

Newhall Residents Association Limited
Notes of Explanation to Accompany the Estate Service Charge Budget

Newhall Residents Association ("The Estate Management Company"), has been set up to deliver the estate services for the estate open areas, features, amenities, and services at Newhall.

SHW are appointed by the Newhall Residents Association as the managing agent, to oversee the handover of open spaces, amenities and features comprising the estate. We will work with the *lead developer, freeholder, and their consultants* to continually monitor and review the delivery of managed services.

We have prepared the following information to provide clarity around the services we will be delivering. The budget heads of expenditure for the estate areas are detailed within these notes alongside the budgeted costs.

By the very nature of Newhall, with land parcels being handed over in phases, we have used our knowledge of similar schemes in terms of size and complexity to prepare the estate costs. We will carefully monitor expenditure and as services are introduced, we will review costs in line with actual expenditure throughout the coming years.

Every property owner in Newhall will contribute equally to this Estate Service Charge Budget. At the end of each service charge year, you will receive a Statement of Expenditure detailing actual expenditure versus the budgeted costs. Based on the contributions you have paid during the service charge year; your individual accounts will confirm your contributions against the actual expenditure apportioned to your property.

Cost Heading	Estate Service Charge Description	Annual Estimated Expenditure
STAFFING		
Estate Staff Salaries, national insurance contributions etc.	Due to the size and complexity of the open areas, features, amenities and services in Newhall, the estate charge budget allows for a dedicated Estate Manager to be employed. The Estate Manager is based at the development and carries out tasks such as, overseeing the landscaping team working at the development and liaising with homeowners on any matters relating to the estate. The sum allowed for within the estate budget pays for the costs associated with employing the Estate Manager including National Insurance, Pension contributions and other associated costs.	£48,220

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Estate Staff Office Expenses	The Estate Manager is based at the local project office, which is adjacent to the Community Centre currently being built. To perform their duties effectively, the Estate Manager has been provided with a laptop, mobile phone, and broadband to ensure they can be contacted by homeowners and the managing agent.	£500
UTILITIES		
Street Lighting	This is a sum set aside for the supply of power to the lighting columns around the estate, which have not been adopted, are not intended to be adopted and are not the responsibility of any of the developers at Newhall including Newhall Projects. Repairs and maintenance which may be required for this private lighting is also allowed for within this expenditure heading. This allows for periodic night inspections to identify any maintenance and repair needed for the Estate Street Lighting. Where street lighting is located on adoptable roads, this is the responsibility of Essex Highways and not the estate service charge.	£1,000
CONTRACTS MAINTENANCE AND SERVICES		
General Maintenance and Repairs	There will inevitably be some reactive general repairs and/or maintenance required for the estate areas during each service charge year, for example a repair to a curbstone within the managed areas not intended for adoption, or to a fence.	£15,000
Maintenance of Unadopted Roadways and Pathways	This is a sum set aside to cover the cost of maintenance of the unadopted roads within the Estate that are not the responsibility of phase developers or Newhall Projects Ltd. Routine inspections will be undertaken to identify and remedy any safety or maintenance concerns before they become serious or result in an accident. Roads will be swept and litter picked routinely with cleansing and weed control applied in line with the Landscape Management Plan.	£1,000

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Landscape Maintenance	The estate open spaces and amenity areas require maintenance throughout the year by a specialist landscape contractor. The estate charge budget allows for a specialist contractor to conduct seasonal landscape maintenance in line with the approved Landscape Management Strategy. This includes mowing of the amenity grassland, weed killing, sweeping of hard landscaped areas, maintenance of shrub borders and rotational hedge cutting. This also includes maintenance of the front gardens, forming part of the managed land on the estate where applicable.	£335,000
Children's Play Area - Inspection, Repairs and Replacements	Maintenance of the play areas, including the slides, wooden pyramid, rocking equipment, swinging ropes etc. The British and European safety standard BS EN1176 and the Health and Safety Executive strongly recommend that all play areas have at least one inspection every year from an independent suitably qualified body such as the Royal Society for the Prevention of Accidents (RoSPA). An independent specialist should annually inspect children's playgrounds to ensure the long-term safety of the site, equipment, and ancillary items. This will also meet legal and insurance responsibilities as well as complying with the requirements of EN1176 (the European Playground Standard). The amount included in the estate charge budget is to pay for the preparation of the play area inspection which is carried out by a specialist in accordance with RoSPA guidelines.	£2,000
Drainage for stream, balancing ponds and reed beds to include silt removal	To reduce the risk of flooding, the sustainable drainage system around the estate manages the storm water run-off, slowly releasing water in a controlled manner. This sum is set aside for routine inspections of the drainage systems.	£500
Environmental Health Control	Provision for the dog waste bins to be emptied on a fortnightly basis. This heading also allows for any pest control to the open areas of the estate that may be needed.	£6,000

