



# Hampshire Lakes Village Budget Meeting

3rd December 2024

10.00am-11.00am



# Housekeeping

- **Welcome**
- **Fire Alarm**
- **Please remain respectful in all exchanges**

# Agenda

- **Introduction**
- **The service charge budget for the new financial year**
- **Planned works**
- **Sinking / Cyclical repair funds**
- **Resident agenda items**

# Leasehold Service charge

## Overview

The service charge is calculated based upon the communal running costs for the village.

All service charge costs are applicable to 119 apartments equally.

The service charge budget is completed by the General Manager and Financial Business Partner.

# Budget Overview 24/25

Active as of 1 April 2025.

# Service Charge 2025/2026

A thorough review of all costs has been undertaken to ensure that all operational costs are accountable, necessary and estimated for next year's budget.

## Key points:-

- Reduced to **£790.57** per property per month
- Surplus of £96,575 from 23/24 financial year, superficially reducing the actual operational cost.
- Real living wage / Inflationary salary increase 2.5%
- Insurance increase
- New contracts
- New items/ services

# Estate Costs

## Estate Manager Costs

- Increase due to wellness management to **full time** yr on yr.
- Inflationary salary increase provision

## Other Staff Costs

- Inflationary increase to all staff or uplift of the **real living wage** (£12.00ph to £12.60ph.)

## Office cost, internet & telephone

- Budget based on 23/24 actuals for phone/internet.

# Estate Costs

## Communal Utilities

- Decrease year on year of **£36,815** in overall communal utility costs.
- Budget is based on historical consumption @ budgeted energy price rates for gas and electricity.
- Gas £59,050 from £49,214 (**increase £9,836**)
- Electricity £75,671 from £122,992 (**decrease £47,321**)
- Water - £5,925 from £5,255 (**increase £670**)

Communal costs are at net cost (all contributions from commercial services and care home not included)

# Estate Costs

## Grounds Maintenance

- 2 gardening staff fulltime ( **increase 7.5hrs** )
- Tree & Ditch works (**£11.5K** )
- Pond maintenance (**£1.5K**)
- Equipment, Chemicals, (£5k) additional planting
- Lawn maintenance - (29K –no increase)

## Cleaning, Waste Management and Pest Control

- Cost decreased ( **£6K** )
- Gutter cleaning removed, due to equipment purchased to enable localised maintenance
- Reduced communal cleaning costs

# Estate Costs

Miscellaneous Costs	Decreased (6K) due to review of misc items including pool media sand. Includes car lease proposal
Professional / Auditor Fees	Suppliers increase
Insurance	Increase of (£49K) to £107,687 for location. The financial year runs from April through to March. Insurance premiums run from July to June and cross over 2 financial years. The budget contains 3 months actual premiums April to June and 9 month's forecast. Insurance includes buildings, communal contents and terrorism and is allocated based on the valuation of the location. (Note: the valuation relates to leasehold only and excludes any valuation for the care home. The care home receives its own premium)



# Periodic & Service Contracts

Heating Equipment

Increase of (9.5K)

Heating Servicing increases due to new long-term contract (Jun 24). Servicing includes plant room boilers, manifolds, underfloor heating and HIU units in external blocks.

Fire, Lighting, Call Systems and Door Entry

Lift servicing

Water servicing

Other - miscellaneous servicing

All services – Based on current year with inflation at 2.4%

There are no Kitchen or Laundry costs with service charge.

Administration of Maintenance Contracts

13.32% of total contracts value. Same % as previous year.

## General repairs

General building repairs

Increase of (£12K) based on current year spend.

## Reserve Fund

Repairs Fund  
(Cyclical Refurbishment)

Cyclical repair fund has increased by 8% (£10K) to cover expected costs in future years.

Fund as of October 2024 - £341,569.

# Additional points

Management Fee

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Fee increased from £576 to £590 per property – This is for provision of support and central services which are not included elsewhere within the service charge.

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Other Income

20% Wellness Income based on external memberships and concessions.

Surplus from last years service charge accounts

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Surplus (£96,575) as per financial statement Mar 31<sup>st</sup> 2024. The surplus is artificially lowering the service charge by £67.63 pm

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*For information only*

Sinking Fund – not part of the service charge.

Fund as of October 2024 - £607,652.

# Additional Points

## Planned Works

- Phase 1 internal/external cyclical works complete.
- No planned works for 2025 at this time, however Phase 2 external works is under discussion.

## Upgraded digital connections - future works

- Enable the telephony system to continue to work once the analogue network is retired by Jan27.
- Improved WIFI connection access within the village.

## Stock Condition Survey

Expected in 2025. Delay due to complex site needs.

Inhouse team will be undertaking the survey to all elements except the complex M & E kit. Denham Garden Village starts in January and Hampshire Lakes will follow.

The compliance team will look to gain further information from our service contractors on the existing M & E equipment and fill any gaps with reports from relevant experts to gain a full survey report.

