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What is a Management Company and why is it required?

A Management Company called Green Oaks (Quedgeley) Management Company Limited has been set up for your development to manage areas of the development and some parts of its buildings, where ownership of those areas is not transferred to the residents directly. You will be responsible for the maintenance of your home and any land conveyed to you, whilst the Management Company will maintain any areas which are not conveyed to any purchaser. These are communal areas for the benefit of some or all residents and therefore have to be held in a separate entity.

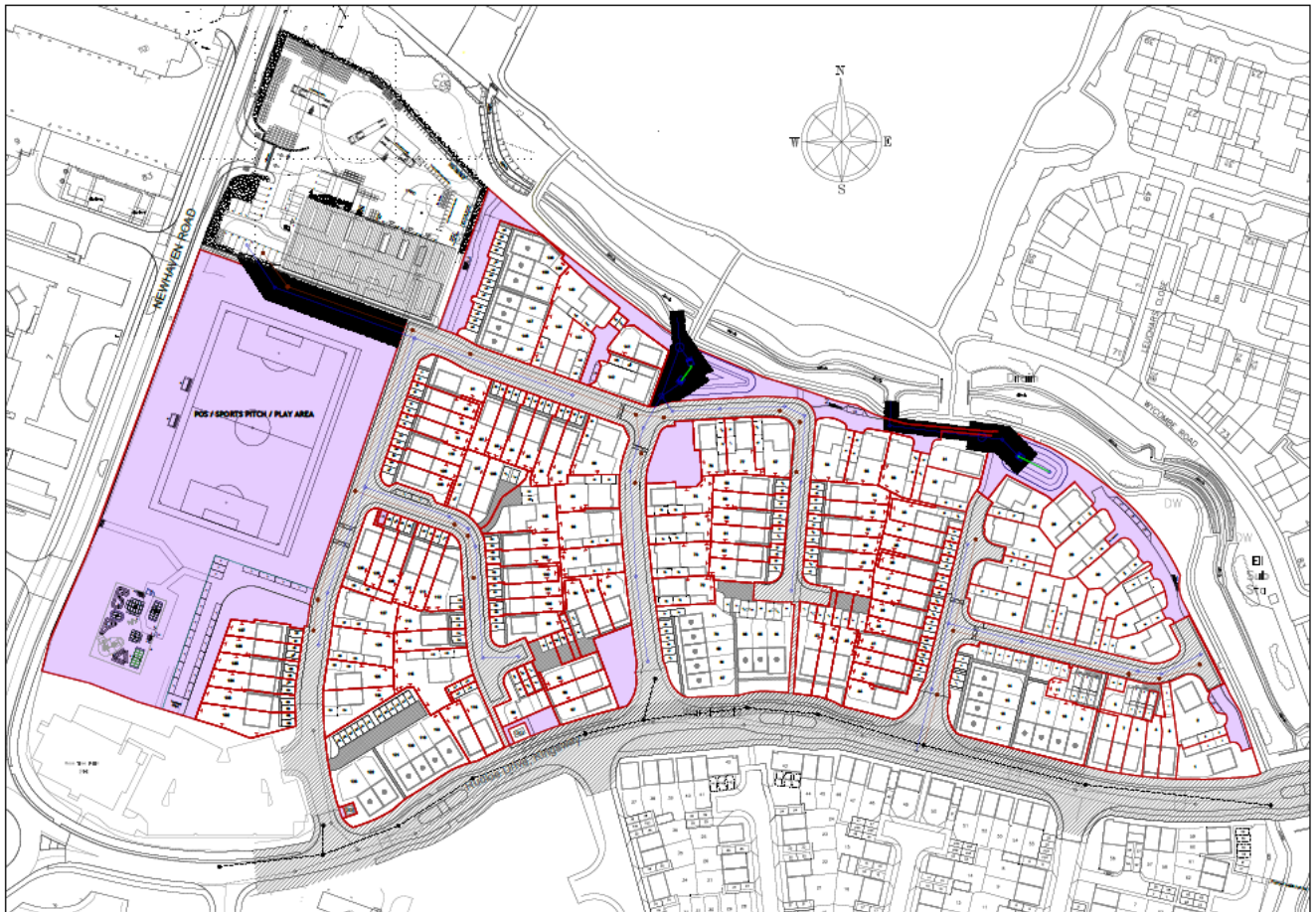
During the initial set up and construction of the development, Linden provide the directors of the Management Company. This is common practice as it provides time for the communal areas to be completed and Linden are responsible for making sure that happens. Once the communal areas are ready, Linden will hand control of them over to the Management Company and when the development is complete, residents will take over as directors of the Management Company.

