

Kings Hill Residential Estate Management Company Ltd

Residential Estate Charge Budget

01 January 2023 – 31 December 2023

OVERVIEW

Kings Hill Residential Estate Management Company Limited (KHREMCL) is responsible for the ongoing maintenance of the majority of the communal residential areas at Kings Hill. Residents of these areas are required to contribute towards the cost of the 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 a formula found in the deed of covenant and is linked to the Retail Price Index.

There are currently 2,383 houses completed and sold on Kings Hill as at 1st January 2023 that are due to pay this fee. Please note that if you receive an additional estate management charge from another company, this is separate from this fee and there is no doubling up of services. The other estate charge is usually set up by the house builder of your home. Please contact them for further information.

The fee for 2023 is £350.00 plus VAT, £420.00. This is a 6% increase from 2022 and is £88.40 less than the maximum allowed to be charged based on the formula detailed in your deed of covenant. Details of the 2023 budget can be found in the income and expenditure report below.

The key services we cover are:



Providing and maintaining shrubs and trees on communal land



Maintaining and caring for the mature and new landscaped areas



Mowing communal areas of grass



Provision and emptying dog and litter bins and 7 days a week litter picking



Playground equipment maintenance and replacement



Providing and maintaining signage



Winter road treatment for main distributor roads in the residential area

The purpose of this estate charge pack is to explain;

1. key contacts
2. payment details
3. each aspect of the core services provided for the residential estate
4. detailed expenditure report providing a breakdown of specific services, and associated costs

KEY CONTACTS

Invoice Payment Queries	Helen Burgess Zoe Brooker	01732 792374 01732 792368
Estate Queries	Emma Cottee Susan Davies	01732 792356 01732 792340
Email	enquiries@kingshillmanagement.com	This mailbox is monitored by members of the Kings Hill Management Ltd team, and as such queries will be dealt with by the appropriate member of staff. If contacting KHREMCL by email, you should expect a response within 3 working days.

HOW TO PAY

Direct Bank Transfer (Preferred method)	KHREMCL Sort Code: 20-54-29 Account No: 90260363	Please use your invoice number or resident ID (Account ref:) from the invoice in the reference box to enable us to allocate your payment to your account.
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Alternatively, we do accept the following:

Card Payment	Visa & MasterCard (debit & credit)	Please email: accounts@kingshillmanagement.com with your resident ID (account ref:) and we will send you a link to pay your invoice by card.
Cheque	Payable to KHREMCL	Please write your resident ID (account ref:) or address on the reverse or we may not be able to allocate your payment to your account.
Please send to:	Kings Hill Residential Estate Management Company Ltd c/o Kings Hill Management Ltd 5 Liberty Square Kings Hill, West Malling Kent ME19 4AU	Please note that KHREMCL cannot accept cash payments or offer receipts on delivery. If a receipt is required, this will be sent under separate cover via email.

CORE SERVICE OVERVIEW

Management

Management Fees

The company has no direct employees however the management fees are an apportionment of the salaries paid to Kings Hill Management Ltd (KHML). The costs apportioned to KHREMCL are based on time spent managing the residential estate and administering the estate charge. KHML are based on site and have unrivalled knowledge of Kings Hill with over 60 years' experience of the development and have a full-time presence on site.

Accounting Fees

The financial statements of KHREMCL are audited annually, plus there are additional accounting costs incurred for the preparation and submission of the tax returns. The costs for the accounts system used for KHREMCL is included in these costs.

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 KHML.

Utilities

Electricity

The company has appointed an energy consultant, Control Energy Costs (CEC) to secure the best possible contracts in the market, negotiate the most competitive prices with various energy suppliers and monitor consumption. The electricity supplies for the residential estate provide LED lighting in the ball park, the Guardian sculpture, pedestrian footpaths on Braeburn Way, Limelight Walk and the new greenways from Warwick Way and Edington Way. LED street lighting on the new residential roads and the lighting within the new park. Costs for lighting any communal residential areas managed by KHREMCL and 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 KHREMCL 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. During 2023 time spent by the existing security team enforcing the parking restrictions in the residential area will be charged to KHREMCL. The areas monitored by the team include all the unadopted roads with restrictions plus the car parks adjacent to the new park.

Cleaning and Environmental

Daily litter picking is carried out across the residential estate, and all site furniture such as bus shelters and benches are cleaned regularly. As the residential area has increased, there is an operative in attendance every day to provide a comprehensive litter picking service to the residential development.

