

Important Notes on Budgets

Notes to accompany budget

Complete

Property Management Solutions Ltd

This Budget has been prepared diligently and in good faith, however, it is important to understand the inherent uncertainties associated in producing a service charge budget for a forthcoming year. It has been based on the information gathered from architect's information, quotes for the renewal of contracts and also takes into account the effects of inflation.

Where it is not possible to receive fixed quotes for the year we have to make an informed estimate based on our experience of the individual development as well as the trends that we see across our entire portfolio.

Service charge costs can, therefore, be appreciably more or less than the levels stated in this budget and the liability for the payment of any deficit at the year-end rests with the owners under the terms of the Lease. We naturally do all that we can to minimise the difference between the budget figures and the actual spend, however a number of external factors influence the final costs over which we have little control. Each budget differs so please use the code to cross check the description of services.

1a Management Fee

Fee for the provision of services provided by Complete in accordance with the Management Agreement.

1b Project Fees

This is a fee incurred for any major works that may require extra supervision, surveyors or consultation required under the landlord and tenant act and section 20.

1c Scheme Manager

Fee for the provision of services provided by staff on site to manage an area of the development as required in the lease.

2a Carpet cleaning

This is a provisional amount to cover the costs of cleaning communal carpets if and when.

2b Cleaning bins

This is a provisional amount to cover the costs of cleaning communal bins as required or agreed each year.

2c Cleaning & Site Services

This includes weekly cleaning of the communal areas. It includes client services and concierge on the site with client interaction and also includes cleaning services such as vacuuming, mopping, dusting, wiping surfaces, minor bulb replacement, refuse removal and sweeping of the refuse stores. If subcontracted, the contractor is expected to provide sufficient supervision, training, and holiday/sickness cover within the contract. Complete regularly review, monitor and make comment to ensure standards are maintained.

2d Cleaning windows

Allowance has been made for cleaning of all external glazing based on an external contractor undertaking this work. The window cleaners are expected to work to standards set by Complete and will include cleaning all accessible windows. The contractor is expected to provide sufficient supervision, health and safety training, and undertake the window cleaning within health and safety guidelines. Complete regularly review, monitor and make comment to ensure standards are maintained.

2e Entrance mats/carpets

This is a provisional amount to cover the costs of cleaning communal carpet mats if and when.

2f Cleaning - other/contingency

This is a provisional amount to cover unforeseen costs as required.

2g Maintenance/Janitor Service

This is a provisional amount to cover general maintenance needs of the development by a dedicated janitor service if required in addition to that of a cleaning & site services agreement. Generally this will avoid the need to utilise external contractors for most small repairs.

3a Mansafe System

A provision has been made for this to cover the costs associated with the annual testing of restraint systems to ensure the safety of contractors working on the development at high level.

3b Foul water pump

This item is intended to cover the costs associated with the maintenance contract of the statutory testing of the foul water tank & pumps. These large tanks store the foul water and sometimes sewerage for the development. The water services also take into account the mandatory checks and any discharge costs required by the environment agency.

3c Lightning conductors

This is for the annual test of the buildings conductor.

3d Pump maintenance

This item is intended to cover the costs associated with the maintenance contract of the pumps that serve the water supply to each apartment.

3e Water tank maintenance

This item is intended to cover the costs associated with the maintenance contract of the statutory testing of the water tank & legionella. These large tanks store the fresh water for each block. The water services also take into account the mandatory checks as required in accordance to the L8 ACOP as defined by the HSE to help protect against legionella.

3f Roof maintenance

Allowance has been made for the checking of the roof for minor repairs such as slipped slates etc.

3g Lift maintenance

This item is intended to cover the costs associated with the maintenance which is excluded if caused by abuse and misuse.

3h Lift contracts

This item is intended to cover the costs associated with the regular statutory maintenance and testing of lifts. The contract for maintenance (if comprehensive) includes call outs, labour & parts in most instances.

3i Risk assessment

In accordance with Health & Safety best practise, a basic annual assessment of the risks is carried out.

3j Fire risk assessment

In accordance with the Regulatory Reform (Fire Safety) Order, 2005 an annual type 1 assessment of the risks is carried out.

3k Pest Control

This is a provisional amount to cover the costs of pest control 4 times a year if required.

3l Air conditioning servicing

This is a provisional amount to cover the costs of annual servicing of the air conditioning and air vacuums in the refuse stores.

3m Gate maintenance

This is to cover the annual maintenance of the vehicle access gate.

3n Intercom maintenance

A provision has been made to cover the costs associated with the maintenance contract for the door entry system.

3p Aerial & Satellite maintenance

A provision has been made to cover the costs associated with the maintenance contract for the Satellite & TV system.

3q Refuse removal

A provision has been to cover the costs associated with the refuse removal if problems are encountered with the council. Strike action and bad weather has resulted in missed collections.

3r Drain/Gutter maintenance

A provision for the checking of drains. Emergency works may also be necessary from time to time.

3s General repairs

Provides for minor repairs and items of maintenance as required from time to time. The cost of such items tends to vary significantly from property to property, and is inherently difficult to predict. The budget has been based on Complete's experience of these costs on average. Where damage is malicious or proven, we will recharge the costs to the lessees.

4a Electrical contracts

Provides for minor repairs and items of maintenance as required from time to time. The cost of such items tends to vary significantly from property to property, and is inherently difficult to predict.

4b Electrical works

A provision has been made to cover the costs associated with the maintenance/repair of the lights and electrical installations in the common areas and any faults that occur.