The Managing Agent (see below) will continue to support the residents in the running of the Management Company so that communal areas are maintained after Linden have left the development.

Which parts of the development are covered by the Management Company?

The development known as Green Oaks is situated in Quedgeley, Gloucester and comprises of 2, 3 & 4 bedroom mixed tenure homes.

The areas which are planned to fall to the Management Company to manage and maintain are highlighted indicatively on the plan below, which includes the insurance, management, and maintenance of the Public Open Spaces (POS), the attenuation ponds, play equipment, sports pitches, changing rooms and footpaths. The plan included below, also details the development as a whole, including its boundaries which are detailed with red lines.





Contract Maintenance

The following budgeted provisions show the anticipated cost of employing maintenance contractors, for general maintenance work. It should be noted this is a basic indicative specification, based on plans provided to us. For all aspects of contractor's work to be completed it is assumed that all plots will be legally completed, and all areas are capable of being maintained.

Grounds Maintenance to External Communal Areas, including Public Open Space, Play Area, Attenuation Basin and Forest Camp: An allowance for the cost of 20 visits per year to include the following specification:

Grounds Maintenance:

- Maintain managed areas and planting in accordance with best horticultural practices.
- Low level grassed areas to be cut upon each visit using a ride on mower for larger area and a push mower on smaller areas and strips.
- All lawn edges and pathway edges will be strimmed and kept level.
- Shrubs: All plants will be free from dead or diseased wood, deadheading of suitable shrubs and pruned according to nature, aspect, and species
- Pruning: Pruning will take place to promote growth, vigour, and flowering
- Borders and beds with mulch finishes will be weeded with the border hoed over once weeded.
- Sweeping of all pathways present within the managed areas.
- Litter and loose-leaf removal
- Weed removal.
- Maintain planted beds and bulbs.

Play Area – LEAP:

- Grass cutting of low-level grassed areas within play area boundary
- Empty any litter bins within play area upon each visit
- Visually inspect the equipment and report any issues to head office

SUDs Systems: Attenuation Basin

Maintenance Schedule	Required Action
Regular Maintenance	Litter and debris removal.
	Inspect and clear inlets, outlets and control structures
	Review silt accumulation and remove when necessary
	Remove build of sediment or debris for continual operation
	Grass cutting - for spillways and access routes.
	Grass cutting meadow grass in and around basin.
	Manage other vegetation and remove nuisance plants.
	Tidy all dead growth before start of growing season.
	Remove sediment from inlets, outlet and forebay.
Occasional Maintenance	Manage wetland plants in outlet pool - where provided
	Re seed areas of poor vegetation growth
	Prune and trim trees and remove cuttings
Remedial Actions	Remove sediment from forebay, when 50% full and from micro pools if volume reduced by > 25%
	Repair of erosion or other damage by re-seeding or re-turfing
	Realignment of rip rap
	Repair / rehabilitation of inlets, outlets and overflows.
Monitoring	Re-level uneven surfaces and reinstate design levels.
	Inspect inlets, outlets and overflows for blockages and clear if required
	Inspect banksides, structures, headwalls, pipe-work, etc for evidence of physical damage.
	Inspect inlets and facility surface for silt accumulation. Establish appropriate silt removal frequencies.