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Maintenance of Communal TV and Satellite Distribution Service	Provision has been made for maintenance of the system and TV Cabling. The amount in the budget is based on expenditure for call outs and repairs in previous service charge years.	£10,000
Web Site annual fee, IT costs & maintenance	A website exclusively for the residents has been developed. Please do visit http://newhallresidents.co.uk as this holds vital information regarding the Newhall Estate. This website is currently being revamped.	£500
Tree Survey and Works	There are extensive and newly planted trees in Newhall which require routine maintenance such as pollarding, reshaping, or minor cutting back of branches. This sum covers a specialist arborist to conduct any necessary inspection work which may be required throughout the year. The tree survey and associated remedial works were completed in 2024, however a small provision has been allowed for 2025 to deal with any maintenance needs that may arise.	£500
Woodland Maintenance	Newhall Projects paid woodland maintenance in Newhall from 2017 to 2024, being circa £150,000. This is an average of £18,000 a year. This heading will now return to the service charge budget and £10,000 is estimated expenditure for 2025. A further £8000 has allocated to the reserve fund for potential major works to the woodland areas, to build a fund for major works in the future.	£10,000
INSURANCE		
Insurance Public Liability & Material Damage	As Newhall is open to members of the public, Public Liability Insurance (PLI) is a legal requirement. Public Liability insurance meets any costs and damages awarded to a member of the public if they suffer an injury following an accident on, or linked to, the development. The appointed Brokers undertake a market research exercise each year to obtain the best terms.	£5,128
Legal Expenses and Directors	This provision includes insurance for the cost of Newhall Residents Association in defending any	£3,600

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and Officers Insurance	applications made to the First Tier Tribunal. Directors' and Officers' liability insurance (D&O) enables the directors and officers of the Estate Management Company to cover themselves against a potential claim. If a director or officer is found to have accidentally acted outside their terms of reference and this results in a claim, compensation and legal fees will be covered by the D&O policy.	
Insurance Excess Contingency	In the event of an estate open areas insurance claim, the insurer always makes a deduction before paying out the amount claimed for. As the premiums are paid for through the estate charge, any excess should also be included in the estate charge budget. Where any willful damage is identified, the cost of the excess will be recovered from the perpetrator. This is a sum set aside to cover one excess in the event of a claim which relates to the estate open space areas.	£500
SUNDRIES		
Printing and Postage	For production of reintroduced newsletter for distribution amongst residents on potentially a quarterly or half-yearly basis; to be confirmed.	£2150
Additional Sundries	Provision for any additional equipment, supplies, and misc. sundry expenditure throughout the service charge year.	£4,000
PROFESSIONAL FEES		
Accountancy Fees	It is a requirement that service charge accounts be prepared annually and for copies to be made available to all those who contribute towards the estate service charge fund. An independent accountant will provide certification of actual income and expenditure.	£1000
Health & Safety Assessment	A Health and Safety inspection of the open space areas is vital to ensure compliance with current Legislation. The report is used to determine whether your Estate Management	£550

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	Company is meeting the standards required. They also allow the managing agent to identify and remedy problems before they become serious or result in an incident or accident. An amount is therefore included in the estate budget to pay for a professional to prepare an estate health and safety report and for any actions to be put in hand. This is a living document and will be reviewed by the property manager during routine site inspections.	
Management Fee	This sum is to remunerate the managing agent for implementing and completing the services set out within your budget to ensure that standards at the development are maintained. This is based on an annual contribution of £75.00 + VAT per home.	£130,230
Legal Fees Contingency	A contingency sum to deal with the enforcement of any breach of covenant under the Transfer Documents and Estate Regulations for Newhall.	£2,500
Planting Contingency	Contingency for new planting around Newhall.	£1,000
RESERVES		
Reserves	A reserve fund is a ring-fenced account designed to pay for major items of repair required to the estate in the future. The reserve fund ensures that all property owners contribute towards this fund for the period they own a property in the development. This is non-refundable should a homeowner sell their property. The reserve fund allows for major repairs to the managed open space areas, features, amenities and services including the drainage system, private roads, community centre, major tree works etc.... All reserve fund monies are held in Trust which ensures that these cannot be used for anything else other than major repairs in the future. For 2025, we have returned the amount to the 2023 provision to enable funds to increase. We have also added a further £8000 for potential major works to the woodlands. The reserve	£48,000

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	<p>contribution can be modified again for 2026 after the 10-year plan is completed.</p> <p>The reserve fund total at the 2023-year end is £208,490,83.</p>	
Preparing of Cyclical 10-Year Maintenance Plan	The current CAPEX plan has expired. A new one would ensure accurate and reasonable reserve contributions for the open areas of the estate and its amenities.	£2,000
Newhall Projects Contribution	<p>Since 2010, Newhall Projects have contributed £1,821,295.00 to the service charge fund. In 2016 woodland expertise prepared a schedule of extensive works required to the trees, woodland and surrounding environment. Newhall Projects elected to remove this head of expenditure from the service charge budget for the year commencing January 2017. The total expenditure paid by Newhall Projects for the required works exceeds £150,000.00 and is additional to their annual contribution.</p> <p>The Newhall Projects contribution has supplemented the estate charge funds as the development of Newhall continues and until the total number of dwellings required to contribute to the estate charge budget is complete. The amount has been decreasing each year due to more new houses paying service charge each year. Following completion of the extensive works required since 2017, to the woodland maintenance it is now appropriate the required annual maintenance is re-instated as an estate charge head of expenditure. Newhall Projects have elected to retain their annual contribution for 2025 at £20,000 instead of lowering it.</p> <p>Newhall Projects have obtained commuted sums from the developers at Newhall, which will go towards maintenance of areas that the Residents Association will take responsibility for. Newhall Projects are due to transfer these funds to the estate charge fund for Newhall Residents Association.</p> <p>Additionally, Newhall Projects pay £140,000.00 a year for a security company to patrol Newhall to</p>	£20,000

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	assist with security needs on the whole estate. This cost does not fall to the estate charge funds.	