# Estate Service Charge Summary Proposal

Deeping St Nicholas, Lincolnshire



EMERALD HOMES

ENCORE

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# Section 1 – Location & Overview

## About Deeping St Nicholas

The scheme comprises a residential development circa 119 freehold properties situated in the village of Deeping St Nicholas in Lincolnshire, between The Deepings and Spalding.

The development will incorporate the private management of public open space, and sustainable urban drainage (SUD's) site infrastructure as identified on the Proposed Site Plan, drawing number LDC 4244-102K dated March 2025.



## Management Scope of Services

Undertake the estate management of the open space, and site infrastructure and in so doing, delivering a high standard of safety and landscape maintenance across the site ensuring a high-quality landscape setting for local residents.

# Section 2 – Estate Service Charge Model

In our view it is important that the legacy of the development remains a positive advertisement for the developer in the surrounding area. We firmly believe the ongoing estate management of the development should not be left to chance. Through Encore, residents will benefit from a quality of service and facilities amongst the best in the area.

In line with your instruction 119 private properties will contribute towards the maintenance and upkeep of the public open space areas and site infrastructure. For the purposes of this proposal, we have adopted a straight split approach to the allocation of the estate charge as all properties derive equal amenity/benefit from the open space areas. Therefore, each property irrespective of size will pay an equal share towards the cost of maintenance.

We have spent time considering the various elements of the development to better analyse the realistic costs of maintaining the scheme. We have sought to keep the management costs of running the estate to a minimum whilst not reducing the costs to unrealistic levels which would likely impact on the development's cash flow in years two and three or compromise the maintenance standards and appearance of the site. This is endorsed by our own internal surveys across our current customers, which indicates on open space schemes the quality of the landscaping provision is the most important aspect of the management.

Our service charge budget has been modelled on a 'normal' year of the fully completed development and it is not intended to be a Year 1 budget which can be artificially low to entice the developer.

As instructed, we have divided the service charge between 119 freehold contributing properties which produces a headline annual service charge of:

**Estate Charge – £249.39 per property per annum, which equates to £20.78 per month**

Overall, the service charge is in line with other developments of a similar size within our portfolio and the immediate locality. Typically, the tone of estate charges on housing schemes of this size range between £150 - £350 per property per annum for the wider area depending on the degree of facilities, site infrastructure and number of contributing plots. In the current inflationary climate however, costs are increasing.

# Section 3 – Budget Rationale

Please see accompanying estate service charge estimates and apportionments under separate cover.

Noting that we are now in November 2025 the accompanying service charge budget has been dated from 1st January 2026 – 31st December 2026 so it remains current into next year assuming no external influences i.e. increases/decreases in rate of VAT or a significant further shift in inflation, cost of living, minimum and living wages etc.

Note we are currently in a period of fluctuating inflation owing to global demand for energy, goods & services, Government intervention (rising national insurance and minimum & living wages), with the knock-on effect to labour markets, wages. It is therefore important that the service charge budget is always only presented as an estimate of the likely maintenance costs of the scheme. Some developers are looking to add a small contingency (say 5/10%) on top of the budget estimates we supply in the current climate to ensure some breathing room should cost inflation continue to stay at a relatively high level. Alternatively other clients ask us to revisit our budget estimate annually throughout the construction of the scheme to ensure the service charge estimate keeps pace.

We would be happy to present our service charge budget to you in more detail however, we have provided additional commentary on the key cost's heads within our budget below.

## Maintenance

### 204 – Garden/Grounds Maintenance

A key focal point of the development and main reason for the service charge will be the communal open space areas and the upkeep of the soft landscaping. We recognise it is essential that these tangible areas are maintained to a high standard as they account for a significant proportion of the annual maintenance costs as well as being integral to the wider vision for the development. To this end we will engage a time served grounds maintenance contractor to undertake this work in line with the landscape management plan. In order to keep costs to a minimum but also maintain a standard we adopt a cut and drop/mulch policy to large open space areas whilst a cut and collect approach will be applied to feature areas, achieving a striped appearance where possible.