General Provisions

Repairs & Renewals: An allowance for the cost of any minor repairs to the areas under management jurisdiction.

Statutory Risk Assessments

Health & Safety and Fire Risk Assessment: An allowance in respect of a Health & Safety and Fire Risk Assessment to the management areas. This will be undertaken on a yearly basis.

ROSPA Inspection & Assessment: An annual inspection of the play area will be carried out by ROSPA, with a report sent to Gateway to deal with any maintenance issues highlighted.

Annual Arborist Inspection- Annual assessment of trees within managed land to check tree health and safety.

Professional Fees

Management Fees - The management fee is the fixed fee payable to Gateway Property Management to manage the development in accordance with the Lease/TP1. This includes but is not limited to the following.

- Preparing and distributing the annual service charge budget
- Preparing and distributing the year end service charge accounts
- Ensuring the health & safety and fire risk annual report is undertaken and any points are addressed.
- Arranging any necessary insurances for the development and the directors of the management company
- Managing periodic services to the development, e.g., landscape maintenance
- Contractor liaising
- Overseeing any necessary repairs which may be required to the managed areas.
- Liaising with residents
- Periodic site inspections
- Residents' correspondence
- Managing the covenants of the lease document
- Debt recovery

Company Administration: A provision for carrying out the administration and company secretary duties annually on behalf of the Residents Management Company. This includes but is not limited to:

- Preparing and holding the company's statutory registers electronically.
- Preparing all necessary reminders and paperwork for the board to approve and the shareholders to receive the accounts.
- Sending reminders about statutory accounts filings due with Companies House and with HMRC
- Filing the statutory accounts when supplied.
- Providing a registered office address.
- Providing a Company to hold office as company secretary.
- Each company is allocated a company administrator, who, for an additional fee, can also assist with any ad hoc work such as changing officers or issuing shares.
- Compliance and company administration support
- Notifying Companies House of changes such as directors/secretary, accounting date, registered particulars etc.
- Providing routine secretarial support e.g., Board and General Meeting
- Minutes, Resolutions, and Notice of Meetings.
- Preparing AGM documentation.
- Support - we provide specific company secretarial advice and support according to our clients' needs.

Accountancy Fees: A provision for the preparation and certification of Year End Service Charge Accounts annually by an independent accountant.

Annual Filing Fees: The cost of filing the return at Companies House.

Bank Charges: The cost of holding the service charges in trust, in a commercial account, on behalf of the Residents Management Company.

Company Dormant Accounts Fees: Cost of the preparation of the Management Company Dormant Accounts, by an independent accountant.

General: A contingency for any general administration costs including postage relating to the administration of the management company.

Insurance

Public Liability Insurance: The anticipated cost of the premium representing the areas covered under the Management Company responsibility. This policy protects against third party injury or damage on the managed areas and holds a cover of £5,000,000.00.

Directors & Officers Insurance: The provision shown for Directors and Officers insurance reflects the costs of the premium with an initial level of cover of £500,000.00. This policy covers any costs or losses should a claim be made against a Director of the Management Company.

Reserves

It is important that a reserve fund be built up over a period of years for short- and long-term major works. An initial provision has therefore been made in this regard. The residents will, however, have an opportunity of setting their own level of reserve fund, as and when they control the affairs of their own development. At that time, the residents can choose the level of reserve, together with the timetable of the major works to be undertaken.

This budget is based on the information provided by you. Unless caused by the Agent's negligence in the provision of the Services Gateway is not liable either in contract or in tort for any loss, injury, damage or legal or other expenses sustained as a result of:

- A) The Agent having reasonably relied upon the Client to provide accurately all relevant information;
- B) Any defect in the Property or plant, machinery, equipment, or materials used for or in the Property;
- C) Any variances in forecast by the Agent of future income and expenditure; and
- D) The acts, omission, or insolvency of any person other than the Agent

The Agent's liability to make payments on the Client's behalf shall be limited at all times to the amount of funds belonging to the Client at the Agent's disposal after deduction of the Agent's remuneration.

