

# ELEPHANT PARK



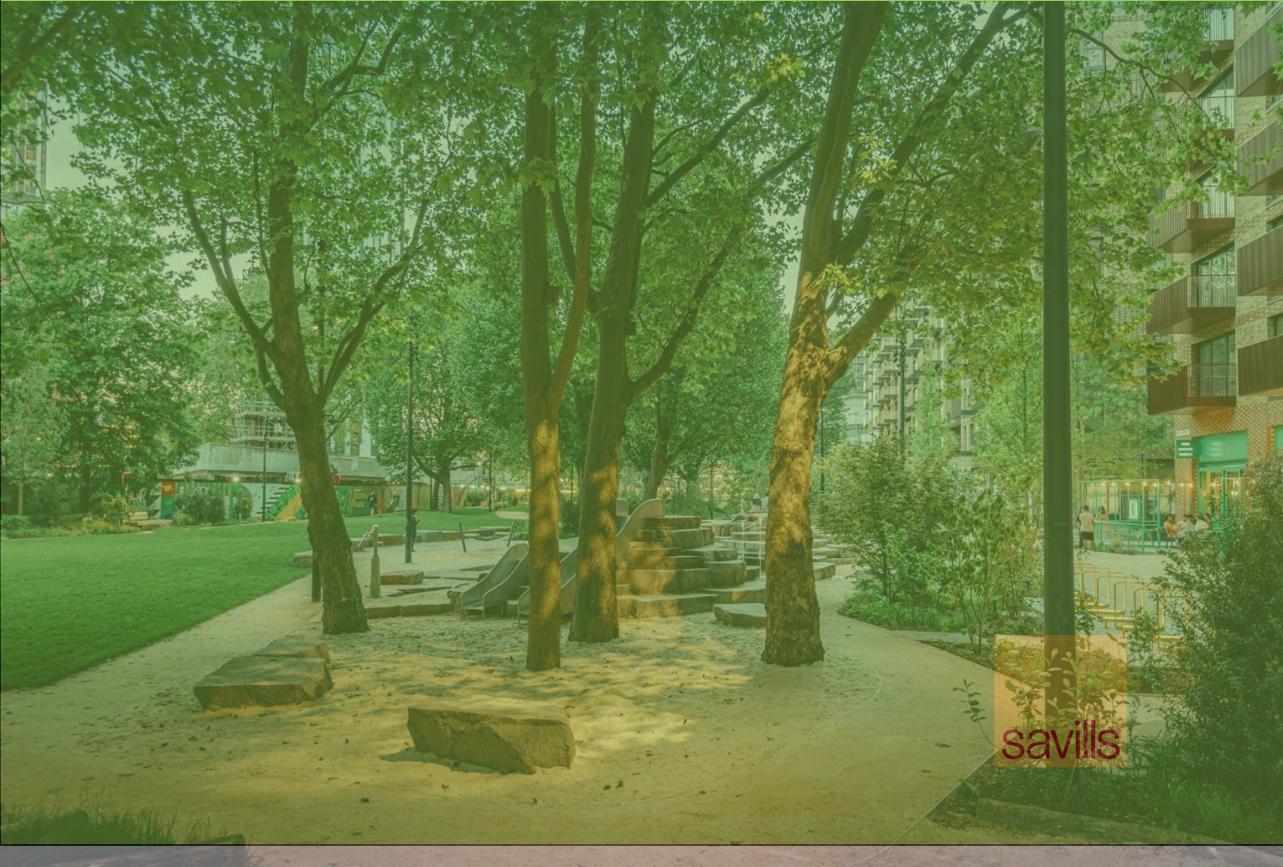
# Service Charge Budget Report

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## South Gardens

Service Charge Year: 01/07/2025 to 30/06/2026

Report date: June 2025



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# EXECUTIVE SUMMARY

This budget has been produced by Savills on behalf of Lendlease Residential (CG) Limited, landlord of South Gardens and relates to the service charge for the period 01 July 2025 to 30 June 2026. This report has been produced in accordance with RICS Professional Statement: Service charges, 1st edition September 2018 and Savills Management Policies and Procedures which are set out in Appendix 1.

Over the past year, we have undertaken extensive work to elevate management services and maintenance being provided to South Gardens. This includes a thorough review of the existing service contracts and staffing strategies employed to operate South Gardens.

Further to the successful launch of Parcel SafePlace, which is the self-serve parcel room, we have been able to bring efficiencies to the day to day operating team, which has allowed us to reduce operating staff costs which has been reflected within the budget summary below.

You will also be aware that we have issued Section 20 consultations for site wide, mechanical & electrical and security. It is our hope to be in a position to appoint all contracts in the financial year of 2026 where we hope to be able to bring further efficiencies to the budget and secure long term maintenance agreements which will introduce further savings.

As part of our commitment to transparency, we would like to provide a breakdown of the Estimated Service Charge Budget for South Gardens.

Through our various cost-saving exercises, we have managed to minimise the increase of the 2026 budget to £2,730,944 representing a 1.11% increase. This percentage will vary dependant on your individual lease with the services and assets your property is responsible for. Throughout South Gardens the % variance of last year will range from **\*\*%** to **\*\*%**,

Changes for each cost heading can be found on the Variance commentary pages within this pack but below are some key costs and projects that we are looking to implement in the 2025/26 financial period.

