



125 Hinckley Road

Leicester

LE3 0TF

Service Charge Budget Report

25th March 2024 to 24th March 2025



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Johnson Fellows. Charter House, Newhall Street, Birmingham, B3 1SW





Introduction

Historically, Tesco have maintained the communal areas at Hinckley Road. As all of the tenants benefit from the use of the communal areas and are liable to contribute towards their upkeep under the terms of their leases a service charge has been introduced in order that all of the tenants contribute towards the communal costs.

This report has been produced by Johnson Fellows on behalf of the Landlord, Tesco Stores Limited. It is intended to provide details of the planned expenditure for the service charge year ending 25th March 2025. A Budget Variance Schedule can be seen in Appendix B.

The Property

The premises consists of a parade of four retail units and one void unit. It is located within one mile of Leicester city Centre and has access off A563 Hinckley Road roundabout. The site benefits from a front car parking facility, landscaped area and rear service yard which are maintained directly by the service charge.

Voids and Concessions

The service charge for any void lettable units or attributable to any service charge concessions is the responsibility of the Landlord.

VAT

The Landlord has elected the property for VAT.

The service charge payable by the commercial lessees will have VAT charged at the standard rate.

Banking

Due to the general level of service charge funds, they are not maintained within a discrete bank account. The funds are held within the Johnson Fellows Clients Account which is maintained with Barclays Bank plc. As a consequence, the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

Interest charged on late payment of service charge by tenants is to be credited to the service charge.

There is no sinking fund or reserve fund.



Service Charge Objectives

The object of this budget report is to provide clear explanation of the planned service charge expenditure on a not for profit/not for loss basis. It is also to promote clarity and transparency and to allow the leaseholders to budget accurately for the forthcoming year.

We encourage leaseholders to provide comments on the format and/or the information contained in this report which would assist in the report being improved for the benefit of all concerned. We would also welcome constructive feedback on the communal services provided at the property.

As Managing Agents, Johnson Fellows aim to provide a high-quality management service in order to provide a well-maintained environment and delivering value for money for the service charge expenditure.

The service charge is administered having regard to Service Charges in Commercial Property, First Edition.



Management Team

Facilities Manager:

Robert Scott
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0407
Mobile: 07540 732 602
Email: robert.scott@johnsonfellows.co.uk

Robert Scott is responsible for the repair and maintenance of the property and statutory compliance.

Management Surveyor:

Angela Lindop
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Email: angela.lindop@johnsonfellows.co.uk

Angela Lindop is responsible for the overall management of the property.

Assistant Property Manager:

Narinder Sira
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0463
Mobile: 07745 539 094
Email: narinder.sira@johnsonfellows.co.uk

Narinder Sira assists with the management of the building, including the administration and collection of the service charge.

Service Charge Accountant:

Rebecca Glover
Client Accounts
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0405
Email: rebecca.glover@johnsonfellows.co.uk

Rebecca Glover is the client accountant responsible for this property.



Service Charge Apportionment

The service charge provisions are set out in each tenant's lease. These consistently provide for each tenant to pay a due proportion of the service charge which is attributable to each tenant's premises. The due proportion is based primarily on the net internal area of each property relative to the total net internal area of all units. If such apportionment is inappropriate, the Landlord has reasonable discretion to adopt such other due proportion as is fair and reasonable. This may include attributing the whole expenditure to a particular unit.

The net internal areas for the commercial units have been obtained from the 2010 ratings list on the VOA website.

The costs included within the budget for Schedule 1 relate to the repair and maintenance of the communal areas. The communal areas are defined as the car park located at the front of the parade on Hinckley Road, and a strip of land located at the rear of the parade on Stretton Road. All tenants contribute towards Schedule 1.

Schedule 2 relates to any Building repairs required to units 1 & 2, and only the leaseholders of units 1 & 2 contribute towards these costs.

The service charge percentage apportionments are detailed in Appendix A.



Budget Commentary

SCHEDULE 1

All figures are shown net of VAT.

- **Management Fee** **£7,668**

This figure represents the cost incurred for the management of the property and administration of the service charge, including periodic inspection. The fee to manage the property and administer the service charge is a fixed fee indexed linked annually to the Retail Price Index (RPI.)

