



Your guide to the Annual Budget Schedule

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Introduction

We are part of the NHS family with **6,000 colleagues** supporting over **3,000 healthcare properties** across England. Our purpose is to enable excellent patient care. What this means for you, as our customers, is that we're committed to creating safe, compliant and sustainable spaces.

The **Annual Budget Schedule (ABS)** plays a key role in this commitment. It provides clear information on charges for rent, rates, services and facilities management, helping you to plan effectively and make informed decisions. Recognising that clarity alone is not enough, we continue to simplify processes and improve how we communicate with our customers.

This guide explains how the ABS works and how we're evolving the process to better meet your needs.

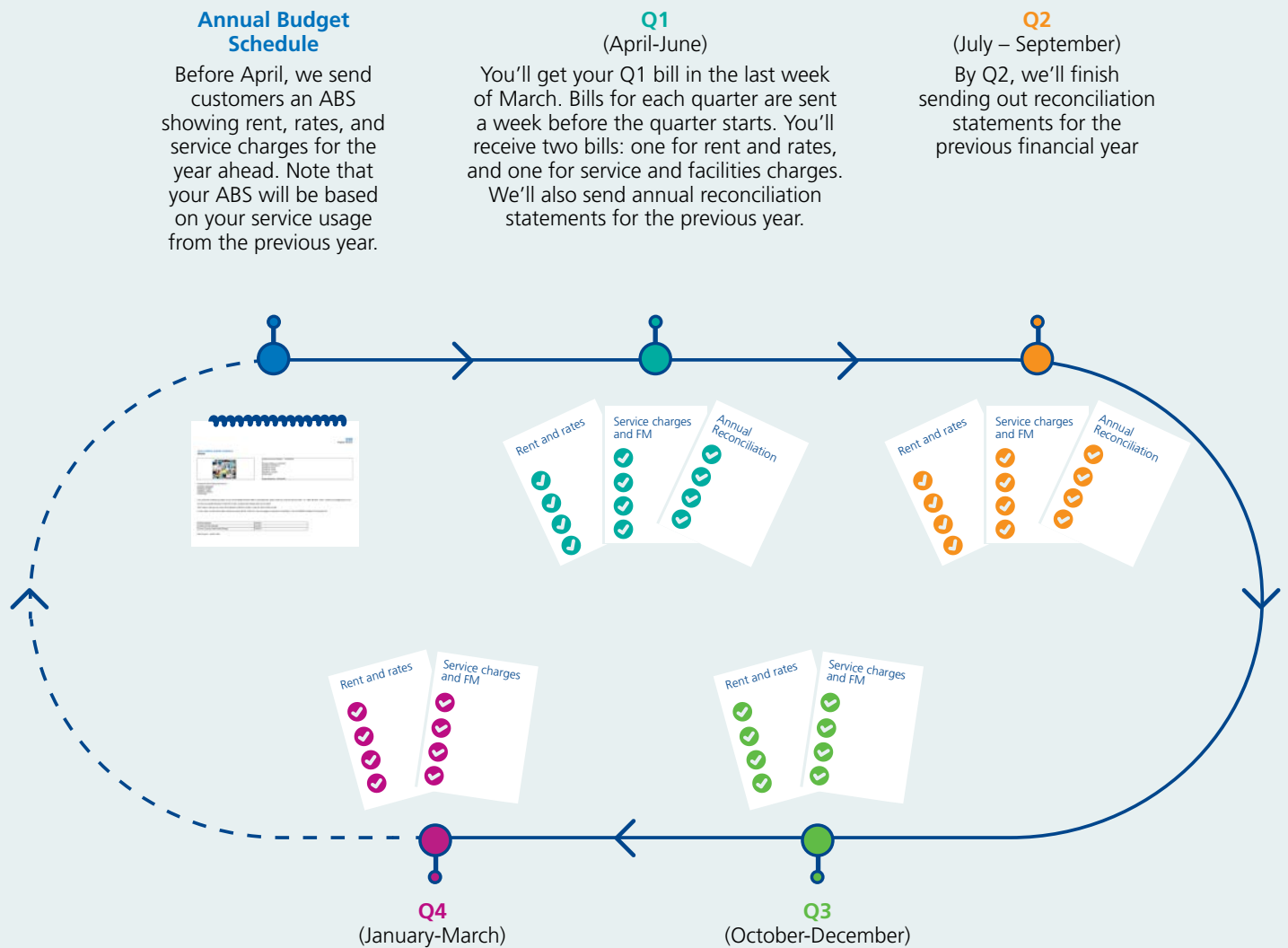
Our billing cycle

Before the new financial year starts, we'll send you your Annual Budget Schedule (ABS). This gives you the chance to review it and make any changes to your occupancy or services.