# KEY INFORMATION

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## YOUR SERVICE CHARGES EXPLAINED

A service charge is a payment made by a Leaseholder or Tenant to their Lessor or Landlord, towards the costs of providing services for the common parts of buildings and external communal areas of the estate.

Service charges include the follow costs:

- Day to day repairs to the structure of the building;
- Maintenance and replacement of fabric and mechanical equipment;
- Professional costs required to manage and provide services to the building and any associated estate;
- Communal utilities.

Services charges are separate from council tax and does not include costs of services within your demise.

Your charges will vary according to the services you receive. We calculate the service charge estimates based on confirmed servicing and contract costs following a competitive tender exercise. We also benchmark reactive costs against prior year actual costs and the condition of assets.

Your contribution is a fair and reasonable share of costs for your respective building, storage unit, car park bay and a proportion the estate, in line with the floor area percentage. This apportionment is defined in the lease terms.

## YEAR-END RECONCILIATION

At the end of the year we work out the actual costs and send you a statement showing how this compares to the previous estimate.

We make every effort to ensure that the amount we estimate is realistic, reasonable and as close to the amount we actually spend as possible. However, sometimes at the end of the year there will be a difference between what we collected and what we spent.

If the amount spent is lower than the service charge estimate, we will apply a credit to your account

to offset future charges. If we spent more than we estimated, we call this a deficit and we may have to ask for further payment from residents.

The Landlord holds service charges in trust, and does not make a profit from service charges as they are only allowed to pass on costs that we have incurred. This means you only pay for the services that have been provided in line with the terms of your lease

# **SERVICE CHARGE BUDGET**

## **ACCOUNTING PRINCIPLES AND**

## **POLICIES**

Set out below are the accounting policies under which the budget has been prepared:

### **Banking**

All service charge funds held by Savills are in a dedicated client account administered at Property level, with interest earned credited to the service charge account minus any administration costs.

### **VAT**

With effect from 14 October 2023 the landlord elected to waive the exemption from VAT. Therefore, all service charge expenditure is shown exclusive of VAT. VAT will be charged at the appropriate rate on all service charge payments demanded/ invoiced by the landlord.

### **Total Cost of Management**

#### **Management fee**

Savills were appointed as managing agents on this development from 14 October 2023 for a period of 3 years and the managing agreement relates solely to this property. The management fee is a fixed fee subject to annual indexation. A separate fee has been agreed with the landlord for any duties performed in relation to non-service charge matters.

#### **On site management**

Any separate administration fees made in relation to human resources costs and payroll costs associated with dealing with on-site staff are separately identified in the service charge budget where applicable.

The notes to the budget include a summary of all fees charged by the managing agent.

### **Insurance Claims**

Income in respect of insurance claims is recognised in the accounting period where confirmation has been received from the insurers that the claim will be settled. The associated costs of the claim are charged to the service charge in the period in which the costs are incurred.

### **Empty Units and concessions granted to tenants**

Service charge costs are apportioned daily and the landlord bears an appropriate proportion of the service charge expenditure in respect of voids and vacant premises.

Likewise, if a tenant has any form of concession, whereby their contribution to the service charge is capped or is lower than the apportionment due, the landlord pays the difference.

### **Sinking fund/reserve fund**

A reserve fund has been established to provide funds to meet the costs of future maintenance & repair works required across the estate. Contributions are paid to the reserve fund are currently based on an estimated figure and previous estimates. It is usual for Planned Maintenance Programs to be reviewed every year and to be fully re-assessed every 5 years. This is budgeted for in the service charge, which will be used to guide contributions moving forward. Interest is credited gross of UK tax.

The reserve funds are held in an account at Lloyds Bank in a dedicated client account administered at property level. Bank interest is charged to this account. Interest is credited gross of UK tax.

### **Landlord forward funding**

There are no landlord funded works in the service charge budget.

### **Depreciation charges**

There is no depreciation charge in the service charge budget.

### **Agreed contributions to future works**

The service charge budget does not include contributions to future works. Works for planned maintenance highlighted in the capital expenditure report is collected via the reserve fund.

### **Commercialisation**

Income created from the Tree House, is circulated back into the Estate Budget.

# SAVILLS MANAGEMENT POLICY

Savills takes a diligent approach to the management of property and recognise the need to operate service charge accounts with care.

For each property, Savills identify the procurement strategy most suitable based upon an appropriate level of service and value for money. In managing tenant funds, we take a professional approach to contractor management and procurement, utilising in house resource wherever possible. Recurrent contracts will be retendered, or price checked at regular intervals and specifications are subjected to regular review.

Specialist consultants will be utilised to assist in the management and procurement of certain expenditure to provide expert input and advise.

We ensure that all contractors and suppliers perform according to the agreed written performance standards. Where appropriate Savills regularly measure and review performance against these defined performance standards as well as regularly review the appropriateness of standards used.

Our procurement policies and procedures cover the whole procurement process and ensure there is effective management of the procurement cycle. We have systems in place to enable us to carry out a full and thorough evaluation of contractor's ethical, financial, environmental, sustainability and social standards.

We aim to deliver a management regime which takes a considered and structured approach to sustainability, managing environmental impact whilst ensuring compliance with statutory requirements and delivery of sustainability targets including waste management, energy efficiency and responsible procurement.