- **Audit Fee** **£250**

This is the estimated cost of independent annual certification of the service charge.

- **Facilities Management** **£1424**

The annual cost for the Facilities Manager to organise and supervise the service charge contracts, maintenance works, and site visits. This is a fixed cost and is index linked annually to the Retail Price Index (RPI)

- **Health and Safety** **£750**

The estimated cost to complete a health and safety General Risk Assessment (GRA) for the site.

- **External Cleaning** **£1500**

This estimated cost covers the cleaning of the car park area. This cost has been increased to provide additional contingency for additional cleaning, fly tipping and ad hoc rubbish removal that may be required during the service charge year.

- **External Landscaping** **£1,500**

The budgeted cost to attend to the high-level tree pruning and monthly visits to cut back of vegetation to the raised beds at the front of the site. This cost also includes litter picking onsite. This cost has been increased based on feedback from occupiers that the volume of litter on site is noticeable. The contract will be retendered during this service charge year.

- **Snow clearance / Gritting** **£1,100**

The estimated cost of reactive gritting contract to the car park and pathways during bad weather periods. This budget includes a small increase to account for inflationary rises in the gritting contract rates for Winter 2024.

- **Drainage** **£1,200**

The budgeted annual cost to flush out the drainage system. This budget has been increased to include a contingency sum for reactive call outs to blockages.



- **Car Park Maintenance** **£1,000**

An estimated cost for ad hoc repairs to the car park. There is no increase in the budget cost for this service charge year.

- **Boundary Maintenance** **£1,500**

A budgeted cost for reactive repairs to the walls or boundary area, with a contingency for graffiti removal. This cost has been increased based on actual expenditure in 2023/24.

Total

Schedule 1 **£17,892**

SCHEDULE 2

All figures are shown net of VAT.

- **Building Repair** **£500**

A contingency for any building repairs that may be required to units 1 and 2.

Total

Schedule 2 **£500**

Total Schedule 1 = £17,892
Total Schedule 2 = £500

Angela Lindop
Management Surveyor

Robert Scott
Facilities Manager



Appendix A

Leicester:125 Hinckley Road S/C (01687)				
Service Charge Unit Percentages				
Recovery Group = sc				
Reconciliation Period = 25/03/2024-24/03/2025				
*Amounts in gbp				
Unit	Tenant	Days	Schedule 1	Schedule 2
0001	Charles Michael Collins	366.00	5.4000	51.1000
0002	Mr Robert Shenton	366.00	5.2000	48.9000
0003	Tesco Stores Ltd (Express Service Charge)	366.00	28.0000	0.0000
0004	Foxglove Leicester Ltd	366.00	61.4000	0.0000
	Total		100.0000	100.0000



Appendix B

Leicester:125 Hinckley Road S/C (01687)
Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 25/03/2024 24/03/2025

*Amounts in gbp

Code	Description	Budget (03/2025)	Budget (03/2024)	Variance	%
1	Schedule 1				
5100-0101	Management Fee	7668.00	7,309.00	359.00	4.9118
5100-0203	S/C Audit Fees	250.00	250.00	0.00	0.0000
5100-0309	Facilities Manager	1424.00	1,357.00	67.00	4.9374
5100-0402	Health & Safety	750.00	750.00	0.00	0.0000
5300-1002	External Cleaning	1500.00	1,000.00	500.00	50.0000
5300-1009	External Landscaping	1500.00	1,250.00	250.00	20.0000
5300-1010	Snow clearance / Gritting	1100.00	1,000.00	100.00	10.0000
5300-1016	Drainage	1200.00	800.00	400.00	50.0000
5400-1505	Car Park Maintenance	1000.00	1,000.00	0.00	0.0000
5400-1525	Boundary Maintenance	1500.00	500.00	1,000.00	200.0000
	Schedule Total	£17,892.00	£15,216.00	£2,676.00	17.5868
Code	Description	Budget (03/2025)	Budget (03/2024)	Variance	%
2	Schedule 2				
5400-1530	Building Repair	500.00	500.00	0.00	0.0000
	Schedule Total	£500.00	£500.00	£0.00	0.0000