The maintenance of the communal landscaping including mowing, weeding, pruning, tree works and the replanting of any failed items within the estate is included within this category. A contingency is also included for winter gritting and snow clearing on the main residential roads.

There are 61 dog bins, plus bag dispensers in some locations, which are serviced and maintained at least twice per week also.

Hard Services

Mechanical & Electrical Services

Maintenance of residential street lighting on unadopted roads, within the park 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 six different areas (Gibson Drive and the Ball Park, Tiffen Way, Emerald Walk, Melrose Avenue, Waterloo Walk and Linear Park off Orchard Way). Weekly visual inspections are undertaken for safety purposes with more detailed independent monthly 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 all equipment in the play areas. This category also includes a provision for the repair to the bus shelters within the residential estate.

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 in the budget.

Detailed Income & Expenditure Report 2022 Actual V 2023 Budget

	Estate Charge Budget 2023 £	Estate Charge Actual 2022 £	2022 Actual v 2023 Budget £	Notes
INCOME				
Estate Management Fee Income	(855,925)	(774,428)	(81,497)	The 2023 budget income is based on a fee of £350 (net) charged to existing 2,383 households as at 31/12/2022 and a pro-rated amount charged to a further 132 new homes forecast to be sold throughout the year.
Transfer from Reserves	(43,215)	(143,679)	100,464	
Interest (less tax)	(5,374)	(7,485)	2,111	
TOTAL INCOME	(904,514)	(925,592)	21,078	
COSTS				
MANAGEMENT				
Management Fees	104,760	104,092	669	Budgeting to reduce management costs overall by obtaining email addresses from residents so that postage and stationery costs can be lowered as costs of postage continue to rise.
Audit fees	14,420	15,266	(846)	
Office costs	40,947	47,544	(6,597)	
Legal Advice	5,000	4,169	831	
Health and Safety	1,000	1,132	(132)	
Sub Total	166,128	172,203	(6,075)	
UTILITIES				
Electricity	21,519	14,539	6,981	Energy markets continue to be challenging and the budget amounts are provided by our energy consultant CEC.
Water	1,852	565	1,287	
Sub Total	23,372	15,104	8,268	
SOFT SERVICES				
Security Parking patrols	26,582	25,209	1,373	During 2022, our cleaning company who provide all external cleaning provision have also taken over the dog bin clearing and maintenance. By changing the way this is operated we made savings during 2022 and will continue to benefit from the reduced costs in 2023. Landscaping costs have increased due to their overheads raising as a result of the reduction in facilities on site for equipment and general rising costs.
ANPR and CCTV systems	2,182	4,880	(2,698)	
External cleaning (inc Dog Bins)	144,187	164,041	(19,854)	
Green waste management	25,906	21,080	4,826	
External landscaping	392,410	361,406	31,003	
Sub Total	591,266	576,617	14,649	
HARD SERVICES				
Street lighting	22,854	19,453	3,401	2023 budget includes maintenance costs for the street light checks on the unadopted residential roads and greenways. The number of lights under maintenance has increased as new greenways have been completed. Actual costs in 2022 for external repairs and maintenance was low and contingencies not needed for paving, signage, white lining etc. The budget for 2023 has been reduced from 2022 budget, but contingencies remain if work is required during 2023.
Street lighting contingency	6,000	4,542	1,458	
Playground repairs and maintenance	18,379	12,126	6,253	
*External repairs & maintenance	18,390	5,328	13,062	
*(Includes Paving, Signage, White lining, replacement dog bins)				
Sub Total	65,623	41,448	24,175	
INSURANCE				
Property / infrastructure insurance	16,126	15,071	1,055	Budget estimates provided by our insurance broker Marsh.
Sub Total	16,126	15,071	1,055	
EXCEPTIONAL EXPENDITURE				
Coppicing	20,000	5,892	14,108	During 2022 the costs to create the welfare and site storage compounds were incurred. These have created the higher than forecast expenditure. Works were completed to upgrade the CCTV in the Ball Park and to replace the play equipment at Tiffen Way. The plan to create the Community Orchard has been delayed whilst the area is prepared. This project will commence during 2023 with fencing works and initial planting. Other works were under budget including coppicing whilst the costs to update the website with new development areas were higher than predicted and further works are required to update the map.
Website	10,000	12,000	(2,000)	
Additional Litter Bins	2,000		2,000	
The Queens Canopy Community Orchard	10,000		10,000	
Tiffen Way playground upgrade		23,648	(23,648)	
Ball Park CCTV camera		2,410	(2,410)	
Compound Costs		61,200	(61,200)	
Sub Total	42,000	105,150	(63,150)	
TOTAL COSTS	904,514	925,592	(21,078)	

