



Kings Hill Residential Estate Management Company Ltd

Residential Estate Charge Budget

01 January 2019 - 31 December 2019

Kings Hill Residential Estate Management Company Ltd

Contact List & Useful Information

Contact List

Invoice Payment Queries	Zoe Brooker	01732 870375
	Helen Burgess	01732 223433
Estate Queries	Emma Cottee	01732 223436
	Susan Davies	01732 223418
Website	http://www.kings-hill.com	
Email	kingshillresidential@libertyproperty.com	This mailbox is monitored by members of the KHREMC team, and as such queries will be dealt with by the appropriate member of staff. If contacting KHREMC Ltd by email, you should expect a response within 3 working days.

Frequently Asked Questions (FAQ)

Why am I receiving an invoice from KHREMC and why do I have to pay estate charge?

KHREMC are responsible for the ongoing maintenance of the majority of the communal residential areas at Kings Hill, and residents of these areas are required to contribute towards the cost of this upkeep. On the completion of your property purchase, you will have signed a Deed of Covenant which sets out your obligation to pay the annual estate charge. The estate charge is capped by the increase in the Retail Price Index, but may be set lower than the maximum permitted, if agreed by the Company's Directors.

What does my annual estate charge cover?

The purpose of this estate charge pack is to explain each aspect of the core services provided for the residential estate throughout the forthcoming year. The budget detail page provides a breakdown of specific services, and the associated cost in providing them.

How can I pay this year's fee?

Direct Bank Transfer	KHREMCL Ltd Sort Code 20-54-29 Account no 90260363	Please use your resident ID or address in the reference box or we may not be able to allocate your payment to your account.
Cheque	Payable to KHREMCL Ltd	Please write your resident ID or address on the reverse or we may not be able to allocate your payment to your account.
Card Payment	Visa & MasterCard (debit & credit)	Phone 01732 870375
Cash		Visit our office in Liberty Square (Open Monday to Friday 9am - 5pm)

I have a question concerning the residential estate, who do I contact?

Please contact Emma Cottee or Susan Davies (contact details above) who will be able to answer any enquiries you may have regarding the estate management.

I already pay service charges to other companies, why the extra one?

Kings Hill Residential Estate Management Co Ltd (KHREMC Ltd) maintains the **communal residential estate areas**, and this is what your fee pays for. You may also pay a service charge for the immediate areas near your home if a management company was set up by the original house builder who developed your property. These charges are totally separate from KHREMC Ltd, and there is no doubling up of services.

Residential Estate Charge

Explanatory Notes

Management

Management Fees

The company has no direct employees however the management fees are an apportionment of the salaries paid to Liberty Property Trust UK Ltd (LPTUK) employees. The cost is apportioned to Kings Hill Residential Estate Management Co Ltd (KHREMC) based on time spent managing the residential estate and administering the estate charge.

Accounting Fees

The financial statements of KHREMC are audited annually, additional accounting costs are incurred for the preparation and submission of tax returns.

Site Management Resources

These costs relate to office and administrative expenses incurred in running the company. They include postage, stationery, and an allocation of overhead costs such as rent, rates and utility costs recharged from LPTUK.

Utilities

Electricity

The company has appointed an energy consultant, Control Energy Costs (CEC) to secure the best possible contracts on the market, negotiate the most competitive prices with various energy suppliers and monitor the consumption, advising on any cost saving initiatives. The electricity supplies for the residential estate serve the ball park, the Guardian sculpture, pedestrian footpaths on Braeburn Way together with the lighting on the new residential roads and will include the lighting within the new park. Costs for lighting any other areas not adopted by the local authority are also included.

Soft Services

Security Equipment

The company owns and maintains ANPR cameras, CCTV and mobile speed devices which enhance security and safety at Kings Hill.

Please note that KHREMC does not make any contribution to the operational costs of Kings Hill Security. This company is paid for by the commercial and retail estate management companies.

Cleaning and Environmental

Daily litter picking (Monday - Saturday) is carried out across the residential estate, and all site furniture such as bus shelters and benches are cleaned regularly. Owing to the extent of the residential area, an additional part-time cleaning operative has been appointed to ensure a comprehensive litter picking which now includes Saturday. The maintenance of all the communal landscaping including mowing, weeding, pruning, tree works and the replanting of any failed items within the estate is included within this category. Also included is a contingency for winter gritting and snow clearing on the main residential roads. There are over 50 dog bins, plus bag dispensers in some locations, which are serviced and maintained with disposals at least once a week.

