

2021 YEAR END (Q4) SERVICE CHARGE BUDGET REPORT – ALL BLOCKS / FIGURES UPDATED FOLLOWING YEAR END ADJUSTMENTS – 19.4.2022

General Note:

Expenditure is as at the year-end 31 December 2021.

Overall: the annual total budget set for the whole estate was £363,613 (2020 - £318,076).

Actual income received was £363,711.

Total Expenditure (including block management charges/£6,380) was £340,014 (2020 £284,878).

Total surplus in 2021 was £31,236 (2020 £50,585)

Cash at bank and in hand has increased from £341,893 (2020) to £402,016 (2021).

Areas we have seen significant deviation from the budget are:

Salaries: Underspend £10.8k. During the year we have received £5.6k from the Coronavirus Job Retention Scheme (CJRS). The remaining underspend is due to reduced working hours during periods of lockdown.

Gardening: Underspend £5.6k due to some projects rolling over in to 2022.

Electricity (across most blocks): Due to the continuing unprecedented price rises in energy costs we have seen energy costs significantly increasing as from September. Our energy provider (HUB) went out of business (Aug 21) and E-On were appointed to take over our supply. We have been advised by our energy advisor that it is not currently in our interest to enter into a new contract whilst prices are so high. We continue to monitor this area closely and will enter into new contracts once energy prices stabilise.

Fire Risk Assessments and Fire Doors Inspections (all blocks): Detailed annual fire door inspections have been required throughout the site which was a new requirement in 2021. Budgets for 2022 have reflected that all individual blocks will have their own risk assessment, door inspections and the budget will include costs to undertake remedial work required following the 2021 fire door inspections. Residents can expect to see increases in their 2022 budgets to cover the cost for these additional requirements.

TOTAL EXPENDITURE SUMMARY AS AT 31 DECEMBER 2021 - M12

Year	2022			2020	2021			
	Variance to 2021 Charges	Budget	% change - 2021		Full Year	Actual December	Variance	
Communal Management & Administration	2,757	167,327	1.68%	145,374	164,570	164,570	147,455	17,115
Leisure Suite	11,058	80,055	16.03%	64,188	68,997	68,997	62,391	6,606
Insurance	5,350	52,904	11.25%	39,636	47,554	47,554	47,553	1
Alexandra	612	3,506	21.16%	1,893	2,894	2,894	2,429	465
Alexandra Building	500	4,500	12.50%	3,475	4,000	4,000	4,000	0
Cliffe	1,153	7,472	18.24%	5,814	6,319	6,319	6,658	-339
Edward	1,039	4,240	32.46%	2,814	3,201	3,201	3,273	-72
Kingswood	1,634	10,755	17.91%	8,176	9,121	9,121	8,160	961
Muxlow	1,602	11,659	15.93%	5,762	10,057	10,057	10,167	-110
Peveril	2,052	8,224	33.24%	3,705	6,172	6,172	6,845	-673
Sheaf 1	759	7,438	11.36%	6,225	6,679	6,679	7,220	-541
Sheaf 2	36	23,361	0.15%	23,411	23,325	23,325	22,290	1,035
Sheaf 3 Apartments	612	3,285	22.91%	2,012	2,673	2,673	3,352	-679
Sheaf 3 Building	0	4,440	0.00%	2,905	4,440	4,440	4,440	0
Victoria	464	4,075	12.86%	2,685	3,611	3,611	3,781	-170
Total Expenditure	29,628	393,241	8.15%	318,075	363,613	363,613	340,014	23,600

Reserves closing position as at 31 December 2021:

The closing reserves position for all blocks after any year-end adjustments (transfer of any surplus or charge of deficit) are as follows:

ANALYSIS OF THE INDIVIDUAL RESERVE ACCOUNTS FOR 2021 - BUDGET REPORT AS AT:

	Opening position: 01 January 2021 as per draft SC accounts	Actual reserve spend 2021 as at 31.12.2021	Current reserve position (before year end adjustments) as at 31.12.2021	Contribution to Reserves 2021	31.12.2021 YEAR END		Closing reserve position as at year end
					Year end transfer in from Transfer Fee Fund - year end adjustment. TFF TRANSFERS TO BLOCKS CANCELLED 21.09.21 BOB APPROVED - TRANS TO ESTATE	Post year end adjustments (16.03.2022) 2021 Block Management Charge Transfer	
ESTATES (incs Insurance surplus/deficit adjustments)	£47,326	£12,897	£34,429	£18,000	£91,188	£6,380	£168,282
LEISURE	£9,180	£25,642	-£16,462	£13,650	£0		£3,794
ALEX. APTS	£11,797	£3,400	£8,397	£1,000	£0		£9,862
ALEX. BUILDINGS	£4,409	£2,905	£1,505	£3,500	£0	£500	£5,005
CLIFFE	£15,001	£0	£15,001	£3,700	£0	£340	£18,362
EDWARD	£17,864	£4,649	£13,216	£1,000	£0	£400	£14,144
KINGSWOOD	£7,130	£150	£6,980	£4,500	£0	£670	£12,441
MUXLOW	£11,927	£7,156	£4,771	£7,000	£0	£670	£11,748
PEVERIL	£10,167	£4,176	£5,992	£3,750	£0	£450	£9,069
SHEAF 1	£7,182	-£1,962	£9,144	£4,000	£0	£670	£12,603
SHEAF 2	£58,593	£8,186	£50,407	£9,000	£0	£1,800	£60,443
SHEAF 3 APTS	£5,623	£1,483	£4,141	£1,200	£0		£4,662
SHEAF BLDS	£14,238	£2,489	£11,749	£4,000	£0	£440	£15,749
VICTORIA	£31,525	£6,587	£24,939	£1,500	£0	£440	£26,269
TRANSFER FEE FUND	£57,664	£33,524	£91,188	£0	£0		
TOTAL	£309,626		£265,395	£75,800	£91,188		£372,430