All service charge funds held on trust by Savills in a dedicated client account.

# Residential Buildings & Car Park

## Service Charge Budget

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## KEY VARIANCES FOR RESIDENTIAL AND CAR PARK BUDGET

**Concierge & Reception services:** We have deemed it necessary to increase concierge salaries and ensure these are in line with London living wage levels. This will enable us to retain our team members, as well as attract the right candidates to Elephant Park. Similarly, we have decided to introduce overtime incentives to the existing teams to reduce use of agency staff. After careful review of the duties and escalation points, we have also introduced a floating resource which will be shared across all buildings, who will act as an escalation for the concierge teams and provide cover should any of the team not be able to cover their shifts at short notice. Making these changes has allowed the team to reduce the overall numbers of staff and represent savings.

**Building Safety Act Compliance:** Considering recent regulatory requirements under the Building Safety Act, we have allocated additional funds to ensure that our property meets all necessary safety standards, as well as executing the responsibilities under the Principal Accountable Person as Detailed within the act. These costs are new and many of these are applied once every five years and some will be on an annual basis moving forwards.

**Reserve Fund:** We have increased the size of our reserve fund to better prepare for future major works projects. Which we have increased in this service charge year and intend to incrementally increase this cost year on year, so that we are able to meet all future items of major works, as per the capital expenditure plan for South Gardens. This will avoid the requirement to potentially demand additional funds when there are capital expenditure works to be carried out.

**Asset Maintenance:** It is crucial that all items listed in our asset register receive adequate maintenance and servicing in accordance with SFG20. The increased budget will enable us to uphold the integrity of our property's infrastructure and minimize the risk of equipment failure which will lead to the need for early replacement and increased capital expenditure costs.

Through our various cost-saving exercises, we have managed to minimise the increase of the 2026 budget to £2,730,944 representing a 1.11% increase.

# VARIANCE COMMENTARY

The below provides an overview of the change for each expenditure projected for 2025/2026 versus 2024/25. The variance commentary is provided for each cost category. Please note this is an overview for all schedules on the residential budget only. Please refer to the budget below for individual schedule breakdown.

## Management

<b>Management Fees</b>	<b>2026: £63,346</b>	<b>2025: £63,346</b>	<b>Variance: 0%</b>
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Management fees will remain unchanged as per Savills agreement with LendLease.

## Accounting Fees

<b>Independent Accountants Fees</b>	<b>2026: £5,670</b>	<b>2025: £5,670</b>	<b>Variance: 0%</b>
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Following conversations with the independent accounting firm, Savills are pleased to confirm that these fees will not increase.

## Site Management Resources

<b>Staff Costs</b>	<b>2026: £142,261</b>	<b>2025: £164,556</b>	<b>Variance: -13.55%</b>
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Savills are pleased to confirm that even though there is a 7% rise in National Insurance across the UK, restructuring within the operations team (as mentioned earlier in this pack) has meant an overall reduction of 13.55%. Staffing costs include the building management team as well as operational staff whose costs are apportioned across all developments at Elephant Park.

<b>Reception/Concierge</b>	<b>2026: £292,340</b>	<b>2025: £323,247</b>	<b>Variance: -9.56%</b>
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With restructuring undertaken across Elephant Park, introducing Duty Managers and streamlining concierge contributions, we have successfully reduced this cost by 9.56%

<b>Office Costs (Telephones/Stationery)</b>	<b>2026: £4,080</b>	<b>2025: £4,080</b>	<b>Variance: 0%</b>
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Understanding our previous year's office costs, working economically, we are forecasting no change.

<b>Systems</b>	<b>2026: £14,400</b>	<b>2025: £14,400</b>	<b>Variance: 0%</b>
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Systems costs will also remain the same. These include management of basic IT equipment, software upgrades and updating basic equipment such as PC's/laptops.

<b>Help Desk/Call Centre/Information Centre</b>	<b>2026: £7,320</b>	<b>2025: £7,320</b>	<b>Variance: 0%</b>
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This covers the Dwellant system and staff wellbeing including lone working. No increase is forecast.

## Professional Fees

<b>Landlord's Risk Assessments, Audits and Reviews</b>	<b>2026: £13,374</b>	<b>2025: £12,576</b>	<b>Variance: 6.35%</b>
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This cost has increased slightly, due to inflation as well as the new requirement to complete fire evacuation drills. Risk assessments and audit costs include: general risk assessment, Water Risk Assessment, Fire Risk assessment and Roof apparatus reviews.

<b>Other Professional Fees</b>	<b>2026: £72,000</b>	<b>2025: £107,940</b>	<b>Variance: -33.30%</b>
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This decrease is due to a potential reduction of BSA (Building Safety Act) requirements from the previous year. Other professional fees are largely based on costs associated with the building safety act. The costs for 2025 were based on 1 safety case report. Should there be a requirement from the building regulator to complete their 1st year's requirement, we will use reserve funds. Savills won't know when we might contacted. The reserve funds will be replenished the following year in line with the capital expenditure plan.

<b>Legal Fees</b>	<b>2026: £2,106</b>	<b>2025: £2,106</b>	<b>Variance: 0%</b>
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These fees remain the same as contingency cost. These fees are associated with any costs where Savills require legal support.

