



60-63 High Street

Egham

Surrey

TW20 9EX

Service Charge Budget Report

24th June 2023 to 23rd June 2024



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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, Tesco Stores Ltd. It is intended to provide details of the planned expenditure for the service charge period 24th June 2023 to 24rd June 2023.

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

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

The Property

The property is located on Egham High Street, approximately half a mile from the A30 Egham By-Pass, which leads to Junction 13 of the M25 Motorway one mile to the north.

The property is of steel framed construction with brick elevations. It is part single storey and part three storey. The ground floor consists of a Tesco Superstore. There are first and second floor offices above to the front section of the building.

The offices are accessed via a separate entrance from High Street. The entrance foyer leads to a dedicated communal staircase. Male and female toilets are provided at first and second floor landing levels.

The communal services provided for the property consist of the upkeep and maintenance of the internal office entrance, staircase and toilets, electricity and gas supplies, associated statutory compliance and the external upkeep of the front section of the building to which the offices form part. Tesco is directly responsible for the maintenance of the structure and roof for the rear single storey Superstore.

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 any 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. The second floor offices are currently vacant.

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 apportionment for each schedule is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

Schedule One Office Occupiers Only

Schedule Two All Occupiers

There are two separate schedules set up. The occupiers of the first and second floor offices contribute towards Schedule One. All occupiers contribute towards Schedule Two.

The apportionment percentages are calculated based on net internal floor areas. Costs that are shared between both schedules for items such as Management and Auditors Fees have been apportioned between the schedules based approximately on the total expenditure within each schedule. For the new year the split is 83% Schedule 1 and 17% Schedule 2.



Management Team

Facilities Manager:

Robert Scott
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0407
Mobile: 07540 732 602
Email: robert.scott@johnsonfellows.co.uk

Robert Scott is responsible for the repair and maintenance of the property and statutory compliance.

Management Surveyor:

Tina Hothi
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Mobile: 07594 089 316
Email: tina.hothi@johnsonfellows.co.uk

Tina Hothi 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 – Office Occupiers Only

All figures are shown net of VAT

- **Internal Cleaning** **£1,750.00**

The cost heading is for the twice weekly clean of the common areas and toilets. The operative is on site for 2 hours per week. An additional allowance is included for any ad hoc unforeseen works. The budget has been increased to allow for the anticipated rise in contract costs.

- **Cleaning Requisites** **£450.00**

The cost heading is for the sanitary bin contract within the female toilets. The budget has been increased for the new year in line with the contract cost.

- **Window Cleaning** **£500.00**

The budget figure allows for the bi-annual external cleaning of the windows to the office entrance hall and upper floors. The budget has been increased in view of the anticipated costs.

- **Internal Repair** **£2,000.00**

The budget provides a contingency sum for any ad-hoc items of repair and maintenance within the communal areas and any requirements following the health and safety audit. If funds allow it is also our intention to re-carpet the communal staircase. The budget has been increased for the new year.

- **Electrical Supply** **£1,000.00**

The cost heading allows for the electricity consumption within the common parts. It has been increased based on last years expenditure and the ongoing rises in energy prices.

- **Gas Supply** **£4,800.00**

The cost heading allows for the gas consumption within the offices. The budget has been reduced based on last years expenditure, but does also allow for the ongoing rises in energy prices.

- **Water Charges** **£600.00**

The budget heading allows for the anticipated cost of the water rates for the offices. It has been maintained at the same level.

- **Access System** **£300.00**

The budget allows for ad-hoc maintenance to the intercom/door entry system. It has been maintained at the same level.



- **Mechanical & Electrical Maintenance £3,000.00**

The budget figure allows for the annual boiler service, the service of the toilet heater, water temperature testing, emergency lighting testing and fire alarm maintenance. It has been increased for the new year, but the fire alarm maintenance used to be under a separate heading.

- **M&E Repairs £1,000.00**

This is a new cost for this budget year. It allows for any unforeseen repairs that are required to the M&E equipment during the year.

- **Statutory Compliance £700.00**

The budget provides for the completion of the health & safety audit. It has been maintained at the same level.

- **Audit Fee £332.00**

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 Accountants fee for certifying the year end service charge account is £400.00. This has been split between both schedules.

- **Management Fee £2,939.56**

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 review or indexation. The total fixed fee is £3,178.74 and is split between both schedules.

- **Facilities Management £1,401.93**

The figure represents the costs incurred to organise and supervise the various contracts in place, dealing with items of maintenance, ensuring compliance. The total fixed fee is £1,516.00 following the annual indexation review and is split between both schedules.

Total

Schedule 1 £20,773.50



SCHEDULE 2 – All Occupiers

All figures are shown net of VAT

- **Building Repair** **£2,000.00**

The budget provides a contingency sum for any unexpected external repairs that may need to be carried out. It has been increased for the new year due to the added requirement to clear the moss and debris from the flat roof to the front of the property.

- **Drain Maintenance** **£1,000.00**

The budget allows for the annual cleaning of all rainwater goods to the front and rear of the property. It has been increased for the new year in view of the anticipated costs.

- **Statutory Compliance** **£300.00**

The cost heading provides for the annual lightning conductor test. It has been maintained at the same level.

- **Audit Fee** **£68.00**

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 Accountants fee for certifying the year end service charge account is £400.00. This has been split between both schedules.

- **Management Fee** **£602.08**

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 review or indexation. The total fixed fee is £3,178.74 and is split between both schedules.

- **Facilities Management** **£287.14**

The figure represents the costs incurred to organise and supervise the various contracts in place, dealing with items of maintenance, ensuring compliance. The total fixed fee is £1,516.00 following the annual indexation review and is split between both schedules.

Total

Schedule 2 **£4,257.22**



Budget Approval

R. Scott

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Facilities Manager

Dated 20/09/2023

Pat

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Associate Partner

Dated 20/09/2023



Appendix A



Appendix B