As part of the year end preparation the following transfers have been made:

- Block Management charges transferred from relevant blocks to Estate reserves, as agreed last year.
- The opening balance of the Transfer Fee Fund account of £57.6k has been transferred to Estate Reserves.
- The Transfer Fee Fund income received in 2021 of £33.5k, made up of the following, has been transferred to Estate Reserves.

AS AT YEAR END 31 DECEMBER 2021 - M12

	Actual December
Total Income	34,483
Transfer Fund Fee Income	33,524
Share Certificate Income	375
Resales Packs Income	2,200
Transfer Fee income	30,922
Bank Interest received	27
Administration chrges - BoL	200
Fob Income	959

- The closing position of Estate Reserves, following the year-end surplus transfer (£18.3k) is a very healthy £168.2k.

Block expenditure analysis

Details of where deviation from budget has occurred is explained in greater detail, with the exception of salaries, gardening, electricity and fire risk and door assessment / remedial work / signage which are noted above.

Area:	Annual budget 2021:	Q4 position / overspent	Explanation
Communal Management and Estates			
Roads, Drains & Sever weather maintenance	£1,100	£1,593 / +£493	We have incurred £646 for gritting in 2021 which was significantly more than in previous years and is down to the harsher weather conditions in early 2021.

Council waste bin rental charge	£1,560	£410 / £1,150	Inaccurate budget set for 2021, this has been corrected in 2022.
Fob	£0	+£570	No budget is set for fob as the income received during the year more than covered the expenditure. Fob income at Q4 = £959.
Office Telephones	£700	£1,125 / +£425	General increase in usage during the period, budget underestimated for 2021.
Office stationery and consumables	£600	£950 / +£350	Increase in costs due to additional staff members and budget being underestimated.
Community, Communications & Website	£250	£450 / +£200	Zoom meeting license purchased to enable virtual meetings to take place.
IT and network costs	£3,300	£3,848 / +£548	Additional IT support required during the year includes emergency call out and repair to reception PC in December.
HR/Staff/Job Adverts/HR Advice/Payroll Software	£500	£1,504 / +£1,004	Additional HR support required to provide advice and review/update staff contracts of employment.
Legal	£1500	£283 / £1,217	Retainer payment lodged with company solicitor's lfb adjusted at year end and moved to debtors.
Leisure Suite			
Contractor cleaning	£1,380	£1,560 / +£180	Over budget as VAT not allowed for when budget was set.
Air Handling Maintenance & Repairs	£1,500	£267 / £1,233	Under budget as no routine maintenance undertaken in 2021. This will be corrected in 2022.
Pool maintenance and repairs	£2,750	£3,002 / +£252	More maintenance required during the year than anticipated.
Spa maintenance and repairs	£600	£948 / +£348	Additional works required for: <ul style="list-style-type: none"> - Repair to the spa blower – £294 - Replacement of the spa pump - £360
Boiler maintenance and repairs (incs Andrews hot water system)	£900	£1,411 / +£511	Boiler repairs and parts replaced following major leak c.£1.1k.
Day to day maintenance	£500	£735 / +£235	Budget under-estimated for 2021,
Fire Alarm System	£168	£509 / +£341	Emergency call out and new call point required.
Fire Extinguisher maintenance	£138	£476 / +£338	Following Fire Risk Assessment (FRA) additional fire extinguishers were required costing £260.

Emergency Light Testing and repairs	£50	£336 / +\$286	Replacement EM required for failed units required = £216.
Health & Safety	£1,5000	£66 / £1,434	Budget overestimated for 2021.
Covid Cleaning	£2,000	£222 / £1,778	Under budget. Budget line removed in 2022 budgets and general cleaning budget increased to accommodate additional cleaning.
Peverill			
Day to day maintenance	£200	£539 / +\$339	More maintenance required during the year now includes for charges relating to service for lightening protection for building.
Sheaf 1			
Day to Day maintenance	£200	£365 / +\$165	More expenditure required during the year.
Sheaf 2			
Fire Risk and door assessment / remedial work / signage.	£200	£1,640 / +\$1,440	New fire regulations requiring Fire Door Inspection in 2021 = £881 Updated Alarm Zone diagrams – compliance requirement = £184 Remedial work required following FRA = £485 Additional fire extinguishers £89
Fire Alarm Maintenance	£168	£434 / +\$266	Budget under-estimated for 2021.
Lift maintenance/annual service	£5,550	£2,747 / £2,753	Budget in 2021 allowed for an oil change – which was not required.
Sheaf 3 Apartments			
Day to Day maintenance	£250	£481 / +\$231	More expenditure required during the year.
Fire Alarm Maintenance	£168	£284 / +\$116	Budget under-estimated for 2021.

JG: 03.02.2022/updated post year end 19.04.22