



JOHNSON FELLOWS
CHARTERED SURVEYORS

73 Turnberry Road,

Bloxwich,

Walsall,

West Midlands, WS3 3UA

Service Charge Budget Report

29th September 2018 to

28th September 2019



Contents

Introduction

The Property

Voids and Concessions

VAT

Banking

Reserve Fund

Service Charge Objectives

Management Team

Service Charge Apportionment

Budget Commentary

Appendices

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



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 necessary due to there being communal structures, services and areas.

The Property

The property comprises of a single-storey building in multiple occupation, split into a convenience store and two retail units. To the front is an area of the car park and to the rear is a service yard.

Situated immediately adjacent to the property is a detached building split into three units all trading as hot food take-away businesses which share the rear service yard with the Property. On the opposite side of the car park is the One Man and his Dog public house. All premises have use of an area of the car park.

The common parts serving the whole property include the main structure and the external elements (but not the shop frontages), part of the car park and service yard, soft landscaped areas and the boundary walls/fences. The only communal system are the external lights.

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.

The service charge has VAT 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

A reserve fund has not been established.



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.

As Managing Agents, Johnson Fellows aim to provide a high quality management service in order to provide a well maintained environment, and delivering value for money for the service charge expenditure.

The service charge is administered having regard to Service Charges in Commercial Property.



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

Chris Monteith is responsible for the repair and maintenance of the property 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

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

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 Schedule, as detailed in Appendix A.



Budget Commentary

SCHEDULE 1 – General

All figures are shown net of VAT

- **Cleaning** **£600**

The contract cost for the quarterly clean of the car park and a small contingency for the removal of fly tipping.

- **Building Repair** **£1,000**

The budget for reactive repairs required to the external parts of the building.

- **Decoration – External** **£3,400**

External decoration works are planned for this year, the cost of which will be supplemented by any surplus funds from the 2017/2018 service charge.

- **Drain Maintenance** **£1,000**

Annual flush of the surface water drains serving the relevant car park area and clearing out the gutters serving the roof.

- **Electrical Repairs** **£250**

During this service charge year, we will relamp the existing light fittings.

Next year, to improve the efficiency of the lighting and reduce consumption and maintenance costs, we will look to replace the existing fittings with new LED light fittings. We may phase this work with the car park lights being done in 2019/2020 and the service yard lights complete in 2020/2021.

- **Landscape - External** **£250**

The cost for a single annual visit to site to cut back the landscaped areas adjacent to the relevant car park area.

- **Repairs – External** **£500**

A budget for reactive repair to the boundary fences, walls and car park.

- **Gritting** **£450**

The budget for the gritting of the car park, service yard and pedestrian walkways.

- **Electric Supply** **£250**

A share of the sub-metered electric supply to the communal lighting.



- **Statutory Compliance** **£500**

The budget for the annual health and safety audit of the common parts of the property.

- **Insurance** **£0**

The insurance premiums for the building will be recharged directly by Midcounties Co-operative and will no longer form part of the service charge.

- **Audit Fee** **£350**

The service charge code provides for the service charge accounts to be certified on an annual basis. This cost covers the fee raised by the accountants for certifying the year end service charge accounts.

- **Management Fee** **£762**

This figure represents the fee to manage the property and administer the service charge which is indexed linked annually to RPI.

- **Facilities Management** **£413**

The figure represents the facilities managers fee to administer the maintenance contracts and organise the repair and maintenance of the common parts. It is a fixed fee indexed linked annually to RPI.

Total

- Schedule 1** **£9,725**

Please note this budget is net of VAT at 20%.

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Management Surveyor

3rd September 2018

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Dated

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Facilities Manager

3rd September 2018

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Dated



Appendix A

73 Turnberry Road, Walsall, WS3 3UA		
Service Charge Apportionment Schedule		
29th September 2018 to 28th September 2019		
Unit	Schedule	Percentage
Unit1A 73 Turnberry Road	1	14.00%
Unit 1B, Front, 73 Turnberry Road	1	14.00%
Unit 1B, Rear 73 Turnberry Road	1	0.00%
D3-431 73 Turnberry Road	1	72.00%
	1 Total	100.00%
	Grand Total	100.00%



Appendix B

73 Turnberry Road, Walsall, WS3 3UA

Service Charge Variance Report

29th September 2018 to 28th September 2019

The property is VAT registered. Figures for Schedule 1 shown net of VAT.

Service Charge Item	Schedule	Actual 2013/2014	Annual Budget 2017/2018	Annual Budget 2018/2019	Budget v Actual Variance %	Budget v Budget Variance £
Cleaning	1	£ -	£ 878	£ 600	-32%	-£ 278
Building Repair	1	£ -	£ -	£ 1,000	N/A	£ 1,000
Decoration - External	1	£ -	£ -	£ 3,400	N/A	£ 3,400
Drain Maintenance	1	£ -	£ -	£ 1,000	N/A	£ 1,000
Electrical Repairs	1	£ -	£ -	£ 250	N/A	£ 250
Landscape - External	1	£ -	£ -	£ 250	N/A	£ 250
Repairs - External	1	£ 1,348	£ 1,500	£ 500	-67%	-£ 1,000
Gritting	1	£ -	£ -	£ 450	N/A	£ 450
Electricity Supply	1	£ -	£ -	£ 250	N/A	£ 250
Statutory Compliance	1	£ -	£ -	£ 500	N/A	£ 500
Insurance	1	£ 1,200	£ 1,200	£ -	-100%	-£ 1,200
Audit Fees	1	£ -	£ -	£ 350	N/A	£ 350
Management Fees	1	£ -	£ 738	£ 762	3%	£ 24
Facilities Management	1	£ -	£ 400	£ 413	3%	£ 13
1 Total		£ 2,548	£ 4,716	£ 9,725	106%	£ 5,009
Grand Total		£ 2,548	£ 4,716	£ 9,725	106%	£ 5,009