We recognise that due to the effects of climate change the earth is warming and rainfall patterns are changing, increasing the risk of heatwaves, floods and droughts which have been observed over the last few years. Consequently, grounds contractors are finding that they are having to adapt their schedules annually due to maintenance duties, particularly grass cutting, which is seeing the requirement for amenity areas to be cut all year round rather than the traditional growing season between March - October.

An illustration of a typical schedule is outlined below.

| | Jan | | Feb | | March | | April | | May | | June | | July | | August | | Sept | | October | | November | | December | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Litter pick & removal of waste from site for disposal | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| **Amenity grass in Public Open Spaces** | | | | | | | | | | | | | | | | | | | | | | | | |
| Mow grass - Cut and lay | | | | | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | | | | |
| Strim around trees, benches, path edges etc | | | | | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | | | | |
| Blow paths / hardstanding areas after mowing / strimming to leave paths clear | | | | | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | | | | |
| **Trees** | | | | | | | | | | | | | | | | | | | | | | | | |
| Check trees for deterioration | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Check stakes and tree ties | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Remove lower ecorgomic growth | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Check tree bowls for weeds and treat accordingly | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Annually edge tree bowls | | x | | | | | | | | | | | | | | | | | | | | | | x |
| **Format Hedges** | | | | | | | | | | | | | | | | | | | | | | | | |
| Monitor and trim hedges as required to keep pathways clear | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Cut hedges outside of bird nesting | x | x | x | x | | | | | | | | | | | | | | | | | x | x | x | x |
| **Outer boundary & agricultural hedges - cut as & when required at additional cost** | | | | | | | | | | | | | | | | | | | | | | | | |
| **Wildflower** | | | | | | | | | | | | | | | | | | | | | | | | |
| Wildflower areas to be cut to 50 mm March/April and September/October where possible all arisings to be collected & removed unless otherwise directed. | | | | | x | x | x | x | | | | | | | x | x | x | x | | | | | | |
| **Native planting** | | | | | | | | | | | | | | | | | | | | | | | | |
| Monitor, check for damage, report dead plants | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| **SUDs** | | | | | | | | | | | | | | | | | | | | | | | | |
| Check headwalls clear | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Mow grassland within SUDS facility. Cut March / April & Sept / Oct). Grass in SUDS cut and lay | | | | | x | x | x | x | | | | | | | x | x | x | x | | | | | | |

### 2071 – Tree Survey

We have allowed a small contingency within out budget for a qualified tree surgeon to inspect the mature trees associated with the open space areas on an annual basis to discharge our duty of care. We have assumed a current tree report will be supplied on handover for ongoing management and inspections. We further assume that any identified or reactive tree works on site will be undertaken by the developer prior to handover. We do not therefore anticipate carrying out any tree works within the first year of management subject to adverse weather conditions. A provision has been allowed within our reserve calculations for undertaking periodic tree works.

### 209 - General Maintenance

This includes the cost of minor repairs, material costs and other maintenance items not listed separately. This has been based on basic assumptions and experience from similar developments to cover all reasonable eventualities. The actual general maintenance provisions will be more accurately assessed with the benefit of use and expenditure trends over a number of years where budgets can be adjusted accordingly. There is always a trade off when deciding on the general maintenance provision between the level of initial service charge and the potential exposure to unpalatable balancing adjustments at year end.

It's important to note that the wording in the transfers usually means that any surplus funds collected but which remain unspent at year end will be credited back to owners to offset future annual charges. As such, we allow sensible provisions under the general maintenance cost head to enable us to respond to reactive maintenance needs during an average year. A failure to adequately budget under this cost head will often lead to a deficit position at year end, meaning owners will be subject to unpalatable balancing charges.

### 266 – Swale/SUDs Maintenance

We understand that there will be an attenuation basin situated within the open space. We further understand that these features are low maintenance and the Management Company's principal responsibility will be the maintenance of the soft landscaping, the cost of which is factored into our grounds maintenance cost head. We await confirmation of who will be responsible for the headwalls but have assumed at this stage that these elements will fall to the Management Company. We have allowed a provision for one inspection per annum of the basin by a competent drainage contractor to ensure it is clear and free flowing.

