



Welcome to the first Market Intelligence edition of 2026. A quick, practical read on what's changing and why it matters. Inside, our experts cover the real impact of Fuel Finder, common pitfalls in service charge apportionments, the hidden cost risk of the "oversight gap", what SORP 2026 means for charities, and a straight-talking view on running a media agency tender that delivers genuine improvement.

What's inside:

Fuel Finder: Transparency Tool or Profit Booster? 2-3

By Duncan Rogers

The Hidden Costs in Service Charge Apportionments: What Finance Directors Need to Understand as a Tenant 4-7

By Catherine Anderson

The Oversight Gap: When Cost Optimisation Is "Already Covered" 8-9

By Lee McCready

SORP 2026: What Charities Need to Know and How to Prepare 10-13

By Alison Bettany

Finding the Right Media Agency 14-17

By Simon Dodson

The Hidden Complexity of Microsoft Licensing and Cloud Management 18-19

By John Addis



Fuel Finder: Transparency Tool or Profit Booster?



By Duncan Rogers

February saw the introduction of the much-heralded government “Fuel Finder” scheme, but does it benefit fleet users or will canny forecourt operators identify extra profit?

This scheme requires fuel retailers to notify any change to their forecourt pricing within 30 minutes. This data is then made available to commercially based websites (several of which were already reporting forecourt prices, though not necessarily as immediate as the new scheme).

The Government has suggested that the new scheme will enhance customer choice by reporting prices in real time, allowing users to choose local outlets with the “best” priced fuel, the implication being that this will cause competition to drive down prices.



However, the scheme does not introduce any form of price controls, it just reports actual retail prices.

In theory, if a fleet acquires fuel at forecourt pump price, the scheme gives the driver or fleet manager the ability to select the site with the lowest local prices that are convenient to operational need.

However, are time poor drivers or fleet managers going to be able to review the scheme every time a purchase of fuel needs to be made? Never mind that the scheme does nothing to bring transparency to how forecourt prices are developed or the profit margin made by the retailers.

Indeed, some commentators have suggested that the widespread public availability of real-time prices has given retailers immediate visibility as whether they can increase their price margin and still retain price competitiveness. This sets in motion a general chasing up of prices in the area!

Not only is “Fuel Finder” likely to be of limited use to fleet operators, but it could also even have a disbenefit on forecourt users net fuel costs.

At ERA Group, we use our market knowledge and leverage to provide the true transparency and control on how fuel pricing is calculated. We achieve real cost savings without relying on micro-managing every purchase made at the forecourts.

For more information, please speak to your ERA consultant.



The Hidden Costs in Service Charge Apportionments: What Finance Directors Need to Understand as a Tenant



By Catherine Anderson

Service charges are often one of the least predictable, and most disputed, elements of occupancy cost. Apportionment (how the total service charge is divided between occupiers) determines whether your business is paying its fair share or subsidising others. Understanding how it should work, and where it goes wrong, strengthens your ability to control costs, challenge errors, and protect the P&L.



What apportionment means in practice

In multi-let buildings, costs are shared between tenants. Leases typically require you to pay a “fair and reasonable proportion” of total expenditure-but the method is often unclear. The key question is whether the landlord’s approach is lease-compliant, transparent and verifiable, and aligned to the benefit your business actually receives. If not, overpayment is likely.

The RICS Standard: leverage for tenants

The RICS Professional Standard Service charges in commercial property (1st Edition) applies to service charge years starting on or after April 2019 until December 2025. The 2nd Edition (June 2025) introduced a mandatory requirement for 2026 onwards: landlords must provide an annual service charge apportionment matrix to all tenants.

This matrix should show the total cost of each service, the basis of division, your percentage charge, and how that percentage has been calculated. If you can’t reconcile your charge back to the matrix, or it isn’t provided, that’s a clear warning sign.

RICS also states apportionments must be demonstrably fair and reasonable; costs should reflect availability, benefit and use; and landlord costs such as voids should not be passed on. While RICS does not override your lease, it is widely used as a benchmark in disputes.



Common methods and where errors hide

Most apportionments are based on lettable area. That only works if areas are accurate and up to date, your demise has been measured correctly, and the basis is applied consistently across tenants.

Some schemes use weighted floor area to reflect differing levels of benefit (common in retail and mixed-use). These deserve scrutiny: what assumptions sit behind the weightings, are they consistent, and do they still reflect how the building is actually used? Alternative bases such as rateable value are now rare and often lack transparency.

