



JOHNSON FELLOWS

137 Newhall Street

Birmingham

B3 1SW

Service Charge Budget Report

1st April 2025 to 31st March 2026

Contents

Introduction

The Property

Service Charge Objectives

Voids and Concessions

VAT

Banking

Reserve Fund

Service Charge Apportionment

Management Team

Budget Commentary

Appendices

- A. Service Charge Apportionment
- B. Service Charge Variance

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 2025 to 31st March 2026

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 reception area 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.

The reception area is attended by an onsite Building Support Coordinator, Ian Coppage.

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.

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:

Daniel Blakeman
Johnson Fellows, Charter House, 180 Newhall Street, Birmingham, B3 1SJ
Mobile: 07786 072 755
Email: daniel.blakeman@johnsonfellows.co.uk

Daniel Blakeman is responsible for the repair and maintenance of the property and statutory compliance.

Assistant Property Manager:

Narinder Sira
Johnson Fellows, Charter House, 180 Newhall Street, Birmingham, B3 1SJ
Direct Dial: 0121 234 0463
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, 180 Newhall Street, Birmingham, B3 1SJ
Mobile: 07954 124545
Email: angela.lindop@johnsonfellows.co.uk

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

Service Charge Accountant:

Kiesha Gregory - Client Accounts
Johnson Fellows, Charter House, 180 Newhall Street, Birmingham, B3 1SJ
Direct Dial: 0121 234 0405
Email: kiesha.gregory@johnsonfellows.co.uk

Kiesha Gregory is the client accountant responsible for this property.



Budget Commentary

SCHEDULE 1

All figures shown net of VAT.

- **Management Fee** **£ 4,932**

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** **£2,779**

This cost heading includes the estimated expenditure for the independent audit of the service charge accounts, carried out by Haines Watts, as well as payroll costs associated with the employment of a Building Manager. It also covers expenditure relating to the Management Company's statutory obligations and compliance requirements, including confirmation statement filing fees with Companies House, VAT returns, and the preparation of the Management Company's financial statements.

- **Helpdesk Fee** **£500**

A 7-day-a-week Help Desk to be implemented, providing all long leaseholders with direct access to our Facilities Management team to report urgent repair and maintenance issues 24 hours a day. During weekdays and office hours, enquiries can be directed to the Facilities Management team. Outside of these times—including evenings, weekends, and public holidays—out-of-hours cover will be available to respond to urgent repairs or incidents. This service will support the 24-hour access occupiers currently have in place at the building.

The telephone number for the helpdesk will be advised when the service is activated for the building.

- **Building Manager** **£ 29,800**

The budgeted amount of all associated costs of employing the onsite Building Manager, Ian Coppage. This cost includes the new minimum wage level which came into effect from 1st April 2025.

- **Facilities Manager** **£3,699**

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.

- **Telephones** **£1600**

This represents the estimated cost of telephone and broadband services with a static IP address required for the building CCTV cameras to the property, and associated equipment during the service charge year. The existing landline telephone will be replaced with a mobile phone, which will serve a dual purpose: it will act as the building's main phone line for the reception area and will also be used to communicate with the intercom system at the Water Street gates. This will enable the building manager to remotely open the gates when visitors call via the intercom and also use as a workplace mobile phone.

- **Landlord Risk Assessment and Reviews** **£1,600**

The estimated cost of any Landlord Risk Assessments and other Health and Safety related activities that may be required during the budget year. The budget cost has been held for the 2025/26 service charge year.

- **Signage** **£ 250**

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

- **Electricity** **£ 9000**

This represents the estimated cost of electricity usage for the property during the service charge year. The estimated cost has been reduced compared to previous years, reflecting a decrease in consumption following the replacement of some older lighting with energy-efficient LED fittings

- **Water and Sewage Charges** **£110**

The estimated cost relating to the water supply to central plant, common parts and retained areas, excluding direct consumption by the occupiers.