We have assumed that a RoSPA risk assessment report covering the attenuation basins will be supplied by the developer on handover confirming there are no unusual risks associated with the basins. Also see assumptions and observations sections relating to the SUD's infrastructure.

## Insurance

### 307 - Public Liability Insurance

It is expected that Encore will place public liability insurance on the wider development at the point of handover through one of its nominated brokers. Whilst we are unable to place cover directly at this time, we have included a figure based on £5,000,000 of Property Owners Liability Insurance. This will ensure that in the event of claim the policy is more likely to respond. POL insurance is deemed a low value high risk cover for underwriters, and we have seen a hardening of rates in the current climate for this type of cover which is reflected in the quotation obtained.

**Insurer:** Zurich
**Premium:** £1,120 including IPT
**Property Owners Liability:** £5,000,000
**Declared value:** £0 (Physical Asset Cover)

A provision for Directors and Officers Liability Insurance has not been included to provide cover for the officers of the RMC at this time.

*The above figures are indications only at this stage and will need to be firmed up as and when the estate is able to instruct cover.*

## Professional

### 401 - Accountancy

In order to keep administration costs to a minimum we have not allowed a cost for the year end accounts to be verified externally instead they will be reviewed internally by one of our Chartered Accountants on an annual basis. It is important that the wording in the leases reflects this and does not include the provision for an external audit but rather make reference to the accounts being verified or to reduce cost to the service charge.

### 410 - Health & Safety Assessment

Ensuring that the common parts of the estate are safe for residents, visitors and contractors is the ultimate responsibility of the Management Company. As such, and to ensure that the common parts of the estate are not placed at risk, Encore will arrange for a Risk Assessment (H&S) to be undertaken by competent professionals on an annual basis. It is assumed Health & Safety manuals and as built plans will be supplied to Encore upon completion.

### 415 - Management Fees

In accordance with RICS guidelines, Encore charges management fees as a fixed fee per unit within an estate per annum (plus VAT). The proposed management fee for year one is £65.00 plus VAT per property per annum.

***In order to be efficient, we request that we obtain email addresses of all property owners on completion to enable electronic communication.***

### Reserve Fund Contributions

We have allowed a provision within our budget for the collection of a reserve fund. As more detail of the site installations and any specific infrastructure becomes known we would welcome looking at this area in more detail to ensure the reserve provision is adequate to meet reasonable replacement costs in the future with the caveat that our provisions do not amount to a fully costed long term maintenance projection, as this is beyond the scope of our proposal. In order to reduce substantial spikes in future service charges levels, it is prudent to start collecting reserves funds from the outset to meet the long-term maintenance needs of the development.

The reserves collected will need to be adjusted periodically to keep pace with rising cost inflation and the long term needs of the development. We would propose to increase the reserve levels incrementally each year going forwards and as the estate ages, to ensure adequate funds accrue over time to meet more long term replacement costs.

# Section 4 - Assumptions and Observations

- We have assumed the service charge year will run from 1st January to 31st December each year with a corresponding accounting period.

- The development will be set up assuming a Residents Management Company (RMC) structure where the Management Company covenants to provide services through the Transfer (TP1). If this is not the case and an embedded structure is required, we would be happy to revise our proposal.

- All 119 properties on the development will contribute to the estate charge. The Estate charge is apportioned on a straight split basis irrespective of the type or size of property meaning each unit will pay 1/119th of the estate charge or 0.8403361%.

- We have assumed that all houses on the scheme will contribute to the Estate Charge. If any Housing Association units are exempt from paying, please confirm and we will amend our budget.

- We welcome the opportunity to discuss phasing of the development in order that we can mitigate against developer voids. Please ensure purchasers are not advised that the estate charge will only become due once the development is fully completed and reduce the opportunity for a phased handover. In this regard perhaps the transfer should make it explicit that the developer (at their discretion) can hand over the communal areas in phases if they so choose?