Residential Estate Charge

Explanatory Notes

Hard Services

Mechanical & Electrical Services

Maintenance of residential street lighting on unadopted roads and some greenways includes inspections and any resulting maintenance or re-lamping. The contract is an all-inclusive one which means that any re-lamping costs are met within the fixed price contract. A contingency for other repairs is also included.

Fabric Repairs & Maintenance

Included in this category is the maintenance of playground equipment across five different areas, including the ball park and tennis courts (Gibson Drive, Tiffen Way, Emerald Walk, Melrose Avenue and Waterloo Walk). Weekly visual inspections are undertaken for safety purposes with more detailed independent monthly and quarterly inspections carried out so that any planned or reactive repairs are identified and implemented. An annual, independent inspection is also carried out to ensure the safety of any equipment in the play areas. This category also includes a provision for the repair to the bus shelters on the residential estate.

Income

Bank Interest

Any interest earned on the company's bank account is credited to the estate charge account.

Insurance

All Risks Insurance Cover

The insurance cover is for public and property owner's liability.

Exceptional Expenditure

Major Works

In order to maintain and enhance the residential area, items of exceptional expenditure have been included in the budget. The items planned for this year can be found on the detailed page of this pack.

Forward Funding

The reserve equates to 1.5 years fees per household.

Notes On Accounts

VAT

All estate charge expenditure is shown exclusive of VAT, however, the developer has elected to waive the exemption from Value Added Tax (also known as an Option to Tax). VAT will therefore be charged at the appropriate rate on all estate charges invoiced to residents.

Summary Estate Expenditure Report

Kings Hill Residential Estate Management Company Ltd

01 January 2019 - 31 December 2019

Cost Category	Estate Charge Budget 2019 £	Estate Charge Budget 2018 £	Variance £	Variance %
MANAGEMENT				
1 Management Fees	57,502.00	49,377.31	8,124.69	16.45%
2 Accounting Fees	13,430.00	11,211.55	2,218.45	19.79%
3 Site Management Resources	42,446.35	42,942.60	(496.25)	(1.16%)
4 Health, Safety & Environmental	-	-	-	-
Sub Total	113,378.35	103,531.46	9,846.89	9.51%
UTILITIES				
5 Electricity	3,151.68	1,397.27	1,754.41	125.56%
Sub Total	3,151.68	1,397.27	1,754.41	125.56%
SOFT SERVICES				
6 Security Equipment	6,187.15	6,100.41	86.74	1.42%
7 Cleaning & Environmental	421,255.73	402,392.15	18,863.58	4.69%
Sub Total	427,442.88	408,492.56	18,950.31	4.64%
HARD SERVICES				
8 Mechanical & Electrical Services	11,681.72	8,567.80	3,113.92	36.34%
9 Fabric Repairs & Maintenance	33,859.00	32,753.00	1,106.00	3.38%
Sub Total	45,540.72	41,320.80	4,219.92	10.21%
INCOME				
10 Interest	(4,622.71)	(1,677.76)	(2,944.95)	175.53%
Sub Total	(4,622.71)	(1,677.76)	(2,944.95)	175.53%
INSURANCE				
11 All Risks Insurance Cover	12,952.92	11,563.30	1,389.61	12.02%
Sub Total	12,952.92	11,563.30	1,389.61	12.02%
EXCEPTIONAL EXPENDITURE				
12 Major Works	79,500.00	195,500.00	(116,000.00)	(59.34%)
Sub Total	79,500.00	195,500.00	(116,000.00)	(59.34%)
TOTAL WORKS	677,343.83	760,127.64	(82,783.80)	(10.89%)
FORWARD FUNDING				
13 Estate Expenditure Reserve	(87,589.09)	(198,857.64)	111,268.54	(55.95%)
Sub Total	(87,589.09)	(198,857.64)	111,268.54	(55.95%)
TOTAL 2019 BUDGET	589,754.74	561,270.00	28,484.74	5.08%