# Village transport

## Current vehicle provision ( £3.50 pp pm)

- 1 Minibus – 13 seater with access tail lift
- 1 minibus – 9 seater
- Both vehicles owned by Anchor, running costs paid by service charge
- Restricted service provision (limited vehicle access/ restricted destinations)

## Proposed vehicle provision (£7.14 pp pm)

- 1 Minibus – 13 seater remains
- 1 Minibus sold – proceeds seen as service charge income.
- Lease 7 seater people carrier
- Lower running costs
- Provides more flexible options such as additional driving schedules to drop off/pick up to local doctors/ dentists etc.



Difference in new car vs current arrangement for Service charge pm pp is £790.57 vs £786.23.

# Resident raised points

## Insurance

### Key points

- Insurance premium continues to rise globally, as have the claims driving up premiums.
- Insurance claims increased for many reasons incl. weather, flood, storms, materials and labour.
- Zurich Municipal – 5 year contract (Jun 21-26). In addition, Anchor work with an external insurance consultant who provide a comparison overview to others in order for us to keep abreast of the market.
- Significant increase yr on yr, 84% higher than current year for homeownership at Hampshire Lakes. Some locations have seen up to 300% increase.
- The premium rate factors in property type ( homeowners, care, rented) and the location rate is based on type. Also factored in are things like historic claims, property value, risk location and global events, material and labour, increased cost of claims, driving inflation directly impacting on insurance premium cost.

# Resident raised points

## Insurance

### Key points continued -

- The build of P1 & P2 do not have an implication to the increase of cost.
- The insurance service charge includes buildings, communal contents, public liability and terrorism insurance.
- Excess payment for individual property is £350 for all but escape of water which is £500.
- The villages premium is calculated on the re-instatement value of Hampshire lakes and not across other villages.
- The Financial Conduct Authority (FCA) implicated new regulations that will apply to insurers, insurers will have to apply clear details on what is insured and what is the cost. This will be provided in a document called “Multi Occupancy Buildings insurance ( MOBI)” by Zurich. As yet, we do not have date as to when we will receive it, but when we do, we will share it with you.
- The three villages is one premium cost and pro-rata by property size and values. Hampshire Lakes being the smallest of the villages pays 20% of the overall villages premium.

# Resident raised points

## Utilities

- Wellness metering – currently not actioned, however we are investigating if feasible for next year.
  - Electricity unit rates have dropped significantly for next year, calculations based on historic usage date x forecasted rate.
- EBDS ( energy relief scheme) discount has been applied to all private property bills ( if applic) earlier in year. EBDS discounted unit rates have been applied for communal areas.

## Service Charge Income

- Budgeted income is based on the 20% contribution of expected external wellness memberships and concessions revenue.
- Budget forecast breakdown for year
  - Wellness external membership income contribution £8574
  - Concessions income contribution £3120

# Resident raised points

## Interest on funds held

Interest is not budgeted for. Interest is shown only within end of year financial statement as an actual figure. N.B. bank interest is a variable rate and a constant movement throughout the financial year.

## Heating Service increase

The service charge covers the main boilers, underfloor heating and all property heating systems including HIU unit.

The cost has increased significantly year on year with the new 5 year contract in place. I am currently challenging this and will update with any further information to explain increase in more detail.

## Wellness actual running costs.

Following ongoing discussions with HLRA, we are working on a potential bespoke method to capturing costs for the wellness centre separately for next year. There will be no change to the Anchor financial accounting formats for financial statements or budget documentation going forward.

# Final Points

## Budget pack -page 4

The last column “ Column Estate Budget pa” contains incorrect information. This was due to an IT issue and has been corrected now but your budget pack is incorrect. The details should be the same as page 3, column “new charge 25/26”. The correct page 4 is available.

This error does not affect the overall service charge calculations, it is for information only.

## Resident feedback forms

-The majority of comments raised in the feedback forms submitted have been addressed however for specific individual questions these will be responded to directly to the individual.

## Meeting Notes

- Summary of meeting will be made available and will include any questions raised at this meeting which were noted and need to be responded to in due course.

- The presentation will be available in the library and also provided to Keith to add to the website.

# The Festive Season at Hampshire Lakes



- Christmas Market stalls – Wed 4<sup>th</sup> December 10am – 1pm in the Library and Bar
- Christmas Tea Party – Sat 7<sup>th</sup> Dec at 3pm. ( sold out)
- Just Try one – Demonstrations of range of beds and bespoke armchairs with tea, coffee, cake or mince pies . Monday 9<sup>th</sup> December – 3pm.
- Robbie and his Guitar – Buffet meal Tue 10<sup>th</sup> Dec at 6.30pm
- Christmas Day Lunch – Merry Christmas to all.
- New Years Eve Gala Dinner – Tue 31<sup>st</sup> Dec at 7.30pm





On behalf of all of us, the village team.



**Wishing you a very merry Christmas  
and  
happy New Year.**



# Merry Christmas Everyone



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