Schedules and estate charges: paying for what you don't use

Service charges are often split into schedules, with different tenants contributing to different services. Tenants are frequently included by default rather than entitlement-especially where services don't benefit all occupiers.

If you sit within a wider estate, you may also pay for estate-wide services (roads, landscaping, security). Overpayment is common if building and estate costs are blended or poorly explained, or if your lease does not clearly allow recovery.



Major expenditure near lease end

Large capital or quasi-capital items-especially near lease expiry-are often contentious. Ask whether the spend benefits you during your remaining term, whether the cost is being spread to reflect that benefit, and whether reserve or sinking funds already exist. Tenants are not usually required to fund improvements beyond their occupation unless the lease clearly allows it.

Practical controls that protect the P&L

Request and review the apportionment matrix annually. Reconcile your percentage to lease terms and floor areas, challenge inclusion in schedules that don't benefit you, and query unexplained year-on-year percentage changes. Treat service charge reviews as a cost audit-not a formality. Small percentage errors, applied to large budgets, can become material over the life of a lease.

Want to know if you are overpaying for your service charge and cut your occupancy costs to fund your growth? Lets talk.

For more information, please speak to your ERA consultant.



The Oversight Gap: When Cost Optimisation Is “Already Covered”



By Lee McCready

When a CFO is challenged on cost optimisation, the response is often measured and confident. The business has already undertaken procurement reviews, major categories have been renegotiated, long-standing suppliers are stable and reporting shows performance within budget. From that perspective, cost control appears covered.

In many cases, that confidence is understandable.

The difficulty is that the reassurance is frequently grounded in governance structures designed several years earlier, often under a different operating model, supplier landscape or margin profile. At the time, those structures may have been entirely appropriate and commercially robust.



However, organisations evolve. They grow, acquire, digitise, consolidate suppliers, extend scope and renew contracts, usually incrementally rather than through a single transformative event.

Over time, the business changes, yet the mechanism used to validate supplier alignment often remains anchored to its original design.

Categories that have not been reviewed recently are assumed to remain competitive because there has been no visible disruption. Contracts that auto-renew are treated as settled. Long-standing supplier relationships are equated with alignment. Reporting continues to confirm delivery against agreed parameters, and the absence of noise becomes evidence of control.

What is rarely examined is whether those original optimisation decisions still reflect present-day market conditions, pricing dynamics and strategic priorities.

Commercial drift rarely presents as a dramatic event. It emerges gradually in contracts that have moved away from market position, in scope that has expanded beyond initial pricing logic and in service models that no longer fully support the organisation's current objectives. Because governance continues to function, these shifts remain largely unseen.

The Oversight Gap is the space between inherited optimisation and current commercial reality. Closing it requires structured recalibration, not because cost management has failed, but because optimisation achieved once is not optimisation sustained.

For more information, please speak to your ERA consultant.



SORP 2026: What Charities Need to Know and How to Prepare



By Alison Bettany

The charity sector is experiencing one of its most significant reporting shifts in a decade. The new Statement of Recommended Practice (SORP) 2026, effective for accounting periods beginning on or after 1 January 2026, introduces a more proportionate, transparent and modern framework for how charities report their financial and non financial performance.

As the regulatory landscape evolves, procurement plays an increasingly strategic role in ensuring compliance, governance and operational resilience.

What is SORP 2026?

SORP 2026 is the updated reporting standard charities must follow if they prepare accruals accounts. It aligns charity reporting with the latest revisions to FRS 102 (Financial Reporting Standard) incorporates feedback from regulators and the sector, and aims to improve clarity, accountability and proportionality.

Several modules in the SORP have been significantly updated, including income recognition, lease accounting, provisions, and the Trustees' Annual Report (TAR). The changes reflect a push toward better governance and greater insight into a charity's impact and sustainability.



Key Changes Charities Need to Know

1. A New Tiered Reporting Structure

SORP 2026 introduces a three tier system to ensure reporting reflects organisational size and complexity:

- **Tier 1:** Income up to £500,000 - simplified reporting
- **Tier 2:** £500,001 to £15m - more detailed disclosures
- **Tier 3:** Over £15m - the most comprehensive reporting, including mandatory ESG and impact disclosures

This proportional approach aims to reduce unnecessary administrative burden for smaller charities while ensuring larger organisations disclose the level of detail stakeholders expect.

