

Appendix A: Compliance checklist

This compliance checklist is a basis to enable owners, managers and occupiers to self-assess their compliance with the core principles set out in this professional statement. However, merely ticking the boxes does not constitute full compliance with the professional statement, which also entails adhering to the further recommended best-practice recommendations as provided to support the core principles.

Core principle	Evidence	Comply
<p>Value for money</p> <p>Procure an appropriate level of service for the occupiers in the building.</p> <p>Demonstrate that services offer good value for money.</p>	<p>Competitive tender.</p> <p>Other market testing.</p> <p>Regular cost benchmarking.</p>	
<p>Transparency</p> <p>All costs, apportionments and policies are explicit and open to any scrutiny by occupiers or their agents.</p>	<ol style="list-style-type: none"> 1 A full apportionment matrix for the entire property/estate/complex along with appropriate percentage allocation calculations is published. 2 All policies are outlined in budget packs. 3 Detailed explanations are provided in year-end statements where the costs have materially varied from the budget. 4 The landlord bears the cost of all voids and concessions. 5 The manager's fees relating to the property during the year are fully disclosed in the notes to the expenditure report. 	
<p>Timeliness of reporting</p> <p>All reports are issued within timeframes recommended by the professional statement.</p>	<ol style="list-style-type: none"> 1 Budgets are issued at least one month prior to the start of the service charge year. 2 Year-end statements of actual expenditure are issued within four months of the end of the service charge year. 	
<p>Approval</p> <p>Actual expenditure approved by the manager or an audit or independent review.</p>	<ol style="list-style-type: none"> 1 Certificate issued by manager. 2 Audit or independent review undertaken in accordance with the lease and TECH09/14BL. 	
<p>Management fee</p> <p>The management fee reflects a reasonable cost to undertake necessary work to manage and operate the services and to administer the service charge.</p>	<ol style="list-style-type: none"> 1 Fixed fee (not per cent of service charge). 2 Meets professional statement guidelines on what can and cannot be charged for management. 	

Core principle	Evidence	Comply
<p>Duty of care to occupiers – consultation and approval</p> <p>All costs are recoverable in accordance with leases.</p> <p>The occupiers are consulted where appropriate for their agreement to the levels of service and services to be offered.</p>	<ol style="list-style-type: none"> 1 All occupiers are given the opportunity to comment on the budget. 2 The occupiers are consulted on the levels of service and/or the introduction of new services. 3 All communication and queries are to be dealt with fully and in a timely fashion. 	
<p>Standardised financial reporting</p> <p>Budgets and statements of actual expenditure are reported in line with this professional statement's cost categories.</p> <p>Where appropriate, separate schedules are prepared to allocate costs to reflect the availability, benefit and use of different services.</p>	<ol style="list-style-type: none"> 1 Standardised cost categories are used. 2 Separate schedules are included as appropriate. 3 Full allocation and apportionment schedules included as standard. 	
<p>Interest income and expenses</p> <p>Separate interest-bearing accounts are operated for each building, with all interest income and expenses credited or expensed within the service charge.</p>	<ol style="list-style-type: none"> 1 Bank statement of interest income and expenses. 	
<p>Professional statement – compliant terms in new leases</p> <p>New leases have adopted professional statement – compliant terms.</p>	<ol style="list-style-type: none"> 1 Standard lease terms. 	
<p>Support for alternative dispute resolution (ADR)</p> <p>ADR is supported and recommended as the basis to resolve service charge disputes.</p>	<ol style="list-style-type: none"> 1 Lease makes provision for ADR in the event of dispute. 2 ADR is proactively pursued to facilitate resolution of disputes. 	