- **Security guarding** **£ 2,200**

This is an estimated figure for costs associated with the locking and unlocking of the building whilst the Building Manager is on annual leave, keyholding service, and out of hour call outs as a result of fire panel alarm activations by Guarding UK.

- **Security Systems** **£ 3,000**

This is an estimated figure for costs associated with the service and repair of the building access control systems, CCTV, and gates to the car park. The contingency budget has been increased for any reactive call outs or repairs to equipment.

- **Internal Cleaning** **£10,724**

The budget cost 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 2025, and general inflationary costs in respect of this service contract.

- **Window Cleaning** **£1200**

This represents the budgeted cost for the quarterly cleaning of the external windows. The estimated cost has increased compared to the previous year, reflecting inflationary increases applied by the contractor.

- **Pest Control** **£900**

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. This cost has been marginally reduced based on previous years expenditure.

- **Snow Clearance /Gritting** **£250**

This is the estimated annual contingency cost associated with winter gritting when required.

- **Refuse** **£ 12,800**

This heading covers the estimated annual cost of occupiers' waste removal from the premises, including regular collections by Biffa and ad hoc refuse removal services. The budget has been increased to reflect actual expenditure during the previous service charge year. The increase is primarily due to higher contractor charges for general waste removal and the cost of removing bulky items not able to be collected by Biffa. To help minimise refuse costs, occupiers are encouraged to make independent arrangements for recycling bulky waste rather than disposing of it in the bin store area.

- **Drainage** **£ 825**

A budgeted amount for the costs related to the external drainage points and cleaning of the drainage channels when required. This cost has been held for 2025/26 budget year.

- **Mechanical & Electrical Maintenance Contract** **£ 6,000**

The budgeted cost for the annual planned and preventative maintenance activities carried out within the communal building by Phosters FM. The budgeted cost remains the same as the previous service charge year.

- **Mechanical & Electrical Repairs** **£2,700**

This is the budgeted cost for any mechanical and electrical repairs identified from regular maintenance contracts. This cost has been increased for further replacement and wiring of 6 light fittings in the communal areas.

- **Fire Prevention and Detection** **£1,600**

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. This cost has slightly increased based on previous years expenditure.

- **Lift Maintenance** **£3,000**

This budgeted cost covers the lift maintenance contract with Otis. The contract now provides more comprehensive cover, including four maintenance visits per annum, 24/7 callouts, a four-hour response time for breakdowns (with a one-hour response for entrapments), and the cost of most minor and major parts where the lift is found inoperative on arrival.

This heading also includes the cost of appointing independent lift consultants, ILECS. Through its 'One Vision' service, ILECS independently monitors the lift contract and associated repairs to ensure costs are appropriate and not excessive. ILECS also engages directly with the maintenance contractor to resolve any technical issues as required.

An additional cost has been budgeted this year for a contract SIM card service provided by Otis for the lift's emergency alarm system. This replaces the previous pay-as-you-go SIM, which was subject to deactivation by the network provider if unused. The contract SIM ensures continuous service without the need for manual top-ups, making it more appropriate for emergency use.

Repairs identified outside the inclusive contract with Otis, will be charged under the Mechanical & Electrical Repairs cost heading.

- **External Repairs and Maintenance** **£ 750**

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

- **Building Repairs** **£5,000**

This estimated cost covers ad hoc expenditure associated with the general maintenance of the property. The budget has been increased this year to allow for the replacement of the entrance gates at 133 Newhall Street, as well as repairs to the adjoining wall, which have been identified as requiring attention.

- **Building Insurance** **£10,600**

This heading provides for the premiums payable in respect of Buildings Insurance, Terrorism Insurance, and Public and Property Owners' Liability Insurance for the property.

A reinstatement cost assessment carried out in 2024 has reduced the property's reinstatement value from £9,382,426 to £7,105,000 (excluding VAT). While insurance premiums may increase in line with market conditions and claims history at the next renewal date in September 2025, the reduced reinstatement value may have a mitigating effect on the overall cost.