2. Expanded Trustees' Annual Report (TAR)

SORP 2026 strengthens narrative reporting requirements:

- Clearer guidance on reserves, risk management and future plans

- Greater emphasis on sustainability and public benefit
- Mandatory ESG and impact reporting for Tier 3 charities, with Tier 1 and 2 encouraged to follow emerging best practice

This shift signals a growing expectation for charities to demonstrate not only what they spend but the difference they make.

3. Modernised Income & Lease Accounting

SORP 2026 aligns with updated FRS 102 rules:

- Most leases must be capitalised as right of use assets with corresponding liabilities
- A clearer framework for distinguishing exchange vs non exchange income, including grant classification

These updates require stronger contract visibility and coordination across finance, procurement, and service department.



4. Clearer Reporting for Provisions & Social Investments

Revised modules simplify how charities report provisions, contingencies and social investments, making disclosures more consistent and easier to understand.

5. Reporting Simplification for Smaller Charities

In parallel with SORP 2026, charities will benefit from government approved threshold changes, including:

- Receipts and payments accounts allowed up to £500,000 (for non company charities)
- Independent examination threshold rising from £25,000 to £40,000

This will lower compliance burdens for small organisations-but only if internal processes are aligned.

What Charities Need to Do to Prepare

To get ready for SORP 2026, charities should begin preparing now in the following areas:

✓Strengthen governance and narrative reporting

Ensure Trustees' Annual Reports cover risk, reserves, ESG and forward plans.

✓Review contracts and leases

A complete, accurate contract register is essential for the new lease accounting requirements.

✓Improve data collection

SORP 2026 requires stronger evidence behind ESG and impact statements-much of which sits in the supply chain.

✓Align procurement with reporting requirements

Procurement policies, supplier onboarding and due diligence processes may need updating to support SORP compliant reporting.

✓Assess tier positioning and cost drivers

Charities near a reporting threshold should understand how spend patterns may impact their tier and reporting obligations.



How ERA Group Supports Charities Through SORP 2026

As specialist procurement consultants, ERA Group provides the governance, visibility and cost control foundations charities need to thrive under SORP 2026.

We ensure procurement frameworks align with the enhanced governance and reporting expectations built into the new TAR, including ethical sourcing, ESG due diligence and robust audit trails.

SORP 2026 represents a major evolution in charity reporting - demanding better governance, improved data quality and greater transparency. With procurement now central to demonstrating value, impact and risk management, charities that take early action will be best positioned to comply and to thrive.

ERA Group is ready to support you at every stage, from governance reform and contract visibility to ESG data collection and tier aligned cost optimisation.

For more information, please speak to your ERA consultant.



Finding the Right Media Agency



By Simon Dodson

When organisations stay with the same media agency for a decade or more, the relationship can become comfortable - but also predictable. That was the situation for the Isle of Man Steam Packet Company, who had worked with their incumbent agency for in excess of 10 years.

While they were using a large global agency with a relatively small spend and still getting value, the client felt they weren't getting the level of love and care they needed, and their media strategy had become more of the same.

Rather than jump straight to switching suppliers, they wanted to go to market properly - to test options, sharpen objectives, and ensure any change would genuinely improve strategic focus and day-to-day delivery. That's where ERA stepped in.



The challenge

One of the biggest risks in a media tender is comparing apples to oranges - especially if you're considering a mix of small, mid-sized, and large agencies. The client wanted to explore the market broadly, but I highlighted the need to benchmark proposals back on an equal level.

Why? Moving from a major agency with significant leverage to a smaller agency that offers more hands-on service can look attractive - but you need a clear mechanism to assess whether you might be giving up buying power, capability, or value. So the team created an evaluation approach that combined two elements:

- Benchmarking: a structured way to assess responses consistently against agreed criteria
- “Free play”: giving agencies room to show what they would do with the brief, based on the media objectives, rather than forcing a cookie-cutter response

For more information, please speak to your ERA consultant.



The outcome

From there, the process moved quickly and cleanly:

- A long list of about a dozen agencies (including the incumbent and alternatives)
- Six agencies invited to bid
- Five full responses received

The result? The client chose a smaller agency - but one with decent buying power behind them, meaning they weren't losing anything by moving. They gained a much more strategic focus and a more hands-on approach, and early feedback is that both client and agency are very happy so far.



