



Your guide to the Annual Budget Schedule 2024/25

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Introduction

We are part of the NHS family with **6,000 professionals** supporting **over 3,000 healthcare properties** across England. Our purpose is to enable excellent patient care by being the best property and facilities provider to the NHS.

Our services include estate strategy and optimisation, property management, facilities management, property development and construction project management. We support millions of patients and NHS colleagues in collaboration with our **7,000 customers** who range from Integrated Care Systems, health providers, charities and more.

Our culture and values seek to place our NHS colleagues and their patients, at the heart of everything we do.

How we can help you



Recovering from the pandemic



Creating Healthy Places



Transforming the NHS estate



Delivering sustainable estates

- Reducing waiting lists through flexible space
- Rapid repurposing and recommissioning of space
- Keeping NHS places clean, safe and compliant
- Using the estate to reduce health inequalities

- Creating and refurbishing Healthy Places to reduce health inequalities
- Enabling social prescribing hubs
- Improving accessibility of NHS spaces
- Providing flexible, bookable space

- Creating estate strategies for integrated care
- Delivering value for money
- Expert advice on analysing estates and facilities data
- Enabling smarter working
- Local and national experts

- Strategies to achieve Net Zero Carbon
- Greener NHS through energy and environment support
- Measuring and analysing sustainability data
- Achieving value for money through sustainable FM and estates