You'll then receive a bill for each quarter, one week before the quarter starts. As our financial year runs from April to March, you'll receive your Q1 bill by the last week of March. If you need a purchase order to show on your bill to enable payment, please share the details with us before the financial year starts.

Your quarterly bills are based on the ABS and include charges for rent, rates, facilities management, service charges, and any additional sums. Customer billable works are invoiced separately – see the glossary on **page 7** for details.

At the end of the financial year, we'll compare the estimated ABS costs with the actual costs for your property. You'll receive either a bill for the difference or a credit note will be added to your account.



Our approach to occupancy and charging

Your ABS charges are based on your occupancy terms (such as a lease) and the services you use. Services are charged at cost.

If you have an occupancy agreement or a service agreement (like a Facilities Management Service Level Agreement), your charges follow those terms.

Occupancy agreements

A key part of our role is agreeing and recording how customers occupy buildings, providing clarity and helping us to support you better.

Some customers currently occupy space without formal agreements, making it hard to charge accurately or identify underused areas. By putting agreements in place, we can make sure you only pay for the space you need.

We work locally with customers to create efficient agreements that suit their needs. We've also developed new occupancy options with the Department of Health and Social Care and NHS England.

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

If you have a formal occupancy agreement, please check its terms before considering or making any occupancy changes.

If you don't have a written agreement, let us know about any planned changes at least three months in advance. Complete an Occupancy Change Notice and inform your commissioner. If you change occupancy or leave without notice, you'll still be liable for charges.

Once you submit the form, we'll contact you to discuss your requirements. If you don't have an agreement and want to know your options, please contact our Customer Service Centre.

For more guidance on ending occupancy, see our blog:

[No longer using a property? A tenant's guide.](#)

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 (ABS)

Before the financial year starts, we'll send you your ABS. It's prepared through a detailed budgeting process and shows estimated charges for the year ahead to help with planning. You'll receive an ABS for each occupancy agreement.

The ABS includes estimated costs for rent, business rates, service charges, facilities management, and any additional sums.

You'll receive quarterly bills based on your ABS. The charges may change during the year if your occupancy changes, but they will still be estimates.



What's new for 2026/27

We've made some important improvements to the ABS this year to make things clearer and more tailored to your needs:

Local focus: Charges are now set with greater attention to local circumstances, so your costs better reflect your property and services.

Clearer information: The ABS format has been updated to make it easier to read and understand, with a clearer layout and contents page.

Greater clarity: Management and supervision costs are now shown separately.

Flexible billing: If your space usage changes during the year, your ABS will now show these changes more clearly, helping you keep track of your costs.

These updates are designed to give you more clarity, flexibility, and confidence in your property charges. If you have any questions or need support, please get in touch—we're here to help.





What your ABS includes

- 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

We've made some improvements to the ABS this year to make things clearer and more tailored to you.



Your rent and rates charges

Your rent charges cover the cost of occupying your property. They may also include a management fee and, if relevant, a capital improvement charge.

Capital improvement charges help pay for major upgrades to your building, such as installing a new lift or extending a GP practice. These charges only apply if your property has had improvement works and are calculated based on the amount invested and the length of your lease at the time.

Business rates are set by the Valuation Office Agency and collected by your local authority. This is a local property tax paid by all businesses occupying commercial property.



Your service charges and facilities management charges

Service charges are estimated costs for looking after shared areas of your building, such as reception, toilets, lifts, and stairwells. These charges help keep the property safe, well-maintained, and compliant with regulations.

Facilities management charges cover services provided to the specific area you occupy, like clinical waste management, medical gases, or laundry services, depending on your business needs.

Some services, like cleaning, may appear under both service charges (for shared areas) and facilities management charges (for your own space).

Additional sums include costs for utilities, insurance, and superior landlord service charges. For more details on superior landlord charges, please see the glossary on **page 7**.

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)

The ABS is a budget document that gives you a clear breakdown of your estimated charges for the year. It includes rent, business rates, service charges, and facilities management charges, so you know what you'll be billed throughout the financial year.

Annual Reconciliation

The costs in your ABS are forecasts for the year ahead. At the end of the year, we will check the actual costs for your property against what you were billed. If there's a difference, you'll either get a bill for the extra amount or a credit on your account if you've overpaid. This process, called annual reconciliation, is standard practice and helps keep your charges transparent and accurate.

Common areas

Space used by everyone in the building to make their way around. This often includes entrance lobbies, stairwells, lifts, staff toilets, fire escape routes, car parks, and outside grounds.