How ERA Group can help

Many organisations want to test the market, but don't have the time, resource, or internal experience to run a tender that's both commercially rigorous and fit for a creative, strategic category like media.

ERA can support by bringing structure and methodology to the process, from writing the RFP and clarifying objectives, to building evaluation criteria that allows fair comparison across agency sizes. In short, we help you run a tender that's disciplined, comparable, and outcome-focused - without losing the creativity and strategic thinking that great agencies should bring.

For more information, please speak to your ERA consultant.



The Hidden Complexity of Microsoft Licensing and Cloud Management



By John Addis

Your organisation's Microsoft investment is larger and more complex than you realise. Between Microsoft 365 subscriptions, Azure consumption, on-premises licences, and hybrid scenarios, most organisations manage hundreds or thousands of licences across multiple agreements - often without clear visibility into what they're paying for, what they're actually using, or whether they're compliant. Research consistently shows that organisations overspend by 20-30% on software licences and cloud consumption. The real question is: how much are these inefficiencies costing your organisation, and what's preventing you from addressing them?

Microsoft has transformed from perpetual licences to a bewildering array of subscriptions: Microsoft 365 tiers, Enterprise Agreements with 15-45% discounts but three-year commitments, and Server and Cloud Enrolment for hybrid scenarios. The problems multiply: You don't know which licences you're not using, including those assigned to employees who never log in or have already left the business. Shadow IT creates duplicate costs and compliance gaps. Microsoft audits are thorough and penalties substantial, but you don't know if you're compliant until audited. Optimisation opportunities exist - Azure Hybrid Benefit, better Enterprise Agreement structures, right-tiering users - but identifying them requires expertise most internal teams lack time to develop.



Azure's pay-as-you-go model promises flexibility, but spending typically grows month-on-month without corresponding business value. Hidden cost drivers: Dev/test environments running 24/7, oversized VMs provisioned "to be safe", orphaned resources accumulating invisibly, and misaligned incentives. Underutilised optimisation programmes: Azure Hybrid Benefit, Reserved Instances, and right-sizing. Without comprehensive visibility, sophisticated tools, and deep expertise, costs continue climbing while questions go unanswered.

Organisations rarely standardise on one cloud. Each provider has different pricing models, discount structures, optimisation tools, and management APIs. Problems multiply: Fragmented visibility, cloud-specific optimisation expertise, and complex commitment strategies. Managing Microsoft licensing, cloud optimisation, and migration internally seems logical, but the expertise gap is wider than expected. A small internal cloud team costs £300,000-£400,000+ annually. Optimisation gets perpetually deferred while teams focus on "keeping the lights on."

Every month of delay accumulates costs: 20-30% overspending on licences and cloud, Microsoft audit penalties potentially reaching millions, opportunity cost of time spent on licensing complexity instead of strategic initiatives, competitive disadvantage, and team burnout creating continuity risk. You need answers to questions your organisation can't currently answer: What are we really spending on Microsoft and cloud services? Where is the waste? What optimisation opportunities exist that we're missing? What would expert support actually deliver in measurable value? The first step is understanding: what you're actually spending vs. using, where waste exists and its cost, compliance risks you're carrying, and how much value expert support could deliver vs. its cost.

The cost of understanding your situation is minimal. The cost of not understanding it continues accumulating every month.

For more information, please speak to your ERA consultant.

MarketINTEL

Insight and market analysis to achieve better value from suppliers



Through this process ERA has demonstrated an in-depth knowledge of the banking sector and have been able to find a tailored solution for us that delivers the efficiencies to processes we were looking for but unable to achieve ourselves whilst reducing the cost to our business. This is clearly a win-win-win. ””

NICK SHELDON
FINANCIAL CONTROLLER
MSV GROUP



ERA Group were extremely helpful throughout the entire process, All savings were clearly identified, fully transparent, and delivered as outlined. Most importantly, they achieved a substantial cost saving for the business which, without their expertise and knowledge, would simply not have been realised. Their approach was professional, thorough, and delivered real, measurable value for Direct Heating Group. ””

DAN HEALEY,
CFO,
DIRECT HEATING GROUP



We thought we were already buying well. But their approach really impressed us. They never pushed, just brought smart options and clear market insight. The improvements we achieved with our existing suppliers are things we simply wouldn't have secured ourselves. ””

JAMES PHILLIPS,
MANAGING DIRECTOR
AT COSATTO



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