Detailed Expenditure Report

Kings Hill Residential Estate Management Company Ltd

01 January 2019 - 31 December 2019

Cost Category	Estate Charge Budget 2019 £	Estate Charge Budget 2018 £	Variance £	Variance %
MANAGEMENT				
1 Management Fees				
Salary recharges	57,502.00	49,377.31	8,124.69	16.45%
2 Accounting Fees				
Audit fees	7,000.00	4,790.00	2,210.00	46.14%
Tax fees	3,100.00	3,000.00	100.00	3.33%
IXBRL tagging	600.00	600.00	-	-
Sage accounts support	1,800.00	2,150.00	(350.00)	(16.28%)
Sage pay fee	870.00	611.55	258.45	42.26%
Information Commissioners office fee	35.00	35.00	-	-
Bank audit letter	25.00	25.00	-	-
3 Site Management Resources				
Office costs recharged	26,304.35	29,000.00	(2,695.65)	(9.30%)
Postage	3,600.00	2,295.00	1,305.00	56.86%
Printing & stationery	2,550.00	1,850.00	700.00	37.84%
Financing fees	766.00	1,071.60	(305.60)	(28.52%)
Legal advice	8,626.00	8,126.00	500.00	6.15%
Other miscellaneous	600.00	600.00	-	-
4 Health, Safety & Environmental Mgt				
Health and safety report - greenways	-	-	-	-
Sub Total	113,378.35	103,531.46	9,846.89	9.51%
UTILITIES				
5 Electricity				
Electricity	3,151.68	1,397.27	1,754.41	125.56%
Sub Total	3,151.68	1,397.27	1,754.41	125.56%
SOFT SERVICES				
6 Security Equipment				
Police parking initiatives	-	-	-	-
Parking patrols	-	-	-	-
ANPR camera phone line	1,640.00	1,600.00	40.00	2.50%
ANPR camera support and maintenance	1,346.11	1,313.28	32.83	2.50%
CCTV Maintenance costs	292.04	278.13	13.91	5.00%
Speed awareness patrols	-	-	-	-
Mobile speed camera bases	120.00	120.00	-	-
Mobile speed camera	2,789.00	2,789.00	-	-
7 Cleaning & Environmental				
Gully cleaning	3,879.33	2,980.00	899.33	30.18%
Estate road sweeping	1,140.00	1,200.00	(60.00)	(5.00%)
Litter picking	53,921.32	50,411.76	3,509.56	6.96%
Litter picking vehicle	2,825.28	2,668.03	157.25	5.89%
Litter picker radio communication	383.53	198.13	185.40	-
Contingency for fly tipping	-	2,400.00	(2,400.00)	(100.00%)
Dog bin clearing & maintenance	26,816.01	26,034.96	781.05	3.00%
Jetwash roundabouts	1,195.15	1,195.15	-	-
External landscaping	289,084.23	272,036.52	17,047.71	6.27%
Green waste removal	12,504.90	23,525.60	(11,020.70)	(46.85%)
Landscaping consultancy	18,805.98	11,742.00	7,063.98	60.16%
Snow clearing / gritting	7,700.00	7,700.00	-	-
Pest control	3,000.00	300.00	2,700.00	900.00%
Sub Total	427,442.88	408,492.56	18,950.31	4.64%

Detailed Expenditure Report

Kings Hill Residential Estate Management Company Ltd

01 January 2019 - 31 December 2019

Cost Category	Estate Charge Budget 2019 £	Estate Charge Budget 2018 £	Variance £	Variance %
HARD SERVICES				
8 Mechanical & Electrical Services				
Street light maintenance	11,681.72	8,567.80	3,113.92	36.34%
9 Fabric Repairs & Maintenance				
Melrose Avenue play area	2,413.00	2,365.00	48.00	2.03%
Gibson Drive play area	4,109.00	4,061.00	48.00	1.18%
Gibson Drive ball parks	4,765.00	4,749.00	16.00	0.34%
Tiffen Way play area	1,848.00	1,800.00	48.00	2.67%
Emerald Walk play area	2,637.00	2,589.00	48.00	1.85%
Waterloo Walk play area	1,637.00	1,589.00	48.00	3.02%
External repairs & maintenance	16,450.00	15,600.00	850.00	5.45%
	-			
Sub Total	45,540.72	41,320.80	4,219.92	10.21%
INCOME				
10 Interest				
Interest Income	(5,778.39)	(2,097.20)	(3,681.19)	175.53%
Taxation	1,155.68	419.44	736.24	175.53%
Sub Total	(4,622.71)	(1,677.76)	(2,944.95)	175.53%
INSURANCE				
11 All Risks Insurance Cover				
Public and property owner's liability	12,952.92	11,563.30	1,389.61	12.02%
Sub Total	12,952.92	11,563.30	1,389.61	12.02%
EXCEPTIONAL EXPENDITURE				
12 Major Works				
Replacement trees – Discovery Drive	10,000.00	10,000.00	-	-
Upgrade of the Gibson Drive Play area	-	80,000.00	(80,000.00)	(100.00%)
Benches for communal areas	3,000.00	3,000.00	-	-
Street light painting	-	20,000.00	(20,000.00)	(100.00%)
Parking and traffic initiatives	-	50,000.00	(50,000.00)	(100.00%)
New residential website	18,000.00	12,500.00	5,500.00	44.00%
Mobile phone signal improvement project	-	20,000.00	(20,000.00)	(100.00%)
Outdoor Gym Equipment	20,000.00	-	20,000.00	100.00%
			15,000.00	100.00%
Upgrading lights - Greenway, Laxton & Ames Way	15,000.00	-		
Wifi for Amphitheatre	8,000.00	-	8,000.00	100.00%
Health & Safety Audits	1,500.00	-	1,500.00	100.00%
New Speed Indicator	4,000.00	-	4,000.00	100.00%
Sub Total	79,500.00	195,500.00	(116,000.00)	(59.34%)
TOTAL WORKS	677,343.83	760,127.64	(82,783.80)	(10.89%)
FORWARD FUNDING				
13 Estate expenditure reserve	(87,589.09)	(198,857.64)	111,268.54	(55.95%)
Sub Total	(87,589.09)	(198,857.64)	111,268.54	(55.95%)
TOTAL 2019 BUDGET	589,754.74	561,270.00	28,484.74	5.08%