## Utilities

<b>Electricity</b>	<b>2026: £187,950</b>	<b>2025: £143,394</b>	<b>Variance: 25.81%</b>
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Understanding the actual usage from the previous year, the electricity budget has increased to minimise the risk of a deficit at the end of the financial year. Any surplus is credited upon the completion of the accounts. The breakdown of historic expenditure will be shown once the accounts are delivered.

<b>Water and Sewerage Charges</b>	<b>2026: £4,460</b>	<b>2025: £4,460</b>	<b>Variance: 0%</b>
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No Increase based on last year's expenditure forecast

<b>Utility Procurement and Consultancy</b>	<b>2026: £3,402</b>	<b>2025: £3,402</b>	<b>Variance: 0%</b>
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No Increase based on last year's expenditure forecast

## Soft Services

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<b>Security Systems</b>	<b>2026: £37,680</b>	<b>2025: £450</b>	<b>Variance: 8273.33%</b>
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This is a new budget requirement across developments at Elephant Park. Although paid for annually, previous years have not budgeted for this cost. This is an annual contract. This covers the maintenance of the network systems on site.

## Cleaning & Environmental

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<b>Internal Cleaning</b>	<b>2026: £139,412</b>	<b>2025: £135,623</b>	<b>Variance: 2.79%</b>
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Although we have been able to reduce the overall contract with our internal cleaning company, the rise in the London living wage and NI contributions of 7%, has meant a slight increase of 2.79% year on year.

<b>Window Cleaning</b>	<b>2026: £16,800</b>	<b>2025: £16,800</b>	<b>Variance: 0%</b>
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After negotiations with the current provider, we are pleased to advise there is no increase for window cleaning

<b>Hygiene Services/Toiletries</b>	<b>2026: £2,640</b>	<b>2025: £2,640</b>	<b>Variance: 0%</b>
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This relates to sanitary toiletries, hand sanitisers, air purifiers and fresheners. We do not anticipate any increase in this cost

<b>Waste Management</b>	<b>2026: £2,000</b>	<b>2025: £0</b>	<b>Variance: 100.00%</b>
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Residential fly tipping costs are budgeted at £2000. Previously not separated in the budget schedule, this ensures accurate financial management and transparency of expenditure. Both residents and Savills staff have worked hard to minimise fly tipping. The 2026 budgeted amount is based on last year's actual expenditure. A site the size of South Gardens would normally expect costs in the region of £6-8k per year.

<b>Pest Control</b>	<b>2026: £3,113</b>	<b>2025: £3,113</b>	<b>Variance: 0%</b>
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With a new contractor on board, we have agreed no increase in this cost

<b>Snow Clearance/Road Gritting</b>	<b>2026: £3,182</b>	<b>2025: £3,182</b>	<b>Variance: 0%</b>
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This cost remains unchanged.

## Landscaping and Environment

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#### External Landscaping

2026: £80,719      2025: £92,400      Variance: -12.64%

After consultation with the landscaper, they have proposed minor adjustments in the service which will save money on the overall cost without compromising site standards.

#### Seasonal Decorations

2026: £3,000      2025: £3,000      Variance: 0%

No Increase based on last year's expenditure.

### Hard Services

#### M&E Maintenance

2026: £258,010      2025: £258,010      Variance: 0%

We are currently in the process of retendering the M&E contract to ensure the best service and value for money. The aim is to secure a 3 year contract to maximise on cost efficiency whilst locking in a term to understand better, future costs. The RA are working with Savills to ensure there is sufficient resident input. We aim to have this in place by the end of this financial year.

#### M&E Repairs

2026: £60,090      2025: £60,090      Variance: 0%

This is a difficult schedule in the budget to forecast. This covers many of the unknown ad hoc maintenance requirements for the development. This cost remains the same, however as part of the retendering process, we hope to provide cost efficiencies where possible.

### Lifts & Escalators

#### Lift maintenance

2026: £70,080      2025: £51,031      Variance: 37.33%

The actual expenditure of lift maintenance, which included non-contractual work was underbudgeted. We have needed to increase this amount by 37.33%. We will continue to work closely with residents to minimise lift outages due to user error.

#### Lift and Escalator Inspections and Consultancy

2026: £3,948      2025: £3,948      Variance: 0%

This consultancy allows us to work closely with an independent specialist who ensures that we are receiving value for money and the correct service from the lift maintenance provider.

### Fabric Repairs & Maintenance

#### External Fabric Repairs and Maintenance

2026: £30,000      2025: £30,000      Variance: 0%

Based on current expenditure, there is no increase

#### Internal Fabric Repairs and Maintenance

2026: £63,000      2025: £63,000      Variance: 0%

Based on current expenditure, there is no increase

**H&S (Fabric)** **2026: £18,000** **2025: £57,486** **Variance: -68.69%**

With the completion this year of the FRAEW's (Fire Risk Assessment of External Walls) and with no immediate remedial works forecast we are pleased to see a substantial saving

**Drainage Maintenance and Repairs** **2026: £60,000** **2025: £60,000** **Variance: 0%**

This is in line with the capital expenditure plan with drainage surveys being undertaken in the coming year

## Engineering Insurance

**Engineering Insurance** **2026: £4,252** **2025: £8,456.22** **Variance: -49.72%**

Following meetings with LendLease and their insurers, we have been assured there will be no rise in insurance premiums. The new budget reflects the actual costs from policy documentation from the current financial year.