We hope the above information provides an accurate initial evaluation of the managing agent's obligations towards this development. Gateway Property Management has extensive experience with estate management, therefore the provisions included have been inspired by current managed developments of a similar size and scope.

What is the role of the Managing Agent?

The Managing Agent is an external company, appointed by the developer, to maintain the communal areas of the development/buildings, once they have been handed over to the Management Company.

Their role is to assist the residents of the development in building their community, by maintaining the communal areas to a good standard and ensuring that the administration of the Management Company is professionally handled. This ensures that the residents don't have to worry about getting areas insured, getting accounts and audits done for the Management Company, appointing landscapers to care for public open space and play areas or appointing cleaners to maintain stairwells and other internal communal areas.

Whilst initially appointed by the developer, before any homes are handed over, the Managing Agent is employed by the Management Company and therefore by the residents. The residents can challenge the Managing Agent on their performance and on the service charge and, if necessary, replace them with a different Managing Agent.

What is a service charge and how is it calculated?

When you legally complete, you will become a member of the Management Company and you will agree to pay an annual service charge for the maintenance of the communal areas on the development.

The service charge is paid to the Managing Agent so that they can then pay for all the costs which they incur in managing the estate and buildings on your development. The amount you pay is your share of the total cost, based on the Managing Agents estimate of what they will spend, given their experience of other similar developments.

Below is a schedule of the items which the Managing Agent will maintain on behalf of the Management Company, together with their estimate of the likely cost for the coming year.

Service Charge Estimate
 Vistry Homes - Cotswolds
 Green Oaks (Quedgeley) MCL
 Green Oaks, Quedgeley, Gloucester
 Units
 Date Prepared
 Date Revised
 Ownership
 Prepared By
 Version

Page 1/2
 Equal Distribution

230
 08/12/2022
 04/04/2024
 GW
 GW
 v.2

10 Year Budget	Yearly Service Charge
Year 1	£220.40
Year 2	£233.62
Year 3	£247.64
Year 4	£262.50
Year 5	£278.25
Year 6	£294.94
Year 7	£312.84
Year 8	£331.40
Year 9	£351.28
Year 10	£372.36

100% MANAGED BUDGET

	Total (£ p.a)	Total Per Unit (£ p.a)
	230	
Regular Maintenance		
Grounds Maintenance (incl. POS, Play Area, Attenuation Basin & Sports Pitch)	20,714.52	£ 90.06
		£ -
General Provisions		
Repairs & Renewals	900.00	£ 3.91
		£ -
Statutory Risk Assessments		
Health & Safety Inspection & Assessment	870.00	£ 3.78
Property Inspections	336.00	
ROSPA Inspection & Risk Assessment	250.00	£ 1.09
		£ -
Professional Fees		
Management Fees	20,700.00	£ 90.00
Company Administration	1,062.00	£ 4.75
Accountancy	738.00	£ 3.21
Bank Charges	115.20	£ 0.50
Dormant Accounts	180.00	£ 0.78
Filing Fee	34.00	£ 0.15
Postage	1,656.00	£ 7.20
		£ -
Insurance		
Directors and Officers Insurance	544.00	£ 2.37
Public Liability Insurance	1,998.20	£ 8.69
		£ -
Reserves		
Estate Reserve Fund	900.00	£ 3.91
Total	51,028.52	220.40

Your service charge is likely to increase, year on year, because prices of labour and materials are likely to rise in line with inflation. The Managing Agent will keep you informed of any increases each year and provide an explanation of why the increase is necessary.

