regards,



POD Management

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