Over 6,000 colleagues



Safely operating c.3,000 buildings

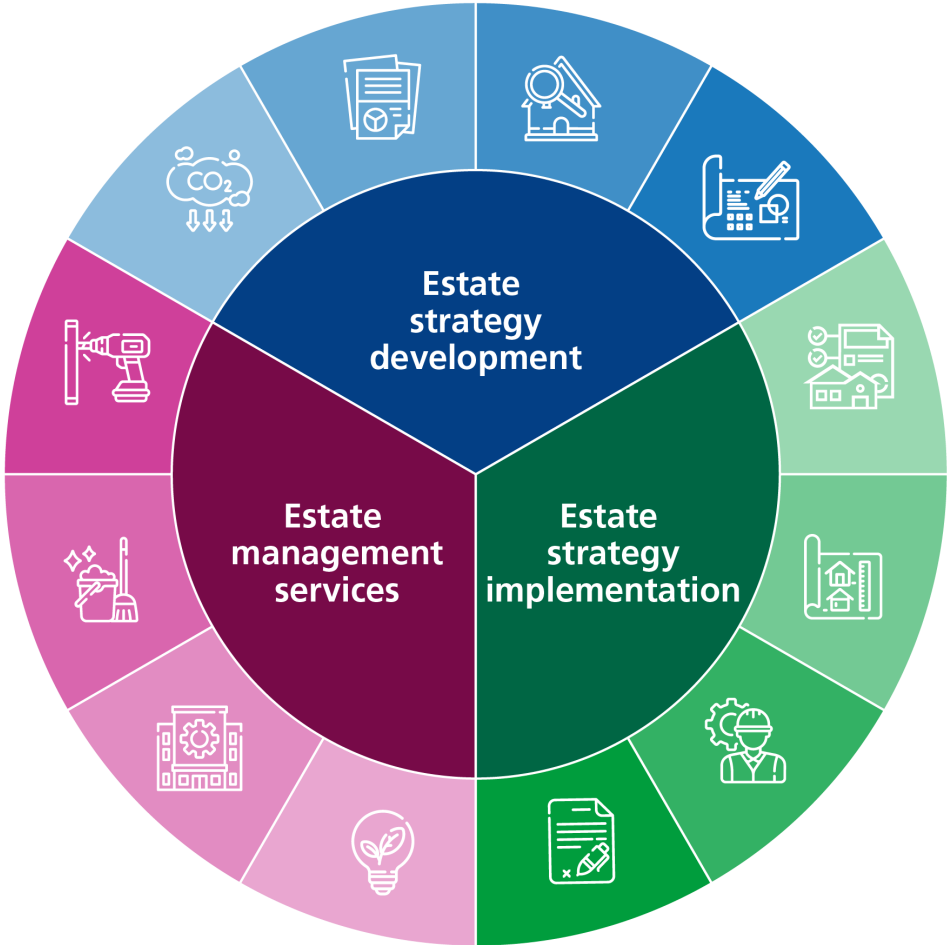


Digital and data-enabled estates



Investing in the NHS

Our service offer to you



	<p>Estate strategy development</p>	<ul style="list-style-type: none"> • Strategic estate planning • Options appraisals and funding solutions 	<ul style="list-style-type: none"> • ICB business case development • Net zero strategy
	<p>Estate strategy implementation</p>	<ul style="list-style-type: none"> • Estate optimisation and space utilisation • Town planning • Property development 	<ul style="list-style-type: none"> • Lease advisory • Property disposal and re-investment • Capital project management
	<p>Estate management services</p>	<ul style="list-style-type: none"> • Hard facilities management • Soft facilities management • Property management 	<ul style="list-style-type: none"> • PFI management • Statutory building compliance • Carbon reduction and energy management

If you'd like to learn more about the services we provide, please contact our Customer Service Centre on 0808 196 2045 or customer.service@property.nhs.uk

