



137 Newhall Street

Birmingham

B3 1SW

Service Charge Budget Report

1st April 2024 to 31st March 2025



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Introduction

This report has been produced by Johnson Fellows on behalf of 137 Newhall Street (Management) Ltd. It is intended to provide details of the planned expenditure for the service charge period 1st April 2024 to 31st March 2025

Enclosed within this report is a copy of the Service Charge Budget Schedule and Service Charge Apportionment Schedule.

The service charge is administered having regard to RICS Practice Standards; Service Charges in Commercial Property; Professional Statement 1st edition.

The Property

The property is 137 Newhall Street is a multi-occupied office development refurbished in the late 1980's comprising twelve units over four floors providing a total of 21,166 sqft of accommodation. The units are owned by individual long leaseholder, some of which are sublet.

The main entrance leads to a welcoming reception area which benefits from a commissionaire service and a lift to all floors. There is an electronically gated access to the onsite car park located to the rear of the property. All occupiers have 24 hours access to the property.

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 professional statement 1st edition.

Voids and Concessions

The responsibility for the service charge rests with the individual long leaseholders.

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. Consequently, all expenditure budgets are quoted net of VAT, with VAT being charged at the appropriate 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. Consequently, the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

Reserve Fund

A reserve fund is implemented to make provision for future items of large expenditure required to the property.

Service Charge Apportionment

The apportionment basis has regard to the net internal floor areas. Each long leaseholder pays an amount calculated as a percentage of the floor space they are demised in relation to the total demised floor area of the property.

A Service Charge Apportionment Schedule is attached at Appendix A.



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.

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.

Management Surveyor:

Angela Lindop
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Mobile: 07954 124545
Email: angela.lindop@johnsonfellows.co.uk

Angela Lindop 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.



Budget Commentary

SCHEDULE 1

All figures shown net of VAT.

- **Management Fee** **£ 4,759.00**

The fee to manage the property and administer the service charge, which is a fixed fee indexed linked annually to RPI.

- **S/C Audit Fees** **£2,600.00**

This is the estimated cost to carry out the annual audit of the service charge accounts, payroll costs for employment of a Building Manager, and costs associated with the Management Company's obligations and compliances with Companies House.

- **Facilities Manager** **£3,569.00**

The cost of the facilities management for the administration of maintenance works, contracts, site visits and compliance. This is a fixed fee indexed linked annually to RPI.

- **Building Manager** **£ 29,475.00**

The estimated cost of all associated costs of employing the onsite Building Manager. This cost has increased due to the new minimum wage which comes into effect from 1st April 2024.

- **Landlord Risk Assessment and Reviews** **£1,600.00**

The estimated cost of Landlord Risk Assessments and other Health and Safety related activities that may be required during the budget year. An additional water risk assessment will be implemented in the 2024/25 budget year.

- **Signage** **£ 250.00**

The estimated cost of updates and amendments to the tenant directory board

- **Electricity** **£ 15,000.00**

This is the estimated cost of electricity usage for the property during the service charge year.

- **Water and Sewage Charges** **£ 110.00.**

This cost heading relates to the water supply to central plant, common parts and retained areas, excluding direct consumption by the occupiers.



- **Telephones** **£1600.00**

This is the estimated cost of telephone and broadband services to the property/equipment during the service charge year. This cost is now a separate budget heading and was previously accounted for under the heading of Security Systems in the 2023/24 budget.

- **Security guarding** **£ 2,200.00**

This is an estimated figure for costs associated with the locking and unlocking of the building and keyholding as required and to cover associated costs for out of hour call outs as a result of any alarm activations. Amount allocated for the service of the intruder alarm panel.

- **Security Systems** **£ 2,000.00**

This is an estimated figure for costs associated with the service of the building access control systems, CCTV, and gate to the car park. A contingency is applied for any reactive call outs to equipment.

- **Mechanical & Electrical Maintenance Contract** **£ 6,000.00**

The Mechanical and Electrical cost heading has been removed from the budget and replaced with two separate cost headings. Contract costs relating to Mechanical & Electrical Maintenance are accounted for under this heading, and resulting repairs are accounted under the below heading of Mechanical and Electrical Repairs. This cost heading is now the budgeted cost for the mechanical and electrical contracts carried out during the service charge year. These include electric gates, storage heaters, emergency lighting, mains distribution board, time clocks, car park lighting and emergency lighting.

- **Mechanical & Electrical Repairs** **£ 2,000.00**

This is the budgeted cost for any mechanical and electrical repairs identified from regular maintenance contracts.

- **Fire Prevention and Detection** **£1,500.00**

This cost heading relates to expenditure for the annual service of the fire equipment to include the panel, fire alarm, fire extinguisher maintenance and annual fire evacuation.

- **Lift Maintenance** **£2,500.00**

Owing to the issues with the lift breakdown in 2023, the warranty for the lift has been extended until 20th October 2024. On expiry the lift service contract will be re-tendered. The cost for an independent lift consultant (ILECS) has been added for this service charge year. Via its 'One Vision' service ILECS will independently monitor the lift contracts and repairs to ensure costs are relevant and not excessive. ILECS additionally will independently address any issues directly with the lift maintenance contractor, resolving technical issues as required. Any repairs resulting from the lift maintenance will be paid for via the Mechanical & Electrical Repairs heading.

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- **External Repairs and Maintenance** **£ 750.00**

This heading is the budgeted cost for the external repairs and maintenance of the car park area.

