

Matthew Pennycook MP  
Minister for Housing and Planning  
MHCLG  
2 Marsham Street  
London  
SW1P 4DF

15 December 2025

Dear Mr Pennycook,

**RE: FirstPort – our performance and reform for property management**

Thank you for your letter of 26 November which followed our meeting on 17 November. I appreciate the opportunity to reiterate some of the points of discussion, share additional detail on areas where we are driving improvement in our business, and provide reassurances over the benefit of this investment for residents.

I have set out further information regarding our services and performance below, in response to the queries in your letter.

**Service charge trends**

The table below shows the mean average for increases in service charges across all sites managed by FirstPort over the past two years. For 2024, this includes circa 6,300 developments.

Please note that figures are available only for the previous two financial years, as the current year's accounts are undergoing finalisation. We would be happy to provide the figures for 2024 -2025 once they are available in the new year.

<b>Increases in service charges YoY</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>
FirstPort – average increase across all developments	5%	2%	Not currently available

The most comprehensive and independent benchmarking exercise for service charges is from The Property Institute (TPI). This was last published in April 2024. The most recent TPI report shows that for FY 2023-2024 service charges increased across the industry by an average of 3%.

**Our management fees**

Our management fee makes up a proportion of the overall service charge that we collect from residents. For the past two years this has increased by:

	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>
FirstPort – average increase across all developments	5%	2%	Not currently available
Industry average – TPI data	6%	6%	Not currently available

Our costs are covered solely by the management fee. We do not charge commission nor receive referral fees from contractors providing services such as maintenance, repairs or cleaning. In the majority of lease agreements, our management fees are not directly linked to the overall service charge and do not increase or decrease proportionately to it.

The increase in our management fee reflects a combination of factors, including higher staffing costs, higher training costs to meet evolving regulatory requirements – including building safety, investment in technology, and customer service enhancements.

Our management fee as a percentage of the overall service charge is 18%, lower than the average across the wider industry at 21%.

### **Managing complaints**

In cases where service issues are escalated to a formal complaint (known as Stage 1), our objective is to resolve the problem in a way that meets the needs of all parties, which may include residents, their neighbours, ourselves and the freeholder.

Our focus is on seeking to address the root cause of an issue and to fix it, while limiting costs incurred. In 80% of Stage 1 complaints, we complete our investigations and reply to residents within 21 working days. If we think it will take longer, we will let the resident know and inform them when we expect to complete our review.

If the resident is unhappy with the response to their formal complaint at the end of Stage 1, they can seek a Stage 2 complaint review. These are reviewed by a member of the senior management team or a complaints panel. On average, Stage 2 complaints are resolved within a month. Around 98% of complaints are resolved by our teams and are not escalated further.

### **Our investment in reform**

As I outlined in our meeting, we have been accelerating investment in the business since the start of the year to ensure that we give residents greater confidence, consistently, in the advice they receive from FirstPort.

This has included reorganising our operational and customer services teams into dedicated regions, ensuring they have a close knowledge of, and accountability for, residents' homes. We have simultaneously been investing in training, enrolling all operational staff into The Property Institute's (TPI) 12-week intensive Level 2 training programme. As of September, over 1,051 colleagues had achieved this certification.

As you know, to reaffirm our commitment to driving up standards and transparency in our sector, we made the decision earlier this year to become the first property management company in the UK to publish comprehensive data relating to our operational performance.

Published every quarter, these updates track our progress against key metrics, ranging from the levels of complaints received and resident meetings held to the rate of customer queries being resolved at first contact. Our data shows that we continue to head in the right direction and make significant progress, with resident complaints falling to just 1.16 per 1,000 homes we manage in the previous quarter. We will continue to proactively publish these updates and share them with the chair of the HCLG select committee.

As well as making improvements to our business, our teams work diligently on sites across the country to develop innovative solutions to often complex challenges. In our meeting, we mentioned Park 25, a development in Redhill where we have been working closely with the local MP and residents to identify solutions to legacy issues relating to a community heat network.

This example demonstrates our ability to be a constructive partner to MPs, while also highlighting an area where our ability to resolve residents' concerns is limited due to lease restrictions and the pressures of regulation elsewhere. As agreed, our policy team will continue to liaise with your officials and other relevant officials in your department to ensure we play our role in shaping a more workable system for property management.

I would once again like to thank you for the opportunity to meet and discuss these matters, and we look forward to continuing to engage with you and your team in the new year.

Yours sincerely,



**Martin King**  
Managing Director