RICS Code of Practice
Service Charges in Commercial Property

Version 4 - Consultancy
The new Version 4 will be a Professional Statement and as such the Core Principles will be compulsory on the RICS Professional undertaking the Management of any particular site – unless there is a reason to not do that would stand up in court – and non compliance could leave the individual and firm subject to RICS disciplinary action.
• This is to be welcomed as it provides that timely provision of Budgets and reconciliations (with information including explanatory narrative, comparison and a full Apportionment Matrix) are to be compulsory.

• Professional standards of Communication are to be compulsory.

• Most of what occasionally proves to be problematic will now be compulsory.
So what is the problem?

1. There are several minor points within the proposed document that we (small group of retailers working in the field & their consultants) feel change the balance of the document to be more Landlord centric and amendments so far refused as considered too prescriptive for a “guidance” document.

2. However there are sections, and one in particular that we feel is definitely too prescriptive and remains despite our protestations.
So what is the problem?

- **12.1 Marketing and promotions**
- The marketing of and promotional activity supporting schemes such as shopping centres, retail and leisure parks and business campuses, are recognised as being of joint benefit to all stakeholders, and are therefore rightly jointly funded.
So what is the problem?

12.2.3 Amenities and facilities

Scheme management has moved beyond just providing clean, safe and secure environments, partly as a response to changing customer needs and expectations. There are many additional services, facilities and amenities that are now considered as a standard requirement by customers.

Where providing these additional services requires the addition of a new facility, then the installation cost should be met by the owner while the on-going operating and maintenance cost should be fully met through the service charge, as is normal practice with other areas of expenditure.

Items that fall within the definition of amenities and facilities might include, for instance:
• So what is the problem?

• 12.2.3 Amenities and facilities

the provision of customer services from an information desk or concierge and the staff required to operate them, including administration and training costs, etc.
customer lounge
call on-site signage and way-finding
seating and rest areas
So what is the problem?

- prayer or quiet rooms
- children’s play areas and clubs
- mobility and less abled services
- free phone charging
- personal shoppers
- click and collect
- the provision of free Wi-Fi to customers and websites.

- A number of these amenities result from recent technological innovations and it is likely that this list will be extended as new developments create additional services and amenities to benefit the customer experience.
So what is the problem?
We feel these two elements, in particular, are a step too far and imply that such Marketing & Amenities are acceptable to be provided across the spectrum of different types of sites and result in a step change in costs, while we feel the Sweeper Clause should be sufficient to introduce any considered appropriate or necessary as and when they are identified.
What we want you to do!

Upon Consultation we need as many people as possible to review the document via the link that will be provided by RICS AND state their concerns about any part of the document they are unhappy about BUT particularly the language at the two points highlighted.

Any issues I can be contacted on john.gray@servicechargesltd.com