**Engineering Inspections** **2026: £13,235** **2025: £11,711** **Variance: 13.01%**

Following meetings with LendLease and their insurers, we have been assured there will be no rise in insurance premiums. The new budget reflects the actual costs from policy documentation from the current financial year.

## All-Risks Insurance Cover

**Building Insurance** **2026: £358,375** **2025: £406,005** **Variance: -11.73%**

Following meetings with LendLease and their insurers, we have been assured there will be no rise in insurance premiums. The new budget reflects the actual costs from policy documentation from the current financial year.

**Insurance Excess/Claims** **2026: £2,500** **2025: £0** **Variance: 100.00%**

This is a new line in the budget. Insurance excess for communal claims for water leaks is £2,500. We have allowed for one claim which was previously taken from the M&E repairs schedule. The plan is that following this budget we will be able to move costs from M&E maintenance to this part of the budget and understand better the impact of claims directly on the budget.

**Public and Property Owners Liability** **2026: £1,700** **2025: £26,768** **Variance: 93.65%**

Following meetings with LendLease and their insurers, we have been assured there will be no rise in insurance premiums. The new budget reflects the actual costs from policy documentation from the current financial year.

**Insurance Revaluation** **2026: £13,206** **2025: £0** **Variance: 100.00%**

Every 3 years, insurers require a 'Reinstatement Cost Assessment' (RCA) to be undertaken to understand the cost should a building need to be rebuilt. The RCA is due in the coming year.

## Terrorism Insurance

**Terrorism Insurance** 2026: £53,295 2025: £60,268 Variance: -11.57%

Terrorism Insurance is obligatory and covers any related damage following a terrorist incident. Following meetings with LendLease and their insurers, we have been assured there will be no rise in insurance premiums. The new budget reflects the actual costs from policy documentation from the current financial year.

## Exceptional Expenditure

**Project Works** 2026: £0 2025: £30,000 Variance: -100.00%

No projects are planned for the coming year.

**Reserve Funds** 2026: £238,000 2025: £100,000 Variance: 138.00%

As part of Savills and the RA's plan to meet the capital expenditure requirements for the development, it has been agreed to increase the reserves closer to the forecast Capex Plan. This also helps to minimise the need for additional funding mid-year (in the years to come) should urgent works be required.

## External Contributions

**Contributions to Estate Service Charge** 2026: £381,943 2025: £354,397 Variance: 7.77%

Savills have worked closely with contractors to keep this increase minimal. The variance excluding the retail contribution is 7.77%. This contribution is split equally through all developments at Elephant Park. Further explanation can be found in the estate budget.

## **RESIDENTIAL BUILDINGS AND CAR PARK DETAILED BUDGET**

Please refer to Appendix 1

# Estate

## Service Charge Budget



## KEY VARIANCES FOR ESTATE BUDGET

- Admin, Employment Costs -£33,374 / -11.26% - review and reallocation of resource across the estate team.
- Office costs - -£35,000 / -53.85% - removal of project works to make security room fit for purpose.
- Electricity - £11,744 / 41.11% - We have based the budget off actual consumption in the previous year and applied account rates for the coming contract year resulting in a year on year increase.
- Security Services - £32,672 / -4.40% - The security contract is to be tendered, in budgeting we approached suppliers to gain an understanding of the market and based our budget on average costs they have provided. The increase from wage growth and Ni increases have been softened this by the retender.
- Cleaning - £300,421 / 100.28% - inclusion of additional hours to accurately reflect actual time spent by the cleaning team. The full impact of this has been curbed by a re-tender and moving to a seasonal model ultimately reducing head count.
- Estate income - £18,600 / 113.41% – estimated income from Hanna Coffee & the Pavilion Event Space.
- Insurance - £45,069 / 58.48% - as advised by Lendleases brokers, Marsh, we have based the 25/26 budget off the 2024/25 ac insurance premium there is a large variance year on year due to under budgeting in year-end 2025.
- Transfer to reserve fund - -£50,500 / -47.42% - following consultation with the RICS as well as benchmarking using business best practice at 2.5% of the total budget, this has resulted in a reduction to reserves YOY of £50,500.

# VARIANCE COMMENTARY

## Management

<b>Management Fees</b>	<b>2026: £115,000</b>	<b>2025: £115,000</b>	<b>Variance: 0%</b>
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Management fees will remain unchanged as per Savills agreement with LendLease.

<b>Accountancy Fees</b>	<b>2026: £6,500</b>	<b>2025: £5,620</b>	<b>Variance: 15.66%</b>
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Fixed fee provided by Accountants producing site year end accounts for Elephant Park.

<b>Employment Costs</b>	<b>2026: £263,001</b>	<b>2025: £296,385</b>	<b>Variance: -11.26%</b>
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Following the restructuring of the Estates teams roles and responsibilities we have been able to curb increases from NI and London living wage rises to deliver an overall saving year on year

<b>Out of Hours Emergency Desk</b>	<b>2026: £5,000</b>	<b>2025: £1,600</b>	<b>Variance: 212.50%</b>
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The cost of providing an out of hours incident support. The increase is based on the actual contract costs, previously this was underbudgeted leading to the dramatic year on year variance. NOC (National Operations Centre) assists with lone working, logging night staff in and out and security being able to report incidents for escalation.