Residential Estate Charge

Summary of Variances - 2018 Budget to 2019 Budget

The overall estate charge budget for the year 1 January 2019 - 31 December 2019 shows a decrease of 10.89% compared with the budget for the previous year ending 31 December 2018. There are a range of positive and negative variances contained within the summary schedule, the financial variances are explained as follows:

Service	Variance	Reason
Management Fees	£8,124.69	The apportionment of salaries from Liberty Property Trust UK Ltd. These salaries are apportioned based on actual time spent by staff dealing with residential estate management issues. The increase also includes the estimated time required for additional areas in phase 3.
Accounting Fees	£2,218.45	Accounting fees are expected to increase due to the company requirements to use a new auditors for the year end accounts audit. We had previously used the same auditors for 14 years and its seen as good practise to change your auditors regularly which is why we have made the change this year. We have tendered and reviewed the pricing accordingly.
Site Management Resources	(£496.25)	The legal costs have increased slightly in line with the increase of charges in relation with the hourly charging rates. Overall the recharge costs are expected to decrease. We also have fees associated to the new Estate Compound.
Electricity	£1,754.41	Electricity costs for the 2019 budget were based on actual expenditure in 2018. We also are anticipating the useage for the new roads, in relation to Phase 3 and the lighting within the new park. These are all metered supplies.
Security Equipment	£86.74	The ANPR camera and CCTV Maintenance costs have increased slightly due to inflation.
Cleaning & Environmental	£18,863.58	The landscaping costs have decreased this year as we are not anticipating as many additional areas to require replacement planting. Pest control has incurred an increase this year due to the Brown Tailed Moth that we encountered in 2018. We have based the revised budget on the actual spend for 2018 as they are known to return to the same area.
Mechanical & Electrical Services	£3,113.92	2019 budget has been increased due to the new roads and park that require maintenance checks to be completed as part of the new residential Phase 3 development.
Fabric Repairs & Maintenance	£1,106.00	There has been a slight increase overall in the play area maintenance costs due to inflation, and some maintenance costs for the new park are expected towards the end of the year
Interest	(£2,944.95)	This is based on the interest received during 2018.
All Risks Insurance Cover	£1,389.61	Budget increase based on the policy premium for 2018.
Major Works	(£116,000.00)	Major works vary from year to year depending on the requirements identified. 2018's main expenditure was to upgrade the Gibson drive play area which has been completed under the 2018 budget. In 2019 the dedicated web page will be completed and failing cherry trees along Discovery Drive planted plus more benches and litter bins and the installation of some pieces of outdoor gym equipment to be added in communal areas. Upgraded LED lights will replace the lights on Laxton Walk and Ames Way greenway links. A sum has been budgeted for the installation of Wifi for the new amphitheatre within the new park which will be installed to coincide with the opening of this area.

