



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

28 Royal Parade and 29 New George  
Street

Plymouth

Devon

Service Charge Budget Report

29<sup>th</sup> September 2019 to 28<sup>th</sup>  
September 2020



## **Contents**

Introduction  
The Property  
Service Charge Objectives  
VAT  
Voids and Concessions  
Banking  
Reserve Fund  
Service Charge Apportionment  
Management Team  
Budget Commentary

## **Appendices**

- A. Service Charge Apportionment Schedule
- B. Service Charge Budget Schedule

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





## **Introduction**

This report has been produced by Johnson Fellows on behalf of the Landlord, Tesco Stores Ltd. It is intended to provide details of the planned expenditure for the service charge period 29<sup>th</sup> September 2019 to 28<sup>th</sup> September 2020.

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 Professional Standards; Service Charges in Commercial Property; 1st Edition, Professional Statement.

## **The Property**

The property is located between Royal Parade and New George Street within the central retail area of the port city of Plymouth. The A38 Devon Expressway is approximately 2 miles to the north.

The property is a 1960's concrete framed structure with clad elevations and a flat roof. It is arranged over basement to third floors. Formerly part of the adjacent Debenhams department store, the building is now shared between TK Maxx and Tesco.

The building is essentially split vertically, with the TK Maxx unit being accessed from Royal Parade and the Tesco unit from New George Street. There is a service yard to the rear that is also shared with the neighbouring buildings.

The communal services include the maintenance of the external roof and structure, the internal fire escape stairwells, pest control, drain maintenance, fire safety and communal area electrical consumption and compliance.

## **Service Charge Objectives**

The objective of Johnson Fellows as Managing Agent is to provide a high quality management service. In so doing we aim to provide a well maintained environment, delivering value for money for the service charge expenditure.

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

Should either occupier have comments on the format, or the information contained in this report which would assist in the report being improved for the benefit of all concerned, these comments would be welcomed. We would also welcome constructive feedback on the communal services provided at the property.



### **VAT**

The property is elected for VAT, consequently the expenditure stated within this report is net of VAT.

### **Voids and Concessions**

Where any void units exist, the responsibility for the service charge rests with the Landlord. There are currently no voids.

### **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 the late payment of service charge by tenants is to be credited to the service charge.

### **Reserve Fund**

There is no reserve fund.



### **Service Charge Apportionment**

The expenditure is contained under a single schedule that both occupiers contribute towards.

The apportionment for this schedule is calculated having regard to the total gross internal floor area demised to each occupier.

An 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](mailto:chris.monteith@johnsonfellows.co.uk)

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

### Management Surveyor:

George Brittain  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0454  
Mobile: 07884 352 576  
Email: [George.Brittain@johnsonfellows.co.uk](mailto:George.Brittain@johnsonfellows.co.uk)

George Brittain 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](mailto:rebecca.glover@johnsonfellows.co.uk)

Rebecca Glover is the client accountant responsible for this property.



## **Budget Commentary**

*All figures are shown net of VAT*

- **Cleaning** **£1,000**

The budget figure covers the cost of the periodic cleaning of the internal communal staircases.

- **Pest Control** **£2,000**

The budget figure allows for the maintenance of the seagull and pigeon netting and spikes to the roof.

- **Drain Maintenance** **£1,000**

The budget figure allows for ongoing 6 monthly flush outs.

- **Electrical Maintenance** **£1,000**

The budget heading allows for any adhoc electrical works that may be required

- **Roof Maintenance** **£13,000**

The cost heading is for the cleaning of the roof surface and moss treatment.

- **External Maintenance** **£5,000**

The cost heading provides a contingency sum for any canopy repairs / decoration and unforeseen maintenance to the structure.

- **Electrical Consumption** **£1,000**

The cost heading allows for the electrical consumption within the communal stairwells.

- **Planned Preventative Maintenance** **£5,000**

The cost heading allows for the preparation of a detailed planned preventative maintenance schedule, this was not undertaken in the previous period so has been rescheduled for this period.

- **Fire Safety** **£1,000**

The budget provides for the weekly testing of the linked fire alarm, and the testing and provision of extinguishers.

- **Health & Safety** **£1,500**

The cost heading allows for the completion of a health & safety audit, the testing of the mansafe system and the testing of the lightning conductor.



- **Audit Fee** **£500**

The RICS Service Charge Code of Practice states that service charge accounts for commercial properties are to be independently certified on an annual basis. The cost heading represents the accountant's fee.

- **Management Fee** **£4,629**

This figure represents the costs incurred for the management of the property, administration of the service charge and completing periodic inspections. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual indexation.

- **Facilities Management** **£2,057**

The figure represents the costs incurred to organise and supervise the various contracts in place, dealing with items of maintenance and ensuring compliance. The fee will be subject to annual indexation.

**Total** **£38,686**

.....

Facilities Manager

.....

Associate Partner



**Appendix A**

**28 Royal Parade & 29 New George Street, Plymouth**

**Service Charge Apportionment Schedule**

<b>TK Maxx</b>	<b>Area Sq Ft</b>	<b>Percentage</b>
Basement	7,004	
Ground Floor	8,165	
First Floor	16,309	
Second Floor	8,861	
Third Floor	4,993	
<b>Total</b>	<b>45,332</b>	<b>61.00%</b>

<b>Tesco</b>		
Basement	9,005	
Ground Floor	10,483	
First Floor	N/A	
Second Floor	7,589	
Third Floor	1,987	
<b>Total</b>	<b>29,064</b>	<b>39.00%</b>

<b>Grand Total</b>	<b>74,396</b>	<b>100.00%</b>
--------------------	---------------	----------------



## Appendix B

**28 Royal Parade & 29 New George Street, Plymouth**

### **Service Charge Budget Schedule**

**28th September 2019 to 27th September 2020**

The property is VAT registered. Figures for all schedules are shown net of VAT.

<b>Service Charge Item</b>	<b>Budget 2018-2019</b>	<b>Budget 2019-2020</b>	<b>Vairance (%)</b>	<b>Variance (£)</b>
Cleaning	£ 1,000.00	£ 1,000.00	0.0%	£ -
Pest Control	£ 2,000.00	£ 2,000.00	0.0%	£ -
Drain Maintenance	£ 2,500.00	£ 1,000.00	-60.0%	-£ 1,500.00
Electrical Maintenance	£ 6,000.00	£ 1,000.00	-83.3%	-£ 5,000.00
Roof Maintenance	£ 1,500.00	£ 13,000.00	766.7%	£ 11,500.00
External Maintenance	£ 5,000.00	£ 5,000.00	0.0%	£ -
Electrical Consumption	£ 1,000.00	£ 1,000.00	0.0%	£ -
Planned Preventative Maintenance	£ 4,000.00	£ 5,000.00	25.0%	£ 1,000.00
Fire Safety	£ 6,000.00	£ 1,000.00	-83.3%	-£ 5,000.00
Health & Safety	£ 1,500.00	£ 1,500.00	0.0%	£ -
Audit Fee	£ 500.00	£ 500.00	0.0%	£ -
Management Fee	£ 4,500.00	£ 4,629.00	2.9%	£ 129.00
Facilities Management Fee	£ 2,000.00	£ 2,057.00	2.9%	£ 57.00
	<b>£ 37,500.00</b>	<b>£ 38,686.00</b>	<b>3.2%</b>	<b>£ 1,186.00</b>