Typically, what do the elements of the service charge cover

- a) **Landscape and Play Area Maintenance** – this includes regular visits to the site to mow grass, keep down weeds, maintain trees and plants and make sure that the play equipment is safe, carrying out any maintenance as required. The visits are more frequent in the spring and summer, usually every two weeks and generally monthly in the Autumn and Winter.
- b) **Waste and Dog Bin emptying and Maintenance** – the bins around the communal areas are emptied and disposed of every two weeks.
- c) **Benches and other Street Furniture** - there are a number of benches, seats, fences, etc which require maintaining to ensure that they do not get into disrepair.
- d) **Electricity and Lighting to Communal Spaces** – some of the pathways have lighting which require power and maintenance, which will be covered in the charge.
- e) **Sinking Fund** – whilst the equipment around the communal areas is carefully maintained, sometimes there is a requirement to replace items. This would be particularly relevant to play equipment which becomes unsafe. A fund is built up to pay for these items when such occasions require.
- f) **Public Liability Insurance** – whilst residents will take out insurance on their homes which they own, there is a need to have insurance for the communal areas and for the Management Company itself.
- g) **Accountancy, Legal and Company Secretarial Fees** – because the Management Company is a Limited Company, which provides a level of legal protection for the residents, the Company has to have proper accounts prepared and audited and has to register with Companies House. This will all be arranged by the Managing Agent.
- h) **Health & Safety Requirements** – this is an important element of running the communal areas with the need for periodic risk assessments, advice and action taken to ensure that everything is kept in a safe condition for everyone who wants to use those areas. This will include fire risk assessments for apartments.
- i) **Managing Agent Management Fee** – this is the fee charged by the Managing Agent to act on behalf of the residents in managing the communal areas. All of the items above will need to be arranged and managed, with contractors appointed for maintenance and repair, insurance arranged, and accountants and solicitors appointed.

How and when is the service charge levied?

When you legally complete on your home and sign up to your rights and obligations relating to the Management Company, an amount of Service Charge will be taken, in order to cover the first [number] months, between your completion and the end of the service charge period.

The Managing Agent will then send you an annual service charge invoice, in [month] of every year. If you recently legally completed and therefore have just paid an amount on completion, this will be credited against the invoiced amount. You will only pay your share of the Service Charge for the period which you have been in ownership of your home.

The Managing Agent will provide you with details of how to pay when they send the invoice as there are options to spread the payment by Direct Debit, if you need to.

Who maintains the communal areas from the start?

Vistry is responsible for creating and building any communal areas. With apartments, the communal areas form part of the building which is being constructed by Vistry.

For a period of time, Vistry will maintain everything and only when the communal areas are complete, can they be handed over to the Managing Agent for maintenance. This will vary from site to site; on some developments everything will be handed over at the end, on others there will be a phased handover over the course of the development.

When Vistry are maintaining the communal areas, the residents will not be charged for the maintenance of the communal areas. However, a service charge may still be levied as there are administration costs incurred by the Managing Agent in order to ensure that insurance is in place and accounts and audits are carried out. This may be covered by the service charge collected on completion (see 6. Above) but if it continues for a long period you may be asked to pay a further service charge.

What happens when the development is finished?

When the developer has completed all the homes and all of the environment around the homes, the communal areas will be fully handed over to the Management Company. Those areas must be properly completed and be in good condition, otherwise the Managing Agent, acting on behalf of the residents will refuse handover. Handover will only take place when the Managing Agent is happy to take those communal areas on.

Up to this point, the Directors of the developer will have been acting as Directors of the Management Company, acting on behalf of the residents. When everything is complete, the developer will look for residents who are willing to take on the role as Directors of the Management Company.

Until the resident officers are in place, the developer may ask the Managing Agent to stand in as officer of the Management Company. However, control of the Management Company remains in the hands of the residents as members. The Managing Agent will support the residents in the running of the Management Company, but the residents always have the right to do things differently if they choose to

Who should I contact with any queries?

The details of the contacts at the Managing Agent are as follows:

Phone

01702 443 555

Email

gbridges@gatewayplc.co.uk

Website

www.gatewayplc.co.uk

Post

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