



Kings Hill Residential Estate Management Company Ltd

Residential Estate Charge Budget

01 January 2024 - 31 December 2024



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 2,423 houses completed and sold on Kings Hill as at 1st January 2024 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 2024 is £360.00 plus VAT, £432.00. This is a 2.86% increase from 2023 and is £101.10 less than the maximum allowed to be charged based on the formula detailed in your deed of covenant. Details of the 2024 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 SERVICES 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 the 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 2024 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.

CORE SERVICES OVERVIEW

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, Tiffen Way, Emerald Walk, Melrose Avenue, Waterloo Walk and the new park) and the ball park. 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 on the detailed page of this pack.

Detailed Income & Expenditure Report 2023 Actual v 2023 Budget

	Estate Charge Actual 2023 £	Estate Charge Budget 2023 £	2023 Actual v 2023 Budget £	2022 Actual v 2023 Budget %	Notes
INCOME					
Estate Management Fee Income	(860,502)	(855,925)	(4,577)	0.53%	Delays in receiving deeds has created a backlog of fees from prior years being invoiced in 2023. This has caused the favourable variance in estate fee income. We used less than budgeted reserves in 2023 and also received more interest due to increases in interest rates during the year.
Transfer from Reserves	(5,469)	(43,215)	37,746	(87.34%)	
Interest (less tax)	(23,147)	(5,374)	(17,773)	330.72%	
TOTAL INCOME	(889,118)	(904,514)	15,396	(1.70%)	
COSTS					
MANAGEMENT					
Management Fees	105,854	104,760	1,093	1.04%	Postage, printing and stationery were under budget due to the decision to not post out newsletters and budget packs and make these available on line or on request via email. We have collected a small number of emails but to reduce the postage costs further we do need more residents to change over to email. Auditors have also increased their fees due to additional statutory requirements but we managed to negotiate the charge down for 2023.
Audit fees	13,945	14,420	(475)	(3.29%)	
Office costs	38,765	40,947	(2,182)	(5.33%)	
Legal Advice	1,444	5,000	(3,556)	(71.11%)	
Health and Safety	-	1,000	(1,000)	(100.00%)	
Sub Total	160,008	166,128	(6,119)	(3.68%)	
UTILITIES					
Electricity	15,261	21,519	(6,259)	(29.08%)	Costs for electricity for the year were lower than budgeted owing to the increase in the rates charged for electricity not being as high as anticipated by our consultant. During 2023 we changed all our Electricity contracts to green energy.
Water	266	1,852	(1,586)	(85.62%)	
Sub Total	15,527	23,372	(7,845)	(33.56%)	
SOFT SERVICES					
External landscaping	398,861	392,410	6,451	1.64%	Costs accrued for a speed monitoring unit have not been spent which has caused a credit in ANPR and CCTV Systems. We have trialled a reduction in hours spend by our litter pickers in the residential areas this year which has resulted in a saving of £21,500 in external cleaning. Further savings were made in snow clearing/ gritting and pest control. Green waste tonnage has not been as high as previous years resulting in a saving for 2023. More planting and essential tree works were required than budgeted for landscaping.
External cleaning (inc Dog Bins)	112,898	144,187	(31,289)	(21.70%)	
Security Parking patrols ANPR and CCTV	23,908	28,764	(4,856)	(16.88%)	
Green waste management	18,160	25,906	(7,746)	(29.90%)	
Sub Total	553,827	591,266	(37,440)	(6.33%)	
HARD SERVICES					
Street lighting	23,617	22,854	764	3.34%	The connection and lights needed replacing around the residential area near the Control Tower which was an unbudgeted cost and a larger expense than our contingency. Repairs and maintenance costs were on budget with a small variance.
Street lighting contingency	23,587	6,000	17,587	293.12%	
Playground repairs and maintenance	17,385	18,379	(995)	(5.41%)	
*External repairs & maintenance	17,621	18,390	(769)	(4.18%)	
*(Includes Paving, Signage, White lining, replacement dog bins)					
Sub Total	82,211	65,623	16,588	25.28%	
INSURANCE					
Property / infrastructure insurance	19,062	16,126	2,936	18.21%	Insurance costs were greater than budgeted as the costs were higher than predicted by the broker.
Sub Total	19,062	16,126	2,936	18.21%	
EXCEPTIONAL EXPENDITURE					
Tree Management	40,111	20,000	20,111	100.55%	Several trees with Ash Dieback were felled which has caused the large increase in tree management costs this year. We have budgeted £30,000 for coppicing next year but as these works are required annually, the costs have been moved into soft services. We had some unbudgeted works for replacement bollards and lamps on Sungold Walk and Braeburn Way and road repairs on Park Drive and Orchard Way that included repairs to tree pits, manholes and granite setts. We did not spend the budget for the community orchard as we need a planning application submitted. We are hoping this will be completed in 2024 and have reduced the budget to £5,000 in the 2024 budget.
Additional Litter Bins	2,234	2,000	234	11.70%	
Website	710	10,000	(9,290)	(92.90%)	
Community Orchard	-	10,000	(10,000)	(100.00%)	
Road and Manhole repairs	7,043	-	7,043	100.00%	
Bollard and Lamp replacements	3,938	-	3,938	100.00%	
Repairs to welfare unit	2,891	-	2,891	100.00%	
Site engineering survey	1,174	-	1,174	100.00%	
Signage and padlocks	382	-	382	100.00%	
Sub Total	58,483	42,000	16,483	39.25%	
TOTAL COSTS	889,118	904,515	(15,396)	(1.70%)	