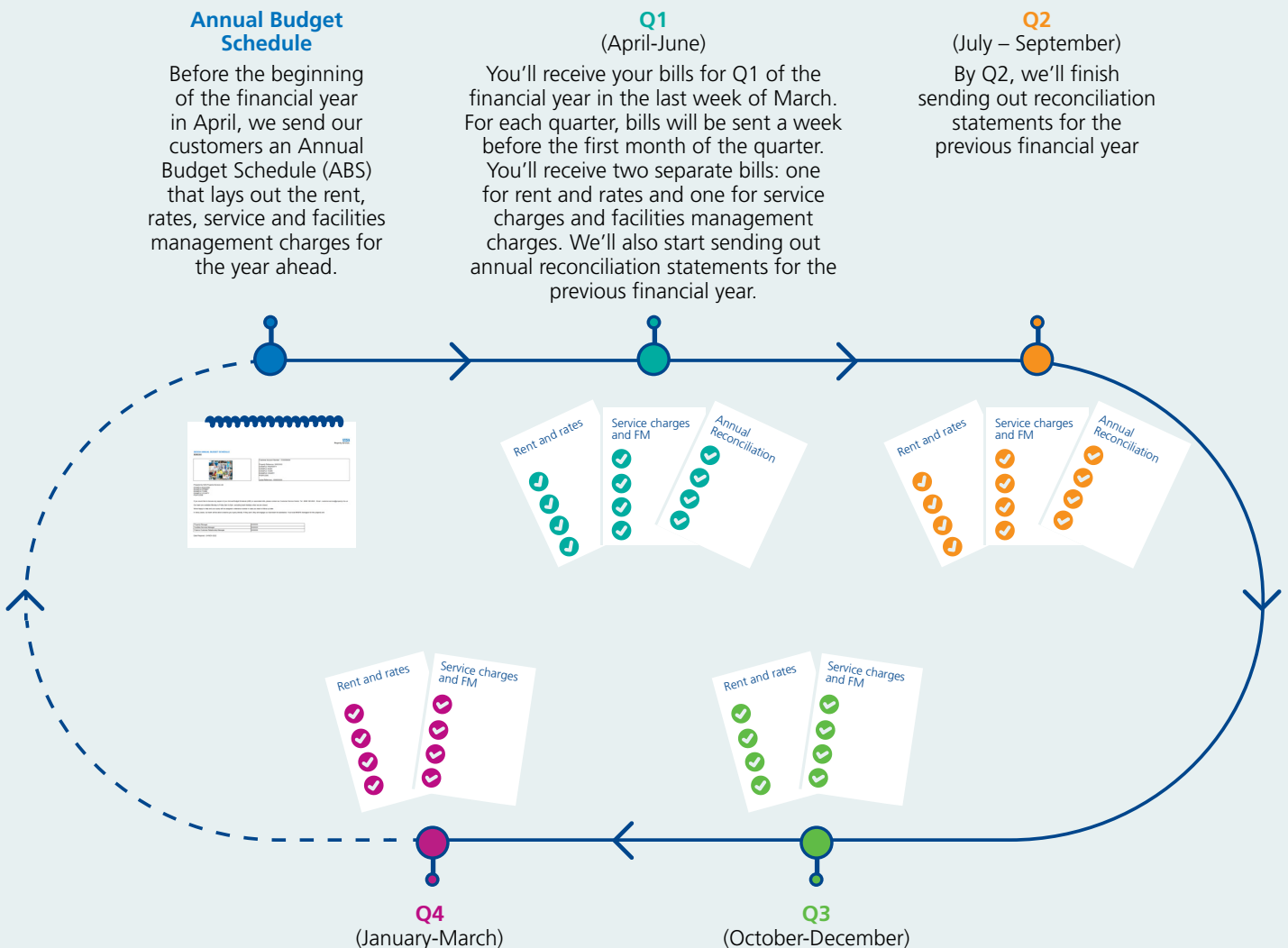
Our billing cycle

Before the beginning of the financial year, we'll send you a copy of your Annual Budget Schedule (ABS) so you have the choice to make any changes to your occupancy or the services you receive from us. This was previously known as an Annual Charging Schedule (ACS).

Our financial year runs from April to March, so you'll receive your first bill for Q1 in the last week of March (a week before the start of April). If you need a purchase order to be shown on your bill to enable payment, please share the details of the purchase order with us before the financial year starts.

Your bills for each quarter will be based on the ABS and will include charges for rent and rates, facilities management, service charges and additional sums. Customer billable works are billed separately. More information about customer billable works can be found in the glossary on **page 9**.

At the end of the financial year, we'll compare the estimated costs outlined in the ABS against the actual costs of the facilities or services provided at your property. You'll then receive a bill for the difference or a credit note will be added to your account. This is known as annual reconciliation, an industry standard practice that enables the calculation of any balancing charges needed and provides cost transparency.



Our approach to occupancy and charging

The charges outlined in your Annual Budget Schedules are determined based on the terms of your occupancy (e.g. a lease) and the services that you receive from us. The services we provided to you are charged at cost.

If you have an occupancy agreement or another agreement for service provision (such as a Facilities Management Service Level Agreement (FMSLA)), then your charges will be in accordance with the terms of these agreements.

Occupancy agreements

A key part of our role as NHS estates manager is to agree and record the basis on which our customers occupy buildings. This builds a transparent and accessible approach to occupancy so we can best support our customers.

Many customers currently occupy space on an undocumented basis, which makes it difficult to charge accurately or identify underused space that could be repurposed. By entering into occupancy agreements, we can make sure customers only occupy and pay for the space they need.

We work locally with customers to put in place the most effective and efficient agreements to align with their needs and have developed a new range of occupancy options with the Department of Health and Social Care and NHS England/Improvement.

Get in touch with our Customer Service Centre to discuss your options. You can call **0808 196 2045** or email customer.service@property.nhs.uk.



Help us keep your property data correct by letting us know of any changes

Occupiers with a formal occupancy agreement must refer to the terms of their agreement when considering any occupancy changes.

Occupiers without a written or documented occupancy agreement must inform us of any planned changes to occupancy, at least three months in advance, by completing an Occupancy Change Notice and ensuring that you also inform your commissioner.

If you make changes to the occupancy or vacate the property without providing due notice, you will continue to be liable for the occupancy charges that are incurred.

Once the form has been completed and submitted, a member of NHS Property Services will contact you to discuss your occupancy requirements.

If you do not currently have an occupancy agreement in place and would like more information about the types of occupancy agreement available, please contact our [Customer Service Centre](#).