Detailed Income & Expenditure Report 2022 Actual V 2022 Budget

	Estate Charge Actual 2022	Estate Charge Budget 2022	2022 Actual v 2022 Budget	Notes
	£	£	£	
INCOME				
Estate Management Fee Income	(774,428)	(775,500)	1,072	2022 fees slightly less than budgeted due to number on new deeds received. Overall we were overbudget and therefore used £11,828 more of the reserves than budgeted. Please see below detail of costs with variances explained. During 2022 interest rates increased which we had not budgeted for. This caused a variance of £7,485.
Transfer from Reserves	(143,679)	(131,851)	(11,828)	
Interest (less tax)	(7,485)	-	(7,485)	
TOTAL INCOME	(925,592)	(907,351)	(18,242)	
COSTS				
MANAGEMENT				
Management Fees	104,092	100,462	3,630	Postage, printing and stationery were overbudget due to the additional correspondence issued for the appointment of new directors. The election papers required 2 rounds of voting and there is still a low number of residents who have provided their email details. The election of two new Directors also increased management fees due to additional time required to manage the process. Auditors have also increased their fees due to additional statutory requirements.
Audit fees	15,266	12,212	3,054	
Office costs	47,544	37,340	10,204	
Legal Advice	4,169	10,622	(6,453)	
Health and Safety	1,132	1,000	132	
Sub Total	172,203	161,636	10,567	
UTILITIES				
Electricity	14,539	7,200	7,339	Costs for electricity for the year were higher than budgeted owing to an increase in the rates charged for electricity and additional supplies for the airfield track (Gibson Drive to Warwick Way), Limelight Walk and the pedestrian route from Tower View to Edington Way.
Water	565	2,449	(1,884)	
Sub Total	15,104	9,649	5,455	
SOFT SERVICES				
Security Parking patrols	25,209	26,424	(1,215)	The saving on the operational costs for the landscape contract were more than forecast in the budget as the team were able to continue using the original compound for longer than anticipated. However this saving is offset against the costs shown in the exceptional expenditure for the new compound areas required for the Estate teams. We also had cleaning costs of the compound which were not budgeted for that caused the variance in external cleaning.
ANPR and CCTV systems	4,880	5,968	(1,087)	
External cleaning (inc Dog Bins)	164,041	155,101	8,940	
Green waste management	21,080	22,036	(956)	
External landscaping	361,406	377,878	(16,471)	
Sub Total	576,617	587,406	(10,789)	
HARD SERVICES				
Street lighting	19,453	18,867	586	Budgeted repair contingencies for the majority of play area equipment were not fully utilised, although all of the required repairs were completed.
Street lighting contingency	4,542	6,000	(1,458)	
Playground repairs and maintenance	12,126	19,022	(6,896)	
*External repairs & maintenance	5,328	23,995	(18,667)	
Sub Total	41,448	67,884	(26,436)	
INSURANCE				
Property / infrastructure insurance	15,071	23,776	(8,705)	Insurance costs were less than budgeted as the costs were not as high as predicted by our consultant.
Sub Total	15,071	23,776	(8,705)	
EXCEPTIONAL EXPENDITURE				
Coppicing	5,892	12,000	(6,108)	During 2022 the costs to create the welfare and site storage compounds were incurred. These have created the higher than forecast expenditure. Works were completed to upgrade the CCTV in the Ball Park and to replace the play equipment at Tiffen Way were completed. The plan to create the Community Orchard has been delayed whilst the area is prepared. This project will commence during 2023 with fencing works and initial planting. Other works were under budget including coppicing whilst the costs to update the website with new development areas were higher than predicted.
Website	12,000	3,000	9,000	
The Queens Canopy Community Orchard		10,000	(10,000)	
Tiffen Way playground upgrade	23,648	25,000	(1,352)	
Replacement planting		2,000	(2,000)	
Updating signage at the nature park		5,000	(5,000)	
Ball Park CCTV camera	2,410		2,410	
Compound Costs	61,200		61,200	
Sub Total	105,150	57,000	48,150	
TOTAL COSTS	925,592	907,352	18,242	