

**ANTICIPATED SERVICE CHARGE BUDGET FOR
HUGHENDEN COURT
ON BEHALF OF HUGHENDEN COURT (HASTINGS) RTM CO LTD
FOR THE PERIOD 31 January 2025 TO 30 JANUARY 2026**

Payments are due annually on 24 March 2024 for the period 31 January 2025 to 30 January 2026



EXPENDITURE HEADING	BUDGET FOR 31 JANUARY 2024 - 30 JANUARY 2025 £	Anticipated Expenditure from 30 Jan 24 -29 Jan 25 £	BUDGET FOR 31 JANUARY 2025 - 30 JANUARY 2026 £	NOTES OF EXPLANATION
General Expenses				
Cleaning	5,000	5,040	5,100	This is the cost of your cleaning contractor
Bin Cleaning	360	360	360	This is the cost of cleaning the bins once every 8 weeks. T
Communal Electricity	7,500	9,500	9,500	The electricity contract has been tendered and this is the best rate achievable on the day for a 12 month period
Water rates	15,700	17,500	18,000	This is the average cost of communal water to the building
Interphone Contract & Repairs	0	1,034	1,034	This is the cost of the annual door entry contract
Security CCTV costs	120	292	150	This is the cost of maintaining your CCTV system
Caretaking Duties	0	2,000	2,000	This is the cost of the adhoc caretaking duties carried out around the building during the course of the year. These include odd jobs around the building including clearing of the waste shutters when they block
General Repairs	5,000	5,635	5,000	Our budget for general repairs has been set at this figure based on the ad hoc remedial items undertaken in the past 12 months. This can vary from year to year with essential works required.
Lifts				
Lift Maintenance	2,000	2,490	2,500	This is a budget cost for repairs to the lift during the course of the year
Lift Service Agreement	1,128	1,185	1,200	This is the cost of your annual service from your service provider
Health & Safety				
Asbestos Survey	354	0	354	This is a budget cost of undertaking an asbestos survey which is a legal requirement under the Health & Safety at Work Act 1974.
Lightening Protection	150	0	150	The building is fitted with a lightning conductor and so must be tested every 13 months to comply with legislation. Hence the reason for no costs in 2024. It is due to be tested early 2025

Fire / General Risk Assessment	810	0	810	It is a legal requirement to hold a valid and up to date Fire Risk & General Risk assessment. This is the cost for your formal review again once the remediation has taken place
Fire Door Survey	3,468	0	1,914	After the upgrade works have concluded, a new survey will be undertaken of all doors, this includes both sides of your flat front door. This survey has to take place annually from here on in and any repairs or adjustments down to the leaseholder to rectify without delay.
Quarterly Common Part door inspection	768	0	864	Once all the doors are compliant, due to changes in legislation it is now a legal requirement under the Fire Safety Act 2021 to undertake a survey of all common part doors quarterly as your building is over 11m tall
ECIR	0	0	0	The Electrical Safety test on the communal electrics is due every 5 years. This is the cost of carrying out the assessment which is due 2028
Dry Riser Test	240	282	290	This is a legal requirement to have tested twice a year. The costs incurred were to fix the defective valves and locks to ensure they are working correctly.
Legionella water Hygiene test	156	0	156	It is a legal requiring to have the water tanks tested annually for legionella and any recommendations carried out
Emergency Lighting monthly testing and annual service	378	360	360	It is a legal requirement to have all emergency lighting in full working order, tested monthly and an annual drain down, service and certification by a qualified person. This is the cost for monthly and annual service and certification
Insurance				
Buildings Insurance	22,700	22,700	23,000	Buildings insurance is provided. As you will be aware cover was withdrawn in 2023 but we were able to secure insurance with a new provider. The cost was significantly increased to take on board the risks the building present. Until all the remedial work is complete and the buildings reputation in the insurance industry is restored cover is likely to be high.
Reinstatement Cost Assessments	2,000	1,800	0	Once every 3 years your building should be valued by a Chartered Building Surveyor to assess the rebuild value of the building. These costs are presented to the insurance company to ensure your Declared Value is correct. If your building is under insured and you were to make a claim, the insurer will no settle the claim in full, leaving the management company to meet the short fall. In order to meet the obligations of the lease will undertake this exercise when it falls due in 2027-2028
D&O Insurance	165	205	210	This is the cost for the officers of the building to protect them personally against any claims that may be made against the management company. The policy renews in October so the whole cost will need to be collected to pay the supplier