Customer billable works

These are one-off requests from customers for extra improvements to their property, beyond the standard services provided by us.

Facilities management (FM) charges

These are estimated costs for managing and delivering services to your own space in the building, separate from shared areas.

Market rent

Market rent is the amount set for a property by an independent valuer or the Valuation Office Agency. It's based on similar properties in the area, market conditions, and the condition of your building. Service charges for shared areas and facilities management charges for your own space are calculated and billed 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 means regular work needed to keep the building and equipment in good condition, and to meet legal and safety requirements.

We regularly check our buildings to identify what work is needed and how often it should be done.



Rates

Business rates are set by the Valuation Office Agency and collected by your local authority. This is a local property tax paid by all businesses occupying commercial property.

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

Shared areas are parts of the building used by everyone or by more than one occupier. This usually includes spaces like reception, waiting areas, corridors, shared kitchens, and patient toilets. You're only charged for shared areas that you and your visitors use.

Superior Landlord service charge

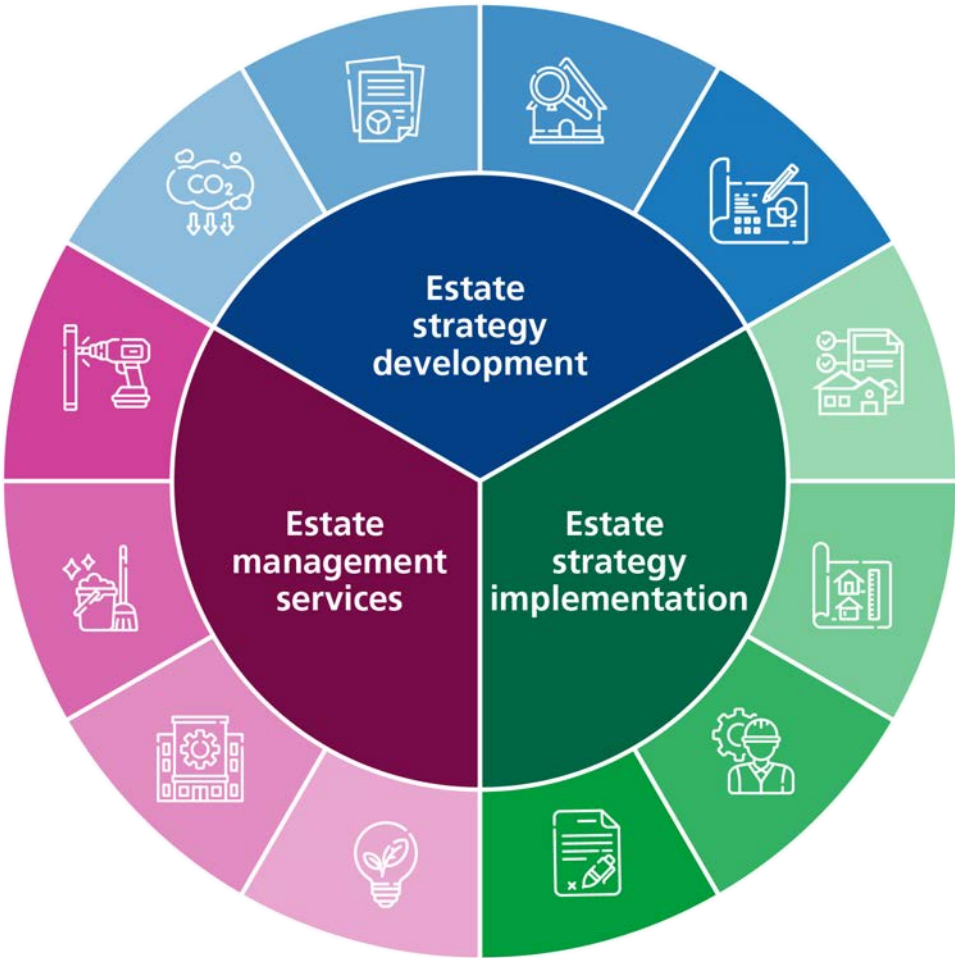
If we (NHSPS) lease your building from another landlord, there may be extra costs like service charges and insurance. We pay these costs to the superior landlord and then pass them on to you, based on the space you occupy. This charge only covers services provided directly by the superior landlord. Any other services from us are billed 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).



Our service offer to you



Estate strategy development

- Strategic estate planning
- Options appraisals and funding solutions
- ICB business case development
- Net zero strategy



Estate strategy implementation

- Estate optimisation and space utilisation
- Town planning
- Property development
- Lease advisory
- Property disposal and re-investment
- Capital project management



Estate management services

- Hard facilities management
- Soft facilities management
- Property management
- 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