- We assumed there will be a contract between the developer and landscaping subcontractor in respect of timeframes obliging the contractor to replace any dead or dying shrubs, trees and hedging from the point of completion. This may also form a specific planning condition and is important to protect the service charge in the first-years post-handover. The successful establishment of the soft landscaping will be heavily dependent on the initial landscaping contractor.

- We await to receive the confirmed managed area plan for the development in order to confirm the grounds maintenance costs are sufficient. Once the managed area plan is available we would recommend retendering the grounds maintenance provision to obtain a more detailed and accurate cost against this cost heading.

- We have assumed that any pumping station/sub-stations will be adopted by the relevant authorities and therefore have not included any provision within our proposal at this stage.

- We understand that the community Village Hall located within the managed areas will not form part of the Management Companies responsibilities and therefore have not included any provision for the management/maintenance within our proposal.

- At this stage we have not provisioned for any dog waste bins. If this service is required and there will be dog refuse bins on site or the bins will be combined general waste and dog waste bins, we will happily revise our proposal. General waste bins will be serviced by the grounds maintenance team.

- We have not made any provision within our budget for snow clearance or gritting. To help keep costs at a reasonable level we would suggest the developer considers installing grit bins at the entrances to the development.

- We assume the SUD's infrastructure will be proved to be clear and free flowing at the point of handover and a current RoSPA SUD's risk assessment completed with all actions undertaken including relevant safety signage installed. As a protection for both the developer and agent. It would be sensible for a third-party engineer to certify the SUD's infrastructure has been built and operates correctly in accordance with original design/planning. We can develop this as part of a handover process moving forwards. We have also assumed that a RoSPA risk assessment report covering the SUD's infrastructure will confirm there are no unusual risks associated with the systems.

- At this stage we have assumed any shared driveways and lighting will be conveyed to individual plots, should this not be the case we will happily revise our proposal accordingly.

- We have assumed that the associated drainage within the development will be adopted by the local authorities under a section 38 agreement. Furthermore, we have assumed any shared private driveways and any bin collection points will be conveyed to individual properties. Should this not be the case we will happily revise our service charge budget.

- In respect of communal trees, we have assumed a current tree report will be supplied on handover for ongoing management and inspections. We further assume that any identified or reactive tree works on site will be undertaken by the developer prior to handover.

- We have not made any provision for the watering of newly planted trees and/or carrying out watering in times of drought. Bringing water to the scheme is cost prohibitive and unsustainable in drought conditions as seen in recent years.

- Prior to handover, Encore will inspect all communal areas in conjunction with the developer with a view to ensuring all aspects of the scheme are transferred to a satisfactory standard (the 'snagging' procedure). All means of access to these areas will need to be provided, along with any technical data as to the management of services to these areas. Given the relative simplicity of the development we don't anticipate this to be an onerous process.

- In order to keep costs to a minimum we have not included a provision for an out of hour's emergency response facility. If this facility is deemed necessary, we would be happy to revise our proposal.

- We have made no allowance for Directors and Officers Liability insurance at this time. This can be included at an additional cost on request and once resident directors have been appointed.

- Encore are yet to have sight of the draft transfer document proposed for the houses. We would welcome the opportunity to review same, so it doesn't contain any onerous management obligations.

- Should we move forward we would welcome being involved in any legal set up meetings which may take place.

# Section 5 – Resident Engagement

On most developments there is a silent majority who don't get in touch, but just because they don't get in touch it doesn't mean that they don't want to know what's going on. A home is someone's biggest asset, so naturally most people are interested in knowing that it's in safe hands. As a lot of our work happens 'behind the scenes', we believe regular communication is essential to keep residents informed, nip any issues in the bud and give residents confidence that we are on top of things and managing their development well.