- **Internal Cleaning** **£9,511.00**

This heading is for the internal cleaning of the common parts. The cost has been increased this year to reflect the increase in the national minimum wage from the 1st of April 2024 and the impact of this, and general inflationary costs in respect of this service contract.

- **Window Cleaning** **£1050.00**

This heading is for the costs in relation to quarterly cleaning of the external windows.

- **Pest Control** **£1,000.00**

This is the estimated annual cost for the service and replenishment of the bait boxes to prevent rodent activity. A contingency is allowed for any ad hoc pest control required during the service charge year.

- **Snow Clearance /Gritting** **£250.00**

This is the estimated annual cost associated with winter gritting.

- **Refuse** **£ 11,000.00**

This heading covers the annual cost of the removal of occupier's waste from the premises by Biffa and ad hoc refuse removal. The budget has been increased to reflect the actual expenditure in the previous service charge year. The increase is due to the contractor charges for waste removal.

- **Drainage** **£ 825.00**

A budgeted amount for the costs related to the external drainage point and aco channels where when required.

- **External repairs & Maintenance** **£750.00**

This heading is the budgeted cost for the external repairs and maintenance of the car park area.

- **Building Repairs** **£3,500.00**

This provision is for budgeted and ad hoc costs in relation to maintaining the property in general.

- **Building Insurance** **£11,000.00**

This heading provides for the premiums due in respect of Building, Terrorism and Public and Property Owners Liability insurance for the property.



- **Engineering Insurance** **£600.00**

This heading provides for the premiums due in respect of the Engineering Insurance for the Lift.

- **Reserve** **£2,000.00**

A reserve fund is implemented to make provision for future items of large expenditure required to the property.

Total **£116,249 .00**

A Lindop

Management Surveyor

Facilities Manager



Appendix A

137 Newhall Street Birmingham (p0000015)

Service Charge Unit Percentages

Recovery Group = sc

Reconciliation Period = 01/04/2024-31/03/2025

*Amounts in gbp

Unit	Tenant	Days	Schedule 1
JNIT_01	Mr AC & Mrs LN Tomkins (Original)	365.00	4.5800
JNIT_02	Fenice Media Limited (Original)	365.00	8.6900
JNIT_03	Fenice Media Limited (Original)	365.00	10.4700
JNIT_04	Phoenix Wealth Trustee Services Ltd (Original)	365.00	6.3300
JNIT_05	Phoenix Wealth Trustee Services Ltd (Original)	365.00	6.3300
JNIT_06	The Wilkes & Williams Group Individual SIPPS (Orig	365.00	11.8900
JNIT_07	RE Investments Ltd (Original)	365.00	5.3900
JNIT_08	Phoenix Wealth Trustee Services Ltd (Original)	365.00	6.9900
JNIT_09	The Trustees of the PP SSAS (Original)	365.00	10.9800
JNIT_10	Elias Topping (Original)	365.00	5.4800
JNIT_11	Citysites (Birmingham) Ltd (Original)	365.00	10.2600
JNIT_12	Citysites (Birmingham) Ltd (Original)	365.00	12.6100
	Total		100.0000



Appendix B

137 Newhall Street Birmingham (p0000015)

Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 01/04/2024-31/03/2025

*Amounts in gbp

Code	Description	Budget YE Mar 2025	Budget YE Mar 2024	Variance (£)	%
1	Schedule 1				
5100-0101	Management Fee	4,759.00	4,536.36	222.64	4.91
5100-0203	S/C Audit Fees	2,600.00	2,500.00	100.00	4.00
5100-0308	Building Manager	29,475.00	26,845.56	2,629.44	9.79
5100-0309	Facilities Manager	3,569.00	3,402.27	166.73	4.90
5100-0310	Telephones	1,600.00	0.00	1,600.00	
5100-0401	Landlords risk assessments, audits & reviews	1,600.00	750.00	850.00	113.33
5100-0408	Signage	250.00	250.00	0.00	0.00
5200-0501	Electricity	15,000.00	15,000.00	0.00	0.00
5200-0801	Water and sewage charges	110.00	55.00	55.00	100.00
5300-0901	Security guarding	2,200.00	2,600.00	-400.00	-15.38
5300-0902	Security systems	2,000.00	0.00	2,000.00	
5300-1001	Internal Cleaning	9,511.00	7,900.00	1,611.00	20.39
5300-1003	Window cleaning	1,050.00	960.00	90.00	9.38
5300-1007	Pest control	1,000.00	750.00	250.00	33.33
5300-1010	Snow Clearance /Gritting	250.00	250.00	0.00	0.00
5300-1014	Refuse collection	11,000.00	8,700.00	2,300.00	26.44
5300-1016	Drainage	825.00	825.00	0.00	0.00
5400-1201	M&E Maintenance Contract	6,000.00	0.00	6,000.00	
5400-1207	Electrical Maintenance	0.00	6,500.00	-6,500.00	-100.00
5400-1202	M&E Repairs	2,000.00	0.00	2,000.00	
5400-1211	Fire prevention/detection	1,500.00	1,000.00	500.00	50.00
5400-1301	Lift maintenance contract	2,500.00	3,000.00	-500.00	-16.67
5400-1502	External Repairs and maintenance	750.00	500.00	250.00	50.00
5400-1530	Building Repair	3,500.00	3,500.00	0.00	0.00
5600-1901	Building Insurance	10,600.00	11,110.00	-510.00	-4.59
5600-1902	Engineering Insurance	600.00	0.00	600.00	
5700-2202	Reserve fund	2,000.00	2,000.00	0.00	0.00
	Total Budget	£116,249.00	£102,934.19	£13,314.81	12.93