

**ANTICIPATED SERVICE CHARGE BUDGET FOR
HUGHENDEN COURT
ON BEHALF OF HUGHENDEN COURT (HASTINGS) RTM CO LTD
FOR THE PERIOD 31 January 2024 TO 30 JANUARY 2025**

Payments are due annually on 24 March 2024 for the period 31 January 2024 to 30 January 2025



EXPENDITURE HEADING	BUDGET FOR 2022-2023 £	BUDGET FOR 1 OCT 2023- 30 JAN 2024 (4 months) £	Anticipated Expenditure from 1 Oct - 30 Jan (4 months) £	BUDGET FOR (12 months) 31 JANUARY 2024 - 30 JANUARY 2025 £	NOTES OF EXPLANATION
General Expenses					
Cleaning	5,000	1,700	1,751	5,000	This is the cost of your cleaning contractor until end of January 2025
Bin Cleaning	0	0	270	360	This is the cost of cleaning the bins once every 8 weeks. The initial clean was more to get the bins sanitised ready for regular cleaning
Communal Electricity	20,000	3,600	2,734	7,500	We have asked our energy broker to review the cost of your electricity to see if we are able to reduce the costs over the course of the year
Water rates	14,664	7,614	3,917	15,700	The cost of water is calculated at £27 per month per flat. This is the cost until end of January 2025
Security CCTV costs	1,400	500		120	This is the cost of maintaining your CCTV system until January 2025
General Repairs	5,000	2,000	1,594	5,000	Our budget for general repairs has been set at this figure based on the ad hoc remedial items undertaken in the past 12 months. This can vary from year to year with essential works required.
Lifts					
Lift Maintenance	0	0	0	2,000	This is a budget cost for repairs to the lift during the course of the year
Lift Telephone	140	50		0	There is no lift phone line
Lift Service Agreement	1,500	500	282	1,128	This is the cost of your annual service from your service provider until end of January 2025
Health & Safety					
Asbestos Survey	0	0	354	354	This was the cost of undertaking an asbestos survey which is a legal requirement under the Health & Safety at Work Act 1974. The next review date will be 11 December 2024
Lightening Protection	0	0	456	150	The building is fitted with a lightening conductor and so must be tested every 13 months to comply with legislation.
Fire / General Risk Assessment	400	810	810	810	It is a legal requirement to hold a valid and up to date Fire Risk & General Risk assessment. This is the cost for your formal review again once the remediation has taken place
Fire Door Survey		3,228	3,468	3,468	Due to changes in legislation it is now a legal requirement under the Fire Safety Act 2021 to undertake a survey of all common part doors, this includes both sides of your flat front door. This survey has to take place annually

Quarterly Common Part door inspection			192	768	Due to changes in legislation it is now a legal requirement under the Fire Safety Act 2021 to undertake a survey of all common part doors quarterly as your building is over 11m tall
ECIR		0	0	0	The Electrical Safety test on the communal electrics is due every 5 years. This is the cost of carrying out the assessment which is due 2028
Dry Riser Test		240	954	240	This is a legal requirement to have tested twice a year. The costs incurred were to fix the defective valves and locks to ensure they are working correctly.
Legionella water Hygiene test			156	156	It is a legal requiring to have the water tanks tested annually for legionella and any recommendations carried out
Emergency Lighting monthly testing and annual service		170	180	378	It is a legal requirement to have all emergency lighting in full working order, tested monthly and an annual drain down, service and certification by a qualified person. This is the cost for monthly and annual service and certification
Insurance					
Buildings Insurance	10,000	10,000	3,780	22,700	Buildings insurance is provided. As you will be aware cover was withdrawn but we were able to secure insurance with a new provider. The cost was significantly increased to take on board the risks the building presents. Until all the remedial work is complete and the buildings reputation in the insurance industry is restored cover is likely to be high. The insurance is paid by DD which is the reason why the cost for the last 4 months was low.
Reinstatement Cost Assessments				2,000	Once every 3 years your building should be valued by a Chartered Building Surveyor to assess the rebuild value of the building. These costs are presented to the insurance company to ensure your Declared Value is correct. If your building is under insured and you were to make a claim, the insurer will no settle the claim in full, leaving the management company to meet the short fall. In order to meet the obligations of the lease will undertake this exercise when it falls due
D&O Insurance	200	300	165	165	This is the cost for the officers of the building to protect them personally against any claims that may be made against the management company. The policy renews in October so the whole cost will need to be collected to pay the supplier
Engineering Insurance	540	540	595	595	Under the Health & Safety at Work etc Act 1974, it is a legal requirement to take out engineering insurance on all plant and machinery installed. Your building has a lift and for this reason the it needs to be inspected every 6 months by an independent engineering inspector who will deem the lift fit for service. The insurance is not to cover repairs and breakdowns, its a statutory requirement for safety reasons
Professional Fees					
Accountants fee	750	720	720	720	Your accountants fee for preparing and filing the company and service charge accounts
Confirmation Statement	0	0	30	30	This is the cost of filing the annual confirmation statement to Companies House
Management Fees		3,666	3,696	10,998	Our fees for managing the building was fixed when we accepted the instruction until January 2025