<b>Office Costs</b>	<b>2026: £30,000</b>	<b>2025: £65,000</b>	<b>Variance: -53.85%</b>
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This budget line relates to the costs associated with the running of the management office including business rates, IT and stationary / consumables. There is a year on year reduction as the previous year's budget included a provision to increase the size of the security room to meet the needs of the current regime however this project did not go ahead.

<b>Systems</b>	<b>2026: £40,200</b>	<b>2025: £45,000</b>	<b>Variance: -10.67%</b>
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This represents the cost to supply the site network which supports the CCTV infrastructure across Elephant Park. Negotiating costs has meant a 10% reduction on the coming year.

## Health & Safety

2026: £7,655      2025: £6,914      Variance: 10.71%

The Health and Safety budget is to complete risk assessments to ensure the Estate remains compliant with statutory requirements and reduce the risk to users of the estate. Year on year there is a £741 increase as the YE25 budget was underbudgeted Vs the contract cost

## Utilities

Electricity      2026: £40,315      2025: £28,571      Variance: 41.11%

This estimate is based on the actual consumption of electricity across the estate common areas and the management suite. In budgeting we have asked the energy bureau to provide estimates based on the previous year's consumption and contract rates which has led to a year on year increase

Water      2026: £17,500      2025: £16,280      Variance: 7.49%

This estimate is based on the actual consumption of water across the estate common areas and the management suite. In budgeting we have asked the energy bureau to provide estimates based on the previous year's consumption and contract rates which has led to a year on year increase

Procurement Fees      2026: £2,275      2025: £2,065      Variance: 10.15%

This is the cost of employing an energy bureau to monitor and procure energy and water contracts as well as validate invoices. The budget has increased in line with their fees year on year

## Soft Services

Security – CCTV Costs      2026: £40,000      2025: £40,000      Variance: 0%

The CCTV budget relates to the cost of maintaining and repairing the estate CCTV system, the budget has remained flat year on year leading to no variance

Security Services      2026: £775,147      2025: £742,475      Variance: 4.40%

We are currently in the process of retendering the Security contract to ensure the best service and value for money. Our intention is to re-structure the security regime and secure a 3 year contract to maximise cost efficiency, as part of this we are also asking suppliers to review AI capabilities coupled with current infrastructure to future proof the solution

Due to the ongoing tender, in arriving at a budget we have approached a number of suppliers to provide estimates and we have budgeted on an average of the returns which has allowed us to reflect anticipated increases to London living wage as well as increases to NI. The new structure and re-tender has therefore the increases to NI and wages

Cleaning – Refuse Disposal      2026: £5,500      2025: £14,010      Variance: -60.74%

Following a review of waste produced across the estate and actual costs incurred we have reduced the budget resulting in a year on year reduction

#### **Cleaning - Contract**      **2026: £600,000**      **2025: £299,579**      **Variance: 100.28%**

Quotations from the incumbent cleaning contractor for the coming year (including the actual expenditure last year), were in excess of £620,000. We took the breakdown of actual expenditure and produced a new scope of works. This was used to negotiate savings and reduced the increase by £20,000.

The year on year variance for 2025 is due to;

- Reflecting actual time spent by the cleaning operatives in removing sand from the Springs filtration system, based on logs we estimate this totals 28 hours a week and are looking at replacement solutions for the sand
- Reflecting actual time spent by the cleaning operatives leaf picking, based on logs we anticipate the cleaning operatives spend between 14-16 hours / week leaf picking
- Following the renewal of the estate pathways by Lendlease we have factored in additional hours for cleaning the paths of rubber marks left by bikes
- Increases to real living wage in line with the minimum wage increase + NI

We are in the process of retendering the building and estate cleaning contracts and are confident on further savings through the year. The tender will see us move to a seasonal model ultimately reducing headcount and focusing the team in the areas most used during each season, this should help curb the impact from the variances listed above.

#### **Pest Control**      **2026: £8,500**      **2025: £0**      **Variance: 100.00%**

This was previously included within the cleaning contract, we removed this from cleaning (prior to the quotations above) and created a new budget line for transparency resulting in an artificial 100% variance however actual impact to the budget has remained flat year on year

#### **Landscaping**      **2026: £270,00**      **2025: £250,000**      **Variance: 8%**

This increase is based on the required tree works for the coming year.

#### **Snow Clearance/Gritting**      **2026: £10,000**      **2025: £10,000**      **Variance: 0%**

This is the cost of providing a winter regime to avoid slips from ice and access. Year on year there is no variance to the contract cost.