Report a change to your occupancy by completing an Occupancy Change Notice at <https://www.property.nhs.uk/occupier-hub/report-a-change-to-your-occupancy/>

Understanding your Annual Budget Schedule

Before the beginning of the financial year, we will send you a copy of your Annual Budget Schedule (ABS). This was previously known as an Annual Charging Schedule (ACS).

The Annual Budget Schedule (ABS) is prepared following a thorough, collaborative budgeting process across our teams.

The ABS sets out the estimated charges for the financial year ahead to support your planning and budgeting process, and you'll receive an ABS for each occupancy agreement you have with us. The costs outlined in the ABS include rent, business rates, service charges and facilities management charges and additional sums.

You'll receive quarterly property bills based on your ABS which include charges for rent and rates, facilities management, service charges and additional sums. These charges may change in-year to take into account any occupancy changes, however these figures will still be on an estimated basis.

We've also created PDF and spreadsheet formats for the billing documents so that you can use the format that works best for you.

All your information in one place

We made a key change to the Annual Budget Schedule (ABS) to include all the information customers would need so they only had one document to refer to.

The ABS now includes a clear introduction which explains what's included in the document, a contents table, explanations of different costs, how often you'll receive bills and definitions of commonly used terms.

It also includes named contacts for the NHSPS colleagues that are responsible for your property. This means you know who they can contact if you have questions about your ABS or your property.

We've added a new commentary section in the rent, rates, service charges and facilities management charges sections. This is where you'll be able to see explanations for any changes to costs compared to the previous year

Greater transparency

We've cleaned up the major and minor cost codes for service line items to make it easier for you to understand what your costs are for.

We also clearly show whether VAT is included for rent, rates, service charges and facilities management costs. Plus, we've included a detailed apportionment schedule and matrix so you can see the full costs of rates, service charges and facilities management charges for your property and how much you'll pay based on the area you occupy.



What's new for 2023/24

Based on customer feedback, we have redesigned the Annual Budget Schedule (ABS) to make it simpler, more consistent and easier for you to understand.

Clearer, simpler layouts

Our new documents have clear, simple and consistent layouts. This makes it much easier for you to match costs from bills and annual reconciliation statements to the Annual Budget Schedule.

We've included additional columns in the ABS to show prior year costs against current year costs and the difference between these. This provides more clarity about any cost changes.



Your new ABS and what it includes

Your new ABS will include:

- A front cover with the details of your property as well as your property contacts
- Contents page
- An introduction to your ABS and definitions for key terms used in our billing documents
- An overview of the charges that will be included in your ABS

A detailed breakdown of:

- Your rent and rates charges
- Your service charges and facilities management charges
- How service charges will be apportioned for your occupancy
- Explanatory notes describing the services you receive



Your rent and rates charges

Your rent charges include the rent you pay for your occupation of the property, a management fee on rent and rates, if applicable, and any capital improvement charges.

A capital improvement charge is paid by an occupier to contribute to capital improvements made by NHSPS or by Primary Care Trusts (PCTs) at the property, usually at the request of the commissioner or occupier.

The charge only applies if you occupy a leasehold NHSPS property and will only be applicable if the property has been subject to capital improvement works. Examples of capital improvement works include installation of a new lift or extension of a GP practice.

The calculation is subject to the amount of capital invested and the term of lease that remained at the time the works were carried out.

Business rates are set by the Valuation Office Agency and collected by your local authority. It is a local property tax on the occupation of commercial property, payable by private and public sector businesses alike.



Your service charges and facilities management charges

Service charges are estimated costs for services delivered by NHSPS to a property. The costs generally relate to maintaining and keeping the property in repair and compliant with various legislation and regulations. Service charges relate to the common areas and shared areas of the building and services that you would expect to be provided such as a reception area, toilets, lifts, stairwells, etc.

Facilities management charges are estimated costs for services delivered by NHSPS to the exclusive area that you occupy within a property. There may be costs within this section that relate to services you receive as part of your business requirement such as clinical waste management, medical gases, linen and laundry service etc.