Bank Administration Charges	110	94	70	282	It is no longer viable for Housemartins to absorb the cost of holding and managing client accounts. This is an annual charge which includes our time in administering your account as well as the fee levied to us by NatWest
Company Secretary Fees	3,000	130	130	390	This is the cost of managing your Company Compliance and ensuring all accounts, annual returns and share register is kept up to date in accordance with Companies Act
Out of Hours Emergency Service	0	0	0	0	In order to provide assistance out of hours for leaseholders and directors when an emergency takes place, you are now able to call our out of hours team who will endeavour to assist by deploying contractors to you. The service is for genuine emergencies only. If the matter can wait until the next working day for the property manager to resolve, the caller will be notified of this
Disbursements	0	50	240	100	This is a nominal sum to cover the cost of postage where we are unable to issue correspondence to you by email. Letters concerning budgets, accounts and AGM's are covered in our management fee
Legal Fees	3,000	1,000	140	3,000	It is a recommendation that a small allowance is included for legal advice from a lawyer. This is the allowance made for advice
RTM Administration Costs	400	135	0	0	There are no more fees to be incurred by the RTM Company
Total for basic Service charge contributions	£66,104	£37,047	£26,684	£84,112	
Major Works costs					
Planned Maintenance / Major Works					
Professional Fees (Surveyors) for the front façade remedial work				17,250	It is necessary to engage a surveyor to undertake the specification writing and tender, project management of the works required to the external repairs to the front elevation. These are the likely costs involved but will be detailed in the section 20 Notice that will be issued in due course
Professional Fees (Surveyors) for the fire door and compartmentation work				8,400	It is necessary to engage a surveyor to undertake the specification writing and tender, project management of the works required to the fire doors and compartmentation work. These are the likely costs involved but will be detailed in the section 20 Notice that will be issued in due course
10 Year Maintenance Plan			2,268		This is the cost of Kingston Morehen drafting a 10 year plan for the building setting out the priority of work required. From this major works will be arranged and the plan reviewed annually to ensure priorities have not altered.
Leak Detection survey			3,540	0	This survey was required to understand where water ingress to the flats is occurring from. Whist the report identified the brickwork failures, there are still some unknowns and this will continue to be investigated
Communal Fire Door remediation costs - budget figure				40,000	This is the budget estimate for the remediation to the communal fire doors in the building of which there are over 50 doors. This is a budget figure and not a tender figure, therefore subject to change Flat front doors are not included in this budget as they are not the responsivity of the RTM Company to pay to remediate This cost will be issued to you separately if you have not arranged for your own door to be made compliant.

Compartmentation remediation costs - budget figure				30,000	This is the budget estimate to remediate against the breaches in compartmentation around the building. This is not a tender figure and subject to change.
External Repairs to front elevation				180,000	This is the budget estimate to remediate the water ingress to the front elevation. This is not a tender figure and subject to change.
Section 20 Administration Fees			282	4,500	These are the fees we will charge for administering a Section 20 Consultation on works which are over the sum of £250 per flat inc VAT. Our fees are charged at 2.5% of the contract sum + VAT with a min fee of £500 + VAT
TOTAL	£0	£0	£6,090	£280,150	