

1. Service Charge calculation 2023

The 12 months Consumer Price Index to October 2023 is currently 4.6%.

Each year, a budget is drawn up for the Estate, Leisure Suite, and Apartment Blocks. These aim to capture the regular, recurring costs of running the development, they may also include planned, known costs such as a roof repair. The starting point is the previous year's budget and current year spend. Service Charge increases are aligned with the actual budget required to meet the challenges of an aging estate such as major repairs and general good maintenance.

The costs for each block vary and these costs are shared between the residents of that block. The costs for the Estate & Leisure Suite are shared by all dwelling holders. The Budget is used to determine the Service Charges required of each dwelling and comprises of 3 or 4 factors depending on your property:

A - Estate Charge

Each dwelling pays a 'Room Charge' multiplied by the number of Habitable Rooms for that Dwelling.

The room charge is the total budget for the Communal, management and administration and the Leisure Suite divided between the total number of Habitable Rooms on the estate (635).

Habitable Rooms are those other than kitchens, bathrooms, toilets, utility rooms, etc. i.e. bedrooms, living and dining rooms. For the calculation of service charges, the maximum number of Habitable Rooms for any given property is 4.

The room charge for 2024 is £468.29 (2023 - £451.77) (2022 – £386.91, 2021 - £365.30, 2020 - £327.76).

B - Insurance

The Insurance charge for each dwelling is based on the number of square feet per Dwelling.

The charge per square foot in 2024 is c.£0.29 (2022 = £0.24, 2022 = £0.22, 2021 = £0.20, 2020 = £0.17) is calculated by dividing the total insurance budget by the total number of square feet on the estate (238,490).

C - Block Charge

The Block Charge is the budget for each Block equally divided between the number of dwellings in that block. The exceptions are Alexandra and Sheaf 3 as some of the dwellings in these blocks have communal space and others don't, there is one budget only for the former, and a second budget for all dwellings, which covers things such as the roof.

Details of increases/decrease in the 2024 day to day expenditure is shown at the end of this document.

2. Reserves (Estates, Leisure Centre, and Block)

In addition to the budgeted annual costs, a contribution is made to Reserves for the Estate, Leisure Suite, and Blocks. See Appendix I for a summary of changes to block reserves contribution.

Estate and Leisure Centre reserve contribution in 2024 is £50,170 (2023: nil). Anticipated Estate and Leisure Centre reserve spend in 2024 is detailed at Appendix II. 2023 contributions were nil order to reduce the impact of the significant increases experienced in energy prices.

3. Transfer fee fund

£17,486 is expected to be transferred to estate reserves on 31.12.23 in respect of transfer fee monies earned from property transactions in 2023.

Total estate reserves (excluding Leisure Centre reserves and block reserves) and including 2024 transfer fee fund of are expected to be £146,705 at 31.12.23. Of these estate reserves, £142,913 is cumulative transfer fund monies and resulting in a PPM fund of £3,792. Operationally, the PPM and Transfer fee reserves are considered a single reserve.

4. Budget 2024 detail:

A - Estate Management

Staff salaries: The budget has been increased to reflect the 10% hourly pay rate increases in line with the real living wage increase from April 2024 for hourly paid staff, and a phased increase of 10% in line with 2023 average annual wage inflation for other staff.

Roads, drains, severe weather-Includes £750 salt/grit and £1,440 drains maintenance.

Gardens/Ground Maintenance: see garden plan.

Gates: Allowance for gate annual maintenance and repairs.

IT costs: Increases as compared to 2023 budget due to additional user accounts added during 2023.

Insurance

Premiums across all policies for 2024 have increased again this year due to a 23% increase being applied to the declared values for the buildings because of the Triennial valuation undertaken for insurances. The whole estate is now valued at £68.4m, up from an estimated 55.4m in 2023.

Details of the policies will also be uploaded on the website in early January 2024.