Our role is to explain, inform and keep residents up to date and engaged with the management of their estate. As a lot of our work happens 'behind the scenes', it's critical that we are visible and lead from the front. We believe there are five imperatives to successful engagement:

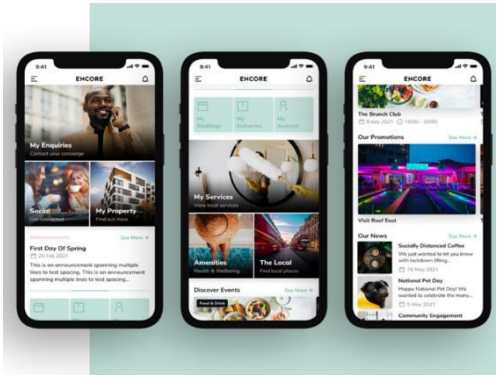
1. Make it easy for residents to do things
2. Provide responses in a timely manner
3. Keep residents up to date
4. Engage residents with the management of their estate
5. Ensure the service charge is transparent, reasonable and well explained

## Portal & App

To support our communities, we are investing significantly in information technology, based upon Qube property and facilities management software, and Dwellant, that enables us to manage communal amenities on their behalf efficiently and transparently. Central to the delivery of the customer experience at the development is a resident's portal. The app is downloadable on a smart phone or accessed via an online web portal.

It will enable residents to:

- Make and track enquiries
- Make bookings with the estate team
- Make payments
- See important information about the development
- See news updates and alerts
- See their account information
- See events, services and promotions




The app will be accessible by owners and residents, with additional functionality afforded to owners, such as viewing their service charge and making payments. It will be regularly updated, and the estate team will be able to send communication alerts to specific areas/residents as necessary. We will encourage all residents to sign up to the app as it allows for secure, fast and efficient delivery of information and documents.

We pride ourselves on being a technology-led business, striving to utilise technology in ways that will help improve our systems and processes and deliver great customer service. We understand that in our business, the security of our customers' data is so vitally important. That is why we use experts to manage our technology infrastructure, operated through the cloud with encrypted data and held in a secure data-centre environment. Technology and social media already play an important part in any development legacy.

# Section 6 – About Encore

## About Encore

Encore is one of the UK's leading residential management specialists. We aim to deliver a professional service with integrity and a standard of service not commonly found in the industry.

We manage developments across the south of England from our network of local offices in Nottingham, Berkshire, Cambridge, Manchester, Bristol, Peterborough and London.

We work collaboratively with Residents Management Companies, reputable home builders and investor clients.

Member

TPI

Training & Development

QMS ISO 45001 : 2018 REGISTERED

nebosh

ICAEW CHARTERED ACCOUNTANTS AUTHORISED TRAINING EMPLOYER

aat accredited employer

The Chartered Institute of Management Accountants

ILEX CHARTERED INSTITUTE OF LEGAL EXECUTIVES

We operate in full compliance with TPI, the RICS Code of Practice service charge, Residential Management Code and the ICAEW, ACCA & RICS joint guidance on accounting for service charges. We have extensive experience in operational and financial reporting.

WHEN IT STARTED

2004

21 Years experience

WHERE WE ARE NOW

7

Regional offices
Berkshire | Nottingham
London | Cambridge |
Peterborough |
Manchester | Bristol

600

Strong team of on & off-site qualified people

60,000

Customers & Homes in management

£104m

Client funds held in trust accounts

## Working with Encore

We are experienced at working with clients whether on complex, phased new builds or established developments.

Our developments range from service demand and include onsite teams, resident facilities, extensive landscaped gardens, energy centres and section 106 requirements.



**Twelve Trees Park** | London



**Taplow Riverside** | Buckinghamshire



**Cambridge Riverside** | Cambridge



**Kingsbrook** | Aylesbury



**The General** | Bristol



**The Galleries** | Brentwood



**Abbey Quay** | Barking



**Athena** | Cambridge



**Hollygate Park** | Nottingham

## Key Contact

This proposal has been prepared by Tom Hopson and Jo Hubbard, November 2025.

For queries relating to our proposal or if you would like to learn more about Encore and the services we offer please contact:


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*Please note our proposal is intended for the receiptant only and not to be shared with any third party.*