Expenditure Variance Report

Kings Hill Residential Estate Management Company Ltd

01 January 2017 - 31 December 2017

Cost Category	Estate Charge 2017 Actual £	Estate Charge 2018 Budget £	Estate Charge 2018 Actual £	2018 Actual vs 2018 Budget %	2017 Actual vs 2018 Actual %
MANAGEMENT					
1 Management Fees	41,291.92	49,377.31	52,311.89	5.94%	26.69%
2 Accounting Fees	11,206.60	11,211.55	9,375.56	(16.38%)	(16.34%)
3 Site Management Resources	40,951.18	42,942.60	49,772.30	15.90%	21.54%
4 Health, Safety & Environmental	-	-	-		
Sub Total	93,449.70	103,531.46	111,459.75	7.66%	19.27%
UTILITIES					
5 Electricity	1,551.65	1,397.27	816.50	(41.56%)	(47.38%)
Sub Total	1,551.65	1,397.27	816.50	(41.56%)	(47.38%)
SOFT SERVICES					
6 Security Equipment	11,519.12	6,100.41	2,135.50	(64.99%)	(81.46%)
7 Cleaning & Environmental	298,493.63	402,392.15	344,468.13	(14.39%)	15.40%
Sub Total	310,012.75	408,492.56	346,603.63	(15.15%)	11.80%
HARD SERVICES					
8 Mechanical & Electrical Services	15,825.85	8,567.80	16,749.07	95.49%	5.83%
9 Fabric Repairs & Maintenance	16,626.47	32,753.00	21,919.87	(33.08%)	31.84%
Sub Total	32,452.32	41,320.80	38,668.94	(6.42%)	19.16%
INCOME					
10 Interest	(2,079.25)	(1,677.76)	(6,993.58)	316.84%	236.35%
Sub Total	(2,079.25)	(1,677.76)	(6,993.58)	316.84%	236.35%
INSURANCE					
11 All Risks Insurance Cover	11,012.67	11,563.30	12,336.11	6.68%	12.02%
Sub Total	11,012.67	11,563.30	12,336.11	6.68%	12.02%
EXCEPTIONAL EXPENDITURE					
12 Major Works	43,466.10	195,500.00	177,141.80	(9.39%)	307.54%
Sub Total	43,466.10	195,500.00	177,141.80	(9.39%)	307.54%
WORKS TOTAL	489,865.94	760,127.64	680,033.15	(10.54%)	38.82%
FORWARD FUNDING					
13 Estate Expenditure Reserve	77,212.33	(198,857.64)	(103,478.21)	(47.96%)	(234.02%)
Sub Total	77,212.33	(198,857.64)	(103,478.21)	(47.96%)	(234.02%)
GRAND TOTAL	567,078.27	561,270.00	576,554.94	2.72%	1.67%

Residential Estate Charge

Summary of Variances - 2018 Actual Expenditure to 2018 Budget

The overall estate expenditure for the year 1 January 2018 - 31 December 2018 is under budget by 10.54% when compared with the 2018 budget. There are a range of positive and negative variances contained within the summary schedule, the financial variances are explained as follows:

Service	Variance	Reason
Management Fees	£2,934.58	Residential estate issues took more time by senior staff than anticipated in the year.
Accounting Fees	(£1,835.99)	Audit charges were lower than expected due to less time needed to review the accounts
Site Management Resources	£6,829.70	Legal costs have increased in 2018 to respond to queries from residents and preparation of legal packs. Costs were incurred to ensure the company's compliance with new legislation.
Electricity	(£580.77)	Decrease in Electricity for the year against the anticipated charges.
Security Equipment	(£3,964.91)	The anticipated maintenance requirements for the CCTV and ANPR systems were not required for 2018.
Cleaning & Environmental	(£57,924.02)	The budget for snow gritting was only partially used. The budget for the planned landscaping contingency was not required plus the requirement for replacement planting budget in 2018 was not fully utilised.
Mechanical & Electrical Services	£8,181.27	Adhoc street light maintenance was more than expected due to the installation of light shields to street lights on unadopted residential roads. The annual contract cost was higher than budgeted.
Fabric Repairs & Maintenance	(£10,833.13)	Budgeted repair contingencies for the majority of play area equipment were not fully utilised, although all of the required repairs were completed.
Interest	(£5,315.82)	The interest income was more than expected due to an increase in interest rates and account balance.
All Risks Insurance Cover	£772.81	Insurance costs were greater than budget due to an increase in insurance premiums and insurance premium tax.
Major Works	(£18,358.20)	The total cost of the works to upgrade the Gibson Drive Play Area was slightly higher than budgeted.