4c PAT Testing

A provision has been made to cover the costs associated with the annual checking of all portable appliances in the communal or site services areas on the development.

4d Periodic testing

The regulatory compliance and keeping your electrical and emergency systems working effectively and efficiently in compliance with UK law and regulations. This testing generally takes place every 5 years.

5a Fire alarm servicing/maintenance

A provision has been made for the costs of maintenance of the fire system.

5b Sprinkler system

A provision has been made to cover the costs associated with the maintenance of the system.

5c Fire alarm Monitoring

A provision has been made for the costs of monitoring the fire system by a central call centre.

5d Dry riser testing

A provision has been made to cover the costs associated with the maintenance of the system.

5e Call outs/repairs

A provision has been made to cover the costs associated with the unforeseen repairs required to fire systems.

5f Smoke vents

This is the cost of maintaining the buildings Opening Vent System.

5g Emergency lights

This item is intended to cover the costs associated with the statutory tests to the emergency lighting system and repairs.

5h Smoke alarms

This is the cost of maintaining the buildings smoke alarms.

6a Consumables

Items such as light bulbs.

6b Cleaning Materials

This is the cost of purchasing cleaning materials for 12 months.

6c Keys/Fobs

This cost may appear for purchasing site keys and fobs for residents but generally the charge will be passed on to the resident and shown as other income.

7a Postage

Costs of any required postage not included in the management fee.

7b Office supplies

Paper and consumables the site services team may require.

8a Electricity

An estimated cost of the supply of electricity to the common areas for lighting, heating and plant is included here and based on estimated use and current rates. Whilst Complete makes every effort to seek economies through bulk purchasing the inherent unpredictability of resident use of lighting, heating, entry systems and other plant can dramatically affect this cost item.

8b Gas

An estimated cost of the supply of gas to the common areas for heating and plant if included and based on estimated use and current rates. Whilst Complete makes every effort to seek economies through bulk purchasing the inherent unpredictability of resident use of heating and other plant can dramatically affect this cost item.

8c Water

An estimated cost for the use of water for common areas or for the block supply if not separately metered.

8d Telephones

A provision per phone line has been made, to cover the cost of line rental and calls for the emergency dialling system.

8e TV Licenses

A provision has been made, to cover the cost of licenses for communal areas and units with tv's provided within rental.

10a&b Decoration

A provision has been made to cover the costs associated with the decoration of main communal areas that have heavy footfall and become tainted frequently.

11a Signage

As required.

12a&b Gardening/landscaping

This figure is has been calculated to include fortnightly visits in the summer months and once a month in the winter (number of visits can vary site to site). 21 Visits in total.

12c Grit

A provisional amount to supply grit/salt in the winter months as required. Alternatively the provision of a specialist gritting firm to manage the winter plan.

13b Insurance work - non recoverable

A provision has been made to cover the costs associated with the insurance excess if a leak occurs from a communal area.

13c Buildings

This item is intended to cover the costs of buildings and property owner's liability insurance for the development. This insurance is administered by the Freeholder under the terms of the lease.

13d Directors & Officers plus crime

This item is intended to cover the costs of D&O insurance for the directors of the NV development.

13e Lift engineering

This item is intended to cover the costs for damage to the lift. It is a statutory requirement that each lift is inspected and tested every 6 months by an independent mechanical engineer. This inspection is in addition to, and entirely independent of regular lift maintenance.

13f Terrorism

Terrorism insurance is now in addition to buildings insurance and is costed by insurers on the appropriate postcode zoned premium. This insurance is administered by the Freeholder under the terms of the lease.

13g Employers liability insurance

This item is intended to cover the costs of employer's liability insurance for the company.

14a Accountant Fees

Covers the cost of an external firm to complete service charge accounts.

14b Solicitors costs

Covers the cost of legal work if required or anticipated.

14c Administration costs

Covers the cost of any additional administration costs to deal with matters that may arise under the lease terms. Generally such costs are recharged to the lessee.

14d Companies House confirmation statement

As required to meet the requirements of companies house.

15a, b c & d CCTV/Security

These costs are intended to cover the buildings CCTV maintenance and repairs.

16a, b, c, d, e & f Staffing

These costs are intended to cover the buildings employee costs unless already allowed for within a service agreement.

17 Marketing

As required for the marketing of student or PRS accommodation as per the agreed marketing strategy plan.

17a AGM Room hire

As required for the hosting of the annual general meeting.

18c Bank Charges/Transaction charges

Estimated cost for the bank charges applicable to the service charge account net of interest received. All funds are held with HSBC in interest bearing accounts.

23 Reserve funds

The Service Charge allows for the collection of a sum to be put aside for future items of repair such as redecoration and replacement of flooring. The figure will be estimated and not based on precise life-time costings.

The budget does not include a separate sum for the future replacement of mechanical equipment and other items of major expenditure. The figures will be estimated and not based on precise life-time costings. It may be deemed appropriate to commission such a report in future years to have a better idea of future costs.

23a & b Reserve funds

The Service Charge allows for the collection of a sum to be put aside for future items of repair such as redecoration and replacement of flooring. The figure will be estimated and not based on precise life-time costings.

23c, d & e Reserve/Cyclical funds

The budget can also include a separate sum for the future replacement of mechanical equipment and other items of major expenditure. The figures will be estimated and not based on precise life-time costings. It may be deemed appropriate to commission such a report in future years to have a better idea of future costs.