### **Hard Services**

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#### **M&E Maintenance & Repairs**      **2026: £48,137**      **2025: £48,137**      **Variance: 0%**

This budget is for the maintenance and repair of communal M&E across the estate. The contract is fixed therefore there is no variance year on year

#### **Equipment Hire**      **2026: £10,000**      **2025: £10,000**      **Variance: 0%**

MEWP Hire for estate lighting inspections twice a year. There is no variance year on year

#### **Water Treatments (Elephant Springs)**      **2026: £40,000**      **2025: £37,910**      **Variance: 5.51%**

Cost for annual maintenance contract for Elephant Springs, within the budget we have factored a contingency for ad-hoc callouts to maintain the system due to problems caused by the sand

We are looking at replacements for the sand to reduce the repairing costs associated with it

**Lifts Maintenance** **2026: £2,500** **2025: £2,500** **Variance: 0%**

Lift maintenance contract for the Pavillion lift, year on year there is no variance

**Lift Repairs** **2026: £0** **2025: £1,500** **Variance: -100.00%**

We have removed the budget for lift repairs as the current contract is fully comprehensive.

**Professional Fees** **2026: £5,000** **2025: £5,000** **Variance: 0%**

Fees in relation to Ilecs Lift Consultancy. There is no variance year on year

**External Maintenance & Repair** **2026: £70,000** **2025: £80,000** **Variance: -12.50%**

Reactive budget for fabric repairs to the estate, year on year we have reduced the budget to reflect the previous year's expenditure as well as curb increases elsewhere

**Drain Maintenance** **2026: £15,000** **2025: £22,000** **Variance: -31.82%**

Within this cost line we have budgeted for the maintenance contract for the drains around the estate as well as a contingency for reactive repairs and call outs. We have reviewed actual expenditure and aligned the budget to this, reducing reactive contingencies

**Signage** **2026: £4,000** **2025: £4,000** **Variance: 0%**

Reactive contingencies for estate signage replacement and road marking maintenance. Year on year the budget has remained flat

## Income

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**Service Charge** **2026: -£364,729** **2025: -£289,176** **Variance: 26.13%**

Contribution from Lendlease for undeveloped plots being H11B & H1

**Estate Income** **2026: -£35,000** **2025: -£16,400** **Variance: 113.41%**

Lendlease have agreed to feed all the income from Hana Coffee into the service charge in return for the service charge baring all the landlord costs of the unit. Hana coffees' rent is partly based on turnover, therefore actual income may fluctuate and will be reconciled at year end against the Vs budget. We have budgeted for £25,000 based on the past 2 years

£10,000 Pavillion turnover from renting off the event space based on average over 2023 and 2024

## Insurance

**Public Realm** **2026: £122,137** **2025: £77,068** **Variance: 58.48%**

We have based the 2025/2026 budget for insuring the public realm and pavilion from off the 2024/2025 premiums following advise by Lendleases brokers to keep the costs flat based on market conditions. However year on year there is a large variance against budget as we underbudgeted in YE2025

<b>General</b>	<b>2026: £2,707</b>	<b>2025: £2,707</b>	<b>Variance: 0%</b>
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Public liability insurance for the estate, year on year the policy is expected to remain flat

## Forward Funding

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<b>Transfer to Reserves</b>	<b>2026: £56,000</b>	<b>2025: £106,500</b>	<b>Variance: -47.42%</b>
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Following consultation with the RICS as well as benchmarking using business best practice at 2.5% of the total budget, This has resulted in a reduction to reserves YOY of £50,500.

The reserve fund will be reviewed in line with the site Capex projects, and may be subject to change as we approach major works projects across Elephant Park

## **ESTATE DETAILED BUDGET**

Please refer to Appendix 2



27  
savills

# UNDERSTANDING YOUR BILL

Commented [NA2]: Mirror this page for the rest of the packs, but amend the property code in reference EPC001

Commented [ST3R2]: Completed for the other sites

Application Number  
**A123456**

1

## Application for Payment

\*\*THIS IS NOT A TAX INVOICE\*\*

Date issued : 01/07/2025  
Our Ref : **EPC001-123456**

2



### Acting as Agents for :

#### Lendlease Residential (CG) Limited

In accordance with Sections 47 & 48, Landlord & Tenant Act 1987, your landlord and the address at which notices (including notices in proceedings) may be served is **Lendlease Residential (CG) Limited, c/o Pinsent Masons LLP, Crown Place, London, England, EC2A 4ES**

3

This invoice is a reconstructed copy for accounting purposes only without prejudice to the original demand. For a copy of the original demand in original format please contact Savills (UK) Ltd directly.

Savills (UK) Ltd, Chartered Surveyors, A Subsidiary of Savills Plc.  
Registered in England No 02665138. Registered Office 33 Margaret Street, London W1G 0JD

#### Invoice To

#### Premises

Mr I M Tenant  
Apartment 1  
Elephant Park  
London SE17

4

Apartment 1  
Elephant Park  
London SE17

5

If you have any queries regarding your account please call 01616028662 and Please Quote Ref.:**EPC001-123456**

Acceptance of payment from a person/company who is not named in the lease does not imply a contractual relationship. Such payments are only accepted on the basis that the 3rd party is acting as agent for the Tenant named in the lease

6

Due Day	Description	New Charges		VAT %	Net Amount	VAT Amount	Gross Amt
		For Date(s)					
01/07/2025	Building Service Charge 01/07/2025 -31/12/2025 In Adv.	01/07/2025	- 31/12/2025		£1,267.00	£0.00	£1,267.00
7					£1,267.00	£0.00	£1,267.00

Interest may be charged on Late Payment.

