



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

5/7 High Street

Henley-in-Arden

Solihull

B95 5AA

**Service Charge Budget Report**

**1<sup>st</sup> December 2020 to**

**30<sup>th</sup> November 2021**



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## **Introduction**

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

A service charge is required for the upkeep of the communal structures, services and areas benefiting the occupiers.

The service charge is reviewed each year so the budgets reflect accurately the services required and the expenditure incurred.

## **The Property**

The property comprises of a three-storey office building. To the rear is a car park to the offices with vehicular access from Millfield Court.

The common parts serving the whole property include the main structure and the external elements of the building, the car park and the boundary walls/fences. The communal areas also include the front ground floor entrance to the building, reception, stairs to the first and second floor offices and toilets on the first floor.

In addition to the common areas of the building, there are common services including cleaning, heating and all utilities, including electricity consumed within the office suites.

As Managing Agents, Johnson Fellows are appointed to undertake the financial administration of the service charge and facility management of the contracts, ensuring that they are periodically tendered and provide value for money. The actual on-site property management is undertaken directly by our client.

## **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. Consequently, the service charge budget is stated net of VAT which is 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.

## **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.

The service charge is administered having regard to Service Charges in Commercial Property; RICS Professional Statement, 1<sup>st</sup> Edition.

## **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 service charge contracts 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](mailto: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](mailto: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 as detailed in Appendix A.

All tenants are liable for contributing towards all expenditure.

The apportionment of the service charge has regard to the NIA of the accommodation, using the areas adopted by the letting agents.

## **Budget Commentary**

### **SCHEDULE 1 – Whole**

***All figures are shown net of VAT***

- **Cleaning** **£4,600**

The contract cost for the cleaning of the common areas, the individual office suites and windows together with toilet supplies. The budget is the same as last year.

- **Refuse** **£1,000**

The contract cost for the refuse removal, comprising one Euro bin emptied periodically. The budget is at the same level as last year.

- **Drain Maintenance** **£250**

We have included a contingency.

- **Repairs – External** **£1,000**

We have included a contingency for repairs to the structure and external parts of the property, reflecting the age of the building since the refurbishment works were completed in 2015.

- **Repairs – Internal** **£1,000**

We have included an increased contingency for repairs to the internal common parts, reflecting the age of the building since the refurbishment works were completed in 2015.

- **Electricity Supply** **£3,000**

There is a single electricity supply to the whole property, including all office suites. The budget is the same as last year.

- **Gas Supply** **£3,750**

There is a single gas supply for the boiler providing heating and hot water not only to the common parts but all the offices. The budget has been increased from last year reflecting increased consumption.

- **Water Charges** **£400**

There is a single metered water supply for the property. The budget has decreased reflecting actual consumption and costs. This might reflect reduced occupation.

- **Satellite/TV Aerial** **£150**

The cost of the TV licence in the reception area.



- **Fire Prevention** **£1,000**

The cost of maintaining and testing of the fire alarm and extinguishers. These costs were formally allocated to the Statuary Compliance budget.

- **Health & Safety** **£500**

The cost of the annual health and safety inspection of the building, the same as last year.

- **Statutory Compliance** **£0**

The expenditure previously allocated to this budget heading will now be allocated to the Fire Prevention budget.

- **Central Heating Maintenance** **£2,500**

The cost of the maintenance contract for the central heating together with a contingency for repairs.

- **Management Fee** **£1,417**

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

- **Facilities Manager** **£555**

This figure represents the fee to administer and re-tender the contracts. It is a fixed fee indexed linked annually to RPI.

**Total**

- Schedule 1** **£21,122**

This represents an increase of £872 to the previous year's budget, reflecting 4.3%. The main reason for this increase is the higher consumption of gas.

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Management Surveyor

.....  
Facilities Manager

.....  
Dated 26<sup>th</sup> November 2020

.....  
Dated 26<sup>th</sup> November 2020



**Appendix A**

**5/7 High Street, Henley-in-Arden, Solihull, B95 5AA (02033)**

**Service Charge Apportionment**

**1st December 2020 to 30th November 2021**

<b>Unit</b>	<b>Area (sq m)</b>	<b>Percentage</b>
Ground Floor	99.8	49%
First Floor - Front	39.6	19%
First Floor - Rear	46.9	23%
Second Floor	18.7	9%
<b>TOTAL</b>	<b>205.0</b>	<b>100%</b>



## Appendix B

5/7 High Street, Henley-in-Arden, Solihull, B95 5AA (02033)

### Service Charge Variance

1st December 2020 to 30th November 2021

The property is VAT registered. Figures shown net of VAT.

Service Charge Item	Actual 2019	Budget 2020	Budget 2021	Budget v Budget Variance %	Budget v Budget Variance £
Cleaning	£ 4,643	£ 4,600	£ 4,600	0.0%	£ -
Refuse	£ 971	£ 1,000	£ 1,000	0.0%	£ -
Drain Maintenance	£ -	£ 250	£ 250	0.0%	£ -
Repairs - External	£ 65	£ 1,000	£ 1,000	0.0%	£ -
Repairs - Internal	£ 315	£ 1,000	£ 1,000	0.0%	£ -
Electricity Supply	£ 3,227	£ 3,000	£ 3,000	0.0%	£ -
Gas Supply	£ 2,533	£ 2,750	£ 3,750	36.4%	£ 1,000
Water Charges	£ 507	£ 550	£ 400	-27.3%	£ 150
Satellite/TV Aerial	£ 151	£ 150	£ 150	0.0%	£ -
Fire Prevention	£ -	£ -	£ 1,000	N/A	£ 1,000
Health & Safety	£ -	£ 500	£ 500	0.0%	£ -
Statutory Compliance	£ 753	£ 1,000	£ -	-100.0%	£ 1,000
Central Heating Maintenance	£ 2,918	£ 2,500	£ 2,500	0.0%	£ -
Management Fees	£ 1,368	£ 1,401	£ 1,417	1.1%	£ 16
Facilities Management	£ 537	£ 549	£ 555	1.1%	£ 6
<b>TOTAL</b>	<b>£ 17,988</b>	<b>£ 20,250</b>	<b>£ 21,122</b>	<b>4.3%</b>	<b>£ 872</b>

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