B - Leisure Centre

Gas/Electricity

Significant increases in gas and electricity were experienced at December 2022 renewal. Government support helped to mitigate the worse of the increases. Since 2022 renewal, gas and electricity prices have begun to fall although they have not yet reached their pre-crisis 2021 levels. The headline rates (before government support) are as follows.

	2024	2023	2022
Gas p/kWh	5.6p	17.5p	2.3p
Total Cost (act/forecast)	£17,500	£40,000	£10,000
Electric p/kWh	26.0p	65.3p	27.8p
Electric Standing Charge	£8.64	£3.30	£0.75
Total Cost (act/forecast)	£42,000	78,000	£44,000

C- Blocks

Utility charges – Communal Areas: All blocks except for Sheaf 1 areas are covered by a 4-year fixed term contract which expires May 2026. Sheaf 1 electricity supply is shared with the Leisure Centre – contract renewal January 2024. See comments above.

Cleaning – Communal Areas: The national living wage increases by 10% in April 2024. Cleaning contract budgets have been increased accordingly.

Appendix I

Blocks – reserves contribution 2024:

Alexandra Apartments (4 owners) – increase £200 compared to 2023. Anticipated 2024 spend includes fire door replacement and flooring replacement.

Alexandra Building (9 owners)- increase of £900 compared to 2023. Anticipated 2024 spend includes repointing and rainwater works.

Cliffe (6 owners) — increase of £400 compared to 2023. Fire door remedial work and decoration.

Edward (7 owners) - increase of £700 compared to 2023. Anticipated 2024 spend include repointing and fire door remedial work.

Kingswood (12 owners) -increase of £4,900 compared to 2023. Anticipated 2024 spend includes roof and rainwater works, fire door remedial work, fascias and work to rear entrance flat roof (near 6UD).

Muxlow (12 owners) – increase of £2,600 compared to 2023. Anticipated 2024 spend includes communal area redecoration, fire door remedial work and minor repointing.

Peveril (8 owners) - increase of £3,000 compared to 2023. Anticipated 2024 spend stone delamination review/works, decoration, and fire door remedial work.

Sheaf 1 (12 owners) - decrease of £700 compared to 2023. Anticipated 2024 spend include minor repointing, fire door remedial work and decoration.

Sheaf 2 (32 owners) - increase of £6,600 compared to 2023. Anticipated 2024 spend includes lift repairs, lift phone lines replace to digital, fire door remedial work and carpet replacement.

Sheaf 3 Apartments (4 owners) - increase of £400 compared to 2023. Anticipated 2024 spend includes flooring replacement and fire door remedial work.

Sheaf 3 Building (8 owners) – no change compared to 2023. Anticipated 2024 spend includes fascias replacement and minor repointing.

Victoria (8 owners) – increase of £1,200 compared to 2023. Anticipated 2024 spend includes flooring replacement, roofing and rain water repairs, decoration and fire door remedial work.

Appendix II

Leisure Centre reserves anticipated spend 2024 - £15,770

Fire Door remedial work £4,180

Isolation valves/mixer repair £2,500

Shower head replace £1,500

Gym Equipment - £2,500

Calorex maintenance – £1,000

Matting replace - £1,200

New spa filters - £1,000

Other miscellaneous £,2,000

Estates reserves anticipated spend 2024 - £49,500

Website - £3,000

Gate repairs - £1,500

Bollards - £2,300

Drains - £1,000

Legal - £1,000

Contingencies - £2,000

Other - £5900

Vehicle Gates to Digital - £12,200

Garden and Tree work £15,000

Road patch repairs £5,000

Garage Blocks contribution per household 2024

A – Victoria (3) - £25

B - Victoria (7) - £25

C- Alex Gardens/Kingswood (4) - £50 (higher than other blocks due to previously collected funds used on repairs)

D – Edward (4) - £25

E – Alex Gardens 26-30 (3) - £50 (higher than other blocks due to previously collected funds used on repairs)

F-AG 32-36 (3) -£25