Detailed Income & Expenditure Report 2023 Actual V 2024 Budget

	Estate Charge Budget 2024 £	Estate Charge Actual 2023 £	2023 Actual v 2024 Budget £	2023 Actual v 2024 Budget %	Notes	
INCOME						
Estate Management Fee Income	(919,530)	(860,502)	(59,028)	6.86%	The 2024 budget income is based on a fee of £360 (net) charged to existing 2,423 households as at 31/12/2023 and a pro-rated amount charged to a further 198 new homes forecast to be sold throughout the year. This budgeted amount will use £19,368 of the reserves.	
Transfer from Reserves	(19,368)	(5,469)	(13,898)	254.12%		
Interest (less tax)	(12,000)	(23,147)	11,147	(48.16%)		
TOTAL INCOME	(950,898)	(889,118)	(61,780)	6.95%		
COSTS						
MANAGEMENT						
Management Fees						
Salaries	113,135	105,854	7,282	6.88%	Salaries have been increased due to additional time allocated for new house sales expected in 2024. Savings have been made in accounting software by moving over to Xero. We have budgeted a small increase in credit card fees as more people are opting to pay using this method. A small increase of 3.44% in office costs due to overall increases in overheads such as insurance, maintenance and utilities. Postage costs have increased causing the unfavourable variance but we hope to collect more emails this year to reduce these costs. A provision for legal advice has been made by the Directors.	
Accounting Fees						
Audit and Tax Fees	12,660	11,570	1,090	9.42%		
Accounts software	378	1,470	(1,092)	(74.29%)		
Payment Provider Fees	1,000	905	95	10.52%		
Site Management Resources						
Office Costs	35,115	33,947	1,167	3.44%		
Printing and Postage	4,000	3,284	716	21.80%		
Financing Fees	1,600	1,534	66	4.30%		
Legal Advice	7,500	1,444	6,056	419.29%		
Health and Safety	1,000	-	1,000	100.00%		
Sub Total	176,388	160,008	16,380	10.24%		
UTILITIES						
Electricity	20,292	15,261	5,031	32.97%	Energy markets continue to be challenging and the budget amounts are provided by our energy consultant CEC. All Electricity contracts have been moved to green energy.	
Water	1,852	266	1,586	595.53%		
Sub Total	22,144	15,527	6,617	42.62%		
SOFT SERVICES						
Landscaping and tree maintenance						
External landscaping	413,785	396,258	17,527	4.42%	Increase in security parking patrol costs are due to pay rises and overheads from the subcontractor. We continue to monitor the private roads in the residential areas until they are adopted. Gully and road cleaning costs have stayed the same for 2024. The litter picking hours were reduced in 2023 and we have increased in line with the national living wage for 2024. An allocation of time from the litter picking team has been allocated to dog bin clearing which has increased this cost. Septic tank costs are now included in compound cleaning which is the reason for the increase in these costs. Green waste actual costs were less than budgeted last year but we have kept the budget the same as 2023 anticipating an increase in 2024. Cost for coppicing and tree management was previously included in exceptional expenditure but will now be included in external landscaping going forward. There was no requirement for pest control services in 2023 and we did not use all the budget for snow clearing but we have kept the budget for 2024 the same as 2023 incase these services are required.	
Coppicing and tree management	30,000	-	30,000	100.00%		
Green waste management	25,106	18,160	6,946	38.25%		
Snow Clearing/Gritting	5,000	2,603	2,397	92.10%		
Pest Control	1,500	-	1,500	100.00%		
Cleaning						
Litter Picking	71,497	67,769	3,728	5.50%		
Dog Bin Clearing and Maintenance	36,150	29,358	6,792	23.14%		
Gully and Estate Road Cleaning	9,189	9,189	0	(0.00%)		
Compound Cleaning	7,565	5,505	2,060	37.42%		
Jet Wash Roundabouts	1,131	1,077	54	5.00%		
Security						
Security Parking patrols	28,200	26,139	2,061	7.88%		
ANPR and CCTV systems	3,252	(2,231)	5,483	(245.76%)		
Sub Total	632,375	553,827	78,547	14.18%		
HARD SERVICES						
Mechanical and Electrical Services						
Street lighting	25,188	23,617	1,571	6.65%	2024 budget includes maintenance costs for the street light checks on the unadopted residential roads and greenways and the repairs required for the Orchard Park lighting. Actual costs for street lighting contingency exceeded budget due to works required to the connections and light replacements needed around the residential area near the Control Tower. Actual costs in 2023 for external repairs and maintenance was slightly lower and contingencies were utilised for paving, signage, white lining etc. The budget for 2024 has kept the contingencies the same as 2023.	
Street lighting contingency	15,000	23,587	(8,587)	(36.41%)		
Fabric Repairs and Maintenance						
Playground repairs and maintenance	19,013	17,385	1,628	9.37%		
*External repairs & maintenance (Includes Paving, Signage, White lining, replacement dog bins)	17,822	17,621	201	1.14%		
Sub Total	77,023	82,211	(5,187)	(6.31%)		
INSURANCE						
Property / Infrastructure Insurance	20,968	19,062	1,906	10.00%	Budget estimates provided by the insurance broker.	
Sub Total	20,968	19,062	1,906	10.00%		
EXCEPTIONAL EXPENDITURE						
Website	15,000		15,000	100.00%	An allowance for additional litter bins has been provided in the 2024 budget. The website requires updating with the new houses and we have budgeted £15,000 for these works. Planning should be submitted this year for the community orchard and we have allowed £5,000 to augment this area which can be used by residents to plant trees to remember loved ones.	
Community Orchard	5,000		5,000	100.00%		
Additional Litter Bins	2,000		2,000	100.00%		
2023 expenditure (Breakdown of expenditure in 2023)		58,483	(58,483)	(100.00%)		
Sub Total	22,000	58,483	(36,483)	(62.38%)		
TOTAL COSTS	950,898	889,118	61,780	6.95%		