Costs under the same headings can appear as both service charges and facilities management charges on your Annual Budget Schedule. For example, internal cleaning may be delivered to both the common areas and shared areas, as well as the exclusive area you occupy within a property.

Additional sums include utilities, insurance and superior landlord service charges. More information on superior landlord charges can be found in the glossary on **page 10**.

How to get in touch with queries about your charges

If you have any questions about your charges, please contact our Customer Service Centre on **0808 196 2045** or customer.service@property.nhs.uk and they will be happy to assist you.

Glossary

The following key terms are referenced in the Annual Budget Schedule and other billing documents you may receive. Definitions have been provided for your information.

Annual Budget Schedule (ABS)

Previously known as the Annual Charging Schedule (ACS), this is a budget document which provides a detailed breakdown of the estimated charges for a specific property for the full financial year. This includes rent, business rates, service charges and facilities management charges. This sets out charges you'll be billed throughout the year.

Annual Reconciliation

The costs outlined in the Annual Budget Schedule are forecasts for the year ahead. At the end of the year, NHSPS will reconcile the costs billed to a customer throughout the year with the actual cost of facilities or services provided to a property and either bill the customer for the difference or add a credit note to the customer's account. This process is known as annual reconciliation, an industry standard practice that enables the calculation of any balancing charges required and provides cost transparency.

Common areas

An area which is used by (or is available to) all customers that occupy space in the building, for the purpose of essential circulation in and around the building. It often includes entrance lobbies, stairwells and lifts, staff toilets, structural fire escape routes, car parks and external grounds.

Customer billable works

One-off requests from customers for enhancements to their property outside of the standard services that would be provided by NHS Property Services (NHSPS).

Facilities management (FM) charges

The estimated costs relating to the management and delivery of services to a customer within their exclusive space, distinct from shared areas.

Market rent

Market rent is the level of rent for a property, determined by an independent professional valuer or the Valuation Office Agency, applying market recognised valuation standards and approach. It is based on a comparison with similar properties in the same area, market conditions, and takes into account the condition of the specific property. Service charges for shared areas, and facilities management charges for areas exclusively used by the occupier are calculated and charged separately.

Net internal area (NIA)

This is the total area you exclusively occupy within the building and is measured in line with industry standards. This area is used to calculate your proportion of service charge.

Net rentable area (NRA)

This is the total area you occupy, plus a proportion of the shared areas within the building. This area is used to calculate your rent and is measured in line with industry standard.

Planned Preventative Maintenance (PPM)

This refers to work that has been identified as required to be carried out regularly to maintain the condition of the premises, equipment or to ensure compliance with legislation and regulation.

NHSPS conducts surveys of its buildings to identify these requirements (including works required and at what frequency).

Rates

Business rates are set by the Valuation Office Agency and collected by your local authority. It is a local property tax on the occupation of commercial property, payable by private and public sector businesses alike.



Service charge

The estimated costs relating to the common areas and shared areas of a single property/site.

Service charge/financial year

The service charge/financial year at NHSPS is 1st April to 31st March.

Shared areas

Areas of the building used by all, or more than one occupier. This usually includes reception areas, customer waiting areas, general circulation areas, shared kitchens, patient toilets etc. Occupiers are only charged for shared areas from which they (and their visitors) benefit from the use.

Superior Landlord service charge

You may occupy a property that is not owned by NHSPS, instead NHSPS may hold a lease for the property. In addition to NHSPS paying a rent for the property to the superior landlord, there may also be other costs incurred such as service charge and insurance. In such circumstances NHSPS will pass these costs down to you as occupier of the property. NHSPS will apportion the costs based on the space you occupy. This charge only includes the cost of the services provided directly by the superior landlord, other services provided by NHSPS will be charged separately.

Your square meterage of the building

Shown on the Annual Budget Schedule, this figure is known as the "net rentable area" (see net rentable area definition).