Engineering Insurance	595	677	680	Under the Health & Safety at Work etc Act 1974, it is a legal requirement to take out engineering insurance on all plant and machinery installed. Your building has a lift and for this reason the it needs to be inspected every 6 months by an independent engineering inspector who will deem the lift fit for service. The insurance is not to cover repairs and breakdowns, its a statutory requirement for safety reasons
Professional Fees				
Accountants fee	720	0	720	Your accountants fee for preparing and filing the company and service charge accounts
Confirmation Statement	30	50	50	This is the cost of filing the annual confirmation statement to Companies House
Management Fees	10,998	10,998	10,998	Our fees for managing the building was fixed when we accepted the instruction until January 2026
Bank Administration Charges	282	564	564	This is an annual charge for opening holding and administering both bank accounts as well as the fee levied to us by NatWest
Company Secretary Fees	390	390	390	This is the cost of managing your Company Compliance and ensuring all accounts, annual returns and share register is kept up to date in accordance with Companies Act
Disbursements	100	378	100	This is a nominal sum to cover the cost of postage where we are unable to issue correspondence to you by email. Letters concerning budgets, accounts and AGM's are covered in our management fee
Legal Fees	3,000	6,827	3,000	It is a recommendation that a small allowance is included for legal advice from a lawyer. This is the allowance made for advice
Total for basic Service charge contributions	£84,112	£90,267	£89,454	There is an increase in the general day to day spending which needs to be reflected in the budget costs
Major Works costs				
Planned Maintenance / Major Works				
Professional Fees (Surveyors) for the South & West Elevation inc balconies & roofs	17,250	0	12,000	We collected a sum of money in 2024 for surveyors fees for the south elevation. This will be retained in the account to be offset against the fee that will be payable in 2025-26. As the scope of works has altered and the costs increased, their fee is based on a percentage of the overall contract sum. It will be necessary to collect further sums to meet these costs
Professional Fees (Surveyors) for the fire door and compartmentation work	8,400	8,024	7,295	We collected a sum of money in 2024 for surveyors fees for the fire doors and compartmentation work. This will be retained in the account to be offset against the fee that will be payable in 2025-26. As the contract sum was far higher than anticipated, more funds are required to settle the surveyors fees
10 Year Maintenance Plan		2,268	0	This is the cost of Kingston Morehen drafting a 10 year plan for the building setting out the priority of work required. From this major works will be arranged and the plan reviewed annually to ensure priorities have not altered.

Communal Fire Door remediation & Compartmentation costs - budget figure	70,000	153,320	83,320	The budget estimate in 2024-2025 pre-dated the tenders being obtained. As there was a shortfall in funds collected for this work we will need to collect the shortfall to settle the invoice
External Repairs to South & West elevation inc Balconies & roofs	180,000	0	112,161	In 2024-2025 we estimated the work to the front elevation (South) would be in the region of £180,000. Due to significant water ingress being reported on the west elevation, it was agreed to change the scope of works. We have been provided with a budget cost for this work and need to collect the additional amounts before work can begin
Section 20 Administration Fees	4,500	4,012	7,304	These are the fees we will charge for administering a Section 20 Consultation on works which are over the sum of £250 per flat inc VAT. Our fees are charged at 2.5% of the contract sum + VAT with a min fee of £500 + VAT
Sub Total	£280,150	£167,624	£222,080	This is the total cost of major works and professional fees
TOTAL	£364,262	£257,891	£311,534	THIS IS THE TOTAL SUM DUE FOR 2025-2026