



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

290-292 Soho Road

Handsworth

Birmingham

B21 9LZ

**Service Charge Budget Report**

**24<sup>th</sup> June 2016 to 23<sup>rd</sup> June 2017**



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





## **Introduction**

This report has been produced by Johnson Fellows on behalf of the Landlord, Mr R Lal, Mr P Lal and Mr J L Gangotra. It is intended to provide details of the planned expenditure for the service charge year 24<sup>th</sup> June 2016 to 23<sup>rd</sup> June 2017.

The service charge is administered having regard to RICS Practice Standards; Service Charges in Commercial Property; 3<sup>rd</sup> Edition, Code of Practice.

## **The Property**

The property is located on Soho Road (B4100), approximately two miles to the north of Birmingham City Centre. The premises comprise of a two storey building with basement, ancillary store and car park/yard to the rear. Access to the rear yard is directly from Soho Road.

The building consists of three retail units to the ground floor, albeit two of these have been knocked through into a larger single unit with office accommodation to the first floor. Access to the first floor is internally from the larger retail unit.

The common parts mainly comprise of the roof, external structure and basement boiler room.

## **Service Charge Objectives**

The object of this budget report is to provide a 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 deliver value for money for the service charge expenditure.

## **Voids and Concessions**

The responsibility for service charge in respect of void accommodation or any concessions rests with the Landlord.

## **VAT**

The Landlord has not elected the property for VAT.

## **Banking**

Due to the level of service charge funds, they are not maintained within a discreet bank account. The funds are held within the Johnson Fellows client 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.



### **Service Charge Apportionment**

The service charge apportionment percentages are calculated having regard to the net internal floor area of each occupational unit.

Under the terms of the lease, the basement accommodation and rear store are demised with 290 Soho Road. A 50% weighting has been applied to these two floor areas to reflect the benefit derived from the space, as distinct from the ground floor retail accommodation and first floor offices.

A Service Charge Apportionment schedule is enclosed in 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**

### **SCHEDULE 1**

***All figures are shown inclusive of VAT***

- **External Building Repair** **£1,750.00**

The cost heading allows for repairs to common areas including attending to lipped paving, gutter cleaning and roof repairs. We have included contingency for unforeseen ad-hoc works.

- **Gas Supply** **£12,000.00**

The budget cost is for the gas supply for the shared central heating system, based on the consumption over the previous 12 months.

- **Water Charges** **£900.00**

The budget cost is for the water charges for the building, based on those incurred during the previous 12 months.

- **Central Heating System** **£350.00**

The cost heading is for the annual service of the commercial gas boiler.

- **Insurance** **£100.00**

The budget covers the insurance engineer's inspection and premium for the plant and machinery associated with the gas boiler.

- **Audit Fee** **£270.00**

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 budget covers the accountant's fee.

- **Management Fee** **£5,173.04**

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



- **Facilities Management Fee** **£300.00**

This cost heading is for the budget and contract management together with health and safety and compliance issues.

**Total**

**Schedule 1** **£20,843.04**

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Management Surveyor

Dated 26<sup>th</sup> July 2016

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Facilities Manager

Dated 26th July 2016



Appendix A

**290 - 292 Soho Road, Handsworth, Birmingham B21 9LZ**

**Service Charge Apportionment Schedule**

**24th June 2016 to 23rd June 2017**

<b>Unit</b>	<b>Floor</b>	<b>Area (sq ft)</b>	<b>Weighted Area (sq ft)</b>	<b>Percentage</b>
290	Ground	2,896	2,896	46.58%
	Basement	2,235	1,118	
	Store	456	228	
	<b>Total</b>	<b>5,587</b>	<b>4,242</b>	
290a	Ground	1,565	1,565	17.18%
	<b>Total</b>	<b>1,565</b>	<b>1,565</b>	
292	Ground	1,206	1,206	36.24%
	First	2,094	2,094	
	<b>Total</b>	<b>3,300</b>	<b>3,300</b>	
<b>Total</b>		<b>10,452</b>	<b>9,107</b>	<b>100.00%</b>



## Appendix B

**290 - 292 Soho Road, Handsworth, Birmingham B21 9LZ**

### **Service Charge Variance Schedule**

**24th June 2016 to 23rd June 2017**

The property is not VAT registered. Figures are shown inclusive of VAT

<b>Service Charge Item</b>	<b>Schedule</b>	<b>Budget 2015/2016</b>	<b>Budget 2016/2017</b>	<b>Budget v Budget Variance %</b>	<b>Budget v Budget Variance £</b>
External Building Repair	1	£ 2,000.00	£ 1,750.00	-12.50%	-£ 250
Gas Supply	1	£ 11,500.00	£ 12,000.00	4.35%	£ 500
Water Charges	1	£ 900.00	£ 900.00	0.00%	£ -
Central Heating System	1	£ 560.00	£ 350.00	-37.50%	-£ 210
Insurance	1	£ 150.00	£ 100.00	-33.33%	-£ 50
Signage	1	£ 250.00	£ -	-100.00%	-£ 250
Audit Fee	1	£ 270.00	£ 270.00	0.00%	£ -
Management Fees	1	£ 5,106.65	£ 5,173.04	1.30%	£ 66
Facilities Management	1	£ 200.00	£ 300.00	50.00%	£ 100
<b>Total</b>		<b>£ 20,936.65</b>	<b>£ 20,843.04</b>	<b>-0.45%</b>	<b>-£ 94</b>