



JOHNSON FELLOWS
CHARTERED SURVEYORS

1016-1018 Kingsbury Road

Erdington

Birmingham

B24 9PZ

Service Charge Budget Report

29th September 2015 to

28th September 2016



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





Introduction

The service charge budget report is intended to provide details of the planned expenditure for the forthcoming service charge year.

The service charge has only been in operation for one year. A service charge was necessary due to there being communal structures, services and areas.

As a consequence of there being limited service charge history, the service charge budget is an assessment of anticipated expenditure. The service charge will be reviewed annually and subsequent budgets will reflect more accurately the services required and the expenditure incurred.

The Property

The property comprises of three units with communal car parking/servicing, two access points from Kingsbury Road. To the rear of the site is a canal, to the side are residential dwellings.

The common parts serving the whole property do not include the buildings which are let in their entirety to the tenants. The Common parts include the vehicular access, car parking and the boundary walls/fences.

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 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 to tenants for late payment of service charge is credited to the service charge.

Reserve Fund

There is no 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; RICS Code of Practice.



Management Team

Facilities Manager:

Chris Monteith

Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Direct Dial: 0121 234 0409

Mobile: 07786 072 755

Email: chris.monteith@johnsonfellows.co.uk

Chris Monteith is responsible for the repair and maintenance of the property and statutory compliance.

Management Surveyor:

Neil Wetherell

Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Direct Dial: 0121 234 0406

Mobile: 07836 313 914

Email: neil.wetherell@johnsonfellows.co.uk

Neil Wetherell is responsible for the overall management of the property.

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 operates for the whole property as defined in the lease documents. The apportionment percentages for each lessee are noted within the Service Charge Apportionment Schedule, as detailed in Appendix A.

The calculation of the apportionment percentages is based upon the Net Internal Area of each unit. During the year, Unit 1, 1016 was inspected and measured and the new area has been adopted within the apportionment calculations.



Budget Commentary

All figures are shown net of VAT

- **Car Park Cleaning** **£2,000**

The contract cost for the cleaning of the car park with an increased frequency to once per week and a provision for the removal of any fly tipping.

- **Pest Control** **£660**

The contract cost for the hire of bait stations and the quarterly visits to site to maintain them.

- **Car Park Maintenance** **£1,300**

The costs for repairs required to the car park and gritting during the winter.

- **Drain Maintenance** **£600**

Annual flush of the surface water drains serving the car park and a contingency for any maintenance required to communal drains.

- **Statutory Compliance** **£350**

The annual health and safety audit of the common parts.

- **Interest** **£0**

Any interest charged on the late payment of service charge by leaseholders will be credited to this budget.

- **Audit Fee** **£150**

This cost covers the fee raised by the accountants for certifying the year end service charge accounts.

- **Management Fee** **£2,525**

This figure represents the fee to manage the property and administer the service charge. It is a fixed fee indexed linked annually to RPI.

Total **£7,585**

An increase of 1% on the previous service charge budget.

Please note this budget is net of VAT at 20%.



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Facilities Manager

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Dated 17th August 2015

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Partner

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Dated 17th August 2015



Appendix A

1016-1018 Kingsbury Road, Erdngton, Birmingham, B24 9PZ

Service Charge Apportionment Schedule

29th September 2015 to 28th September 2016

Unit	Occupier	Area (m2)	Percentage
Unit 1, 1016	Capitol Tiles	325.28	63.1%
Unit 3, 1016	Greggs	98.63	19.1%
1016	Carphone Warehouse	91.8	17.8%
TOTAL		515.71	100.0%



Appendix B

1016-1018 Kingsbury Road, Erdington, Birmingham, B24 9PZ

Service Charge Variance Schedule

29th September 2015 to 28th September 2016

The property is VAT registered. Figures for Schedule 1 shown net of VAT.

Service Charge Item	Actual 2013/2014	Budget 2014/2015	Budget 2015/2016	Budget v Budget Variance %	Budget v Budget Variance £
Cleaning	£ -	£ 2,500	£ 2,000	-20.00%	-£ 500
Pest Control	£ -	£ 390	£ 660	69.23%	£ 270
Car Park Maintenance	£ -	£ 950	£ 1,300	36.84%	£ 350
Drain Maintenance	£ -	£ 600	£ 600	0.00%	£ -
Landscape - External	£ -	£ -	£ -	N/A	£ -
Statutory Compliance	£ -	£ 250	£ 350	40.00%	£ 100
Signage	£ -	£ 200	£ -	-100.00%	-£ 200
Interest	£ -	£ -	£ -	N/A	£ -
Audit Fees	£ -	£ 150	£ 150	0.00%	£ -
Management Fees	£ -	£ 2,500	£ 2,525	1.00%	£ 25
TOTAL	0.00	7540.00	7585.00	0.60%	£ 45