Send Payments/Remittances to:  
Savills (UK) Ltd Clients Account  
Management Treasury Department  
Belvedere  
12 Booth Street  
Manchester M2 4AW

11

ONLY Debit card payments accepted

01616028662

Please Remit BACS Payments to:

Bank: National Westminster

Sort Code: 560017

Account No: 23597151

IBAN: GB38NWBK56001723597151

BIC: NWBKGB2L

Tenant Name:	Mr I M Tenant
Tenant Ref:	<b>EPC001 - 123456</b>
Data Issued:	01/07/2025
Demand Number:	A123456
Charges on This Invoice	£1,267.00
Total Amount Outstanding	£1,267.00

Amount Paid £

Please be vigilant in respect of any attempt to persuade you that our contact details or the bank account details have changed.  
Any correspondence that is not received from your normal contacts should be immediately validated by telephoning your usual contact number at Savills (UK) Ltd

# Key

Index	Item	Description
1	Application number	This number is unique to each bill produced on your account.
2	Bill date	This is the date your bill was produced. If you have requested a copy of your bill, the date shown will be the date on which your bill was originally produced.
3	Landlord	Your lessor will be Lendlease Residential (CG) Limited for all other service charges, in line with your respective leases.
4	Invoice to	This is the billing address provided to us by you or your solicitors. Please ensure this remains up to date, and contact Savills if you wish to make any changes.
5	Premises	This is the address of the property your bill relates to.
6	Account reference	This is the unique reference number related to your service charge accounts, <b>per lease</b> . Please quote this number on all correspondence to us and as a reference when making a payment.
7	Due date	This is the due dates of service charges stipulated by the terms of your lease. Late payment penalties may be incurred if service charge payments are not made 14 days after this date or the bill date, whichever is later.
8	Description	This details the charge type that you are required to pay.
9	For date(s)	This details the period which the charge relates to.
10	Gross amount	This is your share of the costs of services and repairs to your scheme for the year, <b>per budget</b> .
11	Payment information	This section outlines options available for leaseholders to make payments.

# HOW TO PAY YOUR SERVICE CHARGES

We offer you a variety of quick and easy payment methods. Please be sure to quote to reference number provided on each bill, so we can correctly allocate payments against your accounts.

## Direct Debit

If you wish to set up a Direct Debit, please email [ElephantPark@savills.com](mailto:ElephantPark@savills.com) to request a direct debit mandate form. Once the form is completed and returned, we will arrange this for you.

## Bank Transfer

To make payment by bank transfer, please use the following bank details:

Bank:	Lloyds Bank PLC
Account Number:	14197160
Sort Code:	30-30-12
IBAN:	GB34LOYD30801214197160
BIC:	

**Please ensure you quote your invoice number or reference number on every payment.**

We also invite you to register for e-billing. If you wish set up E-billing, please email [ElephantPark@savills.com](mailto:ElephantPark@savills.com) to request an E-billing consent form. Once the form is completed and returned, we will arrange this for you.

## HELP AND SUPPORT

We hope this information is useful.

If you still have queries surrounding your service charge account then please contact your dedicated team (page 31) who will be able to further assist.

## CONCLUSION

We trust this service charge budget report provides sufficient detail, to enable you as a leaseholder to gain a clear understanding of Savills approach to managing the common services and areas of your property and the budgeted expenditure for the following year.

The information in the report and appendices should enable you to now make a payment of any on account charges due. In the event that you do wish to raise any queries or require clarification of any costs detailed, please contact Ashley Fisher or Nina Ambrose referred to in the useful contact page of this report.

## Useful Contacts

NAME	ROLE	TEL NO	EMAIL ADDRESS
Estate team	For General Enquiries		<a href="mailto:management.enquiries@the-trunk.co.uk">management.enquiries@the-trunk.co.uk</a>
Ashley Fisher	Account payment queries	0207 877 4722	<a href="mailto:elephantpark@savills.com">elephantpark@savills.com</a>
Monique Johnson	Any sales/legal enquiries	07774 683 869	<a href="mailto:monique.johnson@savills.com">monique.johnson@savills.com</a>
Aimee Wright	Building Manager	0203 914 4188	<a href="mailto:aimee.wright@savillspm.co.uk">aimee.wright@savillspm.co.uk</a>
Kenny Attwood	Senior Development Manager	07591 953 656	<a href="mailto:kenneth.attwood@savillspm.co.uk">kenneth.attwood@savillspm.co.uk</a>
Lee Chapman	Head of Residential	07967 862 713	<a href="mailto:Lee.Chapman@savillspm.co.uk">Lee.Chapman@savillspm.co.uk</a>
Ben Belcher	Regional Estate Director	07977 700 354	<a href="mailto:ben.belcher@savillspm.co.uk">ben.belcher@savillspm.co.uk</a>
Nina Ambrose	Associate Director	07779 388 023	<a href="mailto:Nina.ambrose@savills.com">Nina.ambrose@savills.com</a>
Archie Brinsden	Surveyor	07812 089 029	<a href="mailto:Archie.Brinsden@savills.com">Archie.Brinsden@savills.com</a>

This report has been produced by the above team and all queries relating to your building should be addressed to Aimee Wright in first instance.

Should you have any queries regarding your service charge or how to pay it, please contact Ashley Fisher above.

If you're considering selling or remortgaging your property, please contact Monique Johnson.