- **Engineering Insurance** **£600**

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

- **Reserve** **£2,000**

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

Total **£118,419**

A Lindop

Management Surveyor

Daniel Blaksman

Facilities Manager

Appendix A

137 Newhall Street Birmingham (p0000015)

Service Charge Unit Percentages

Recovery Group = sc

Reconciliation Period = 01/04/2025-31/03/2026

Unit	Tenant	Days	Schedule 1 (%)
UNIT_01	Mr AC & Mrs LN Tomkins	365.00	4.5800
UNIT_02	Fenice Media Limited	365.00	8.6900
UNIT_03	Fenice Media Limited	365.00	10.4700
UNIT_04	Phoenix Wealth Trustee Services Ltd	365.00	6.3300
UNIT_08	Phoenix Wealth Trustee Services Ltd	365.00	6.9900
UNIT_05	Phoenix Wealth Trustee Services Ltd	365.00	6.3300
UNIT_06	The Wilkes & Williams Group Individual SIPPS	365.00	11.8900
UNIT_07	RE Investments Ltd	365.00	5.3900
UNIT_09	The Trustees of the PP SSAS	365.00	10.9800
UNIT_10	Elias Topping	365.00	5.4800
UNIT_11	Citysites (Birmingham) Ltd	365.00	10.2600
UNIT_12	Citysites (Birmingham) Ltd	365.00	12.6100
	Total		100.0000

Appendix B

Service Charge Budget 01/04/2025 - 31/03/2026					
Code	Description	Budget YE Mar 2026 (£)	Budget YE Mar 2025 (£)	Variance (£)	Variance %
	Schedule 1				
5100-0101	Management Fee	4,932.00	4,759.00	173.00	3.64
5100-0203	S/C Audit Fees	2,779.00	2,600.00	179.00	6.88
5100-0302	Helpdesk Fee	500.00	0.00	500.00	100.00
5100-0308	Building Manager	29,800.00	29,475.00	325.00	1.10
5100-0309	Facilities Manager	3,699.00	3,569.00	130.00	3.64
5100-0310	Telephones	1,600.00	1,600.00	0.00	0.00
5100-0401	Landlords risk assessments, audits & reviews	1,600.00	1,600.00	0.00	0.00
5100-0408	Signage	250.00	250.00	0.00	0.00
5200-0501	Electricity	9,000.00	15,000.00	-6,000.00	-40.00
5200-0801	Water and sewage charges	110.00	110.00	0.00	0.00
5300-0901	Security guarding	2,200.00	2,200.00	0.00	0.00
5300-0902	Security systems	3,000.00	2,000.00	1,000.00	50.00
5300-1001	Internal Cleaning	10,724.00	9,511.00	1,213.00	12.75
5300-1003	Window cleaning	1,200.00	1,050.00	150.00	14.29
5300-1007	Pest control	900.00	1,000.00	-100.00	-10.00
5300-1010	Snow Clearance /Gritting	250.00	250.00	0.00	0.00
5300-1014	Refuse collection	12,800.00	11,000.00	1,800.00	16.36
5300-1016	Drainage	825.00	825.00	0.00	0.00
5400-1201	M&E Maintenance Contract	6,000.00	6,000.00	0.00	0.00
5400-1202	M&E Repairs	2,700.00	2,000.00	700.00	35.00
5400-1211	Fire prevention/detection	1,600.00	1,500.00	100.00	6.67
5400-1301	Lift maintenance contract	3,000.00	2,500.00	500.00	20.00
5400-1502	External Repairs and maintenance	750.00	750.00	0.00	0.00
5400-1530	Building Repair	5,000.00	3,500.00	1,500.00	42.86
5600-1901	Building Insurance	10,600.00	10,600.00	0.00	0.00
5600-1902	Engineering Insurance	600.00	600.00	0.00	0.00
5700-2202	Reserve fund	2,000.00	2,000.00	0.00	0.00
	Schedule Total	£118,419.00	£116,249.00	£2,170.00	1.8325