



Borough Court

Grammar School Lane

Halesowen

West Midlands

B63 3SW

Service Charge Budget Report

1st January 2024 to

31st December 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, PR Trinity Investments Ltd. It is intended to provide details of the planned expenditure for the service charge period 1st January 2024 to 31st December 2024.

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 the RICS Professional Statement; Service Charges in Commercial Property; 1st Edition.

The Property

The property is located on Grammar School Lane, which adjoins Old Hawne Lane. The property is a short distance from the A458 Stourbridge Road and the main Halesowen town centre.

Borough Court is a courtyard style development providing a mixture of single and two storey buildings of varying ages. There are a variety of uses including offices, light industrial and a gymnasium. In addition to the courtyard buildings, there is an adjacent plot of land used for display purposes.

The communal areas of the estate include the car park and rear walkways. Under the terms of the individual leases, the maintenance of the roof and building structure is also provided for under the service charge provisions.

Voids and Concessions

Where any void units exist, the responsibility for the service charge rests with the Landlord.

VAT

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

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. 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

A Reserve Fund was introduced in 2016. The Reserve Fund is held in a discrete bank account to obtain interest on the retained funds. The fund currently stands at £7,023.74.



Service Charge Objectives

The objective of Johnson Fellows as Managing Agent is to provide a 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.

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:

Maria Lazenbury
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0576
Mobile: 07884 352576
Email: maria.lazenbury@johnsonfellows.co.uk

Maria Lazenbury 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 apportionment is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

The service charge expenditure is contained under a single schedule that all courtyard occupiers contribute towards, reflecting the benefit of the services provided. The occupier of the adjacent land does not contribute towards the service charge.

The apportionment percentages are calculated based on net internal floor areas in the individual units.



Budget Commentary

SCHEDULE 1 – All Courtyard Occupiers

All figures are shown net of VAT

- **External Cleaning** **£1,400.00**

This heading reflects the cost of the contract for litter picking, sweeping, weed control and the removal of any fly tipping across the main car park and the rear fire escape routes. The contract provides for two visits per month (24 per annum). The contract is held by Holder Site Management Ltd. They do not attend on set days and sometimes make weekend visits so that the car park can be attended to when clear of vehicles.

- **Landscaping** **£800.00**

The cost heading provides for the annual pruning beech trees and vegetation around the estate. This is undertaken in late autumn and includes the provision of access equipment and the removal of debris. The cost also includes the annual clearance of the fire escape route to the rear of units 7, 8 & 9. This maintenance is currently undertaken by Holder Site Management Ltd.

- **Refuse** **£2,550.00**

The budget provides for the weekly waste collection tenant's refuse and recycling. There are 3 bins, 2 for general waste and 1 for recycling. The contract is held by Jones Skip Hire (Wolverhampton) Ltd. Incorporated within this cost heading is a contribution for Landfill Tax.

- **Building Repairs** **£4,000.00**

The budget provides for the cost of any repairs and maintenance works in respect of the structure and roofs of the buildings together with the car park surface. The budget has been increased based on last year's expenditure and in anticipation of planned exterior maintenance and any ad hoc roof repairs that may be required.

- **Water Charges** **£1,000.00**

The cost heading provides for the water charges levied at the estate by South Staffordshire Water Plc and Water Plus. This heading has been decreased based on a credit sum accrued following estimated invoices. We are in the process of looking to combine surface and used water under one contract in an attempt to make further cost savings.

- **Gritting** **£800.00**

The budget allows for the anticipated costs incurred in gritting the car park and rear fire escape route during the winter months. The budget has been increased based on the previous year's expenditure.



- **Health & Safety** **£500.00**

The cost heading will allow for the completion of an updated Health and Safety Audit. This is recommended best practice to ensure that the site meets current regulations and to highlight potential risks to be managed.

- **Reserve Fund** **£1,000.00**

A Reserve Fund has been set up in order to accrue funds for the eventual resurfacing of the car park. A Reserve Fund is aimed at meeting anticipated future costs of maintenance in order to avoid fluctuations in any particular year. The contribution for the new year has been maintained at the same level.

- **Audit Fee** **£350.00**

The RICS Service Charge Code of Practice states that service charge accounts are to be independently certified on an annual basis. This cost covers the fee raised by the Accountants for certifying the year end service charge accounts.

- **Management Fee** **£2,143.22**

The figure represents the costs incurred for the management of the property and the administration of the service charge, including periodic inspections. The RICS Service Charge Code of Practice recommends that this be a fixed fee. The fee has been increased for the current year in line with the Retail Price Index (6.10%).

- **Facilities Management** **£1,071.61**

The budget cost is for the Facilities Manager to organise and supervise the service charge contracts, maintenance works and ensure legislative compliance. The fee has been increased for the current year in line with the Retail Price Index (6.10%).

Total

Schedule 1 **£15,614.83**

R. Scott

M.D.

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Facilities Manager

Management Surveyor

Dated 1 December 2023

Dated 1st December 2023



Appendix A

Borough Court, Grammar School Lane, Halesowen

Service Charge Apportionment Schedule

1st January 2023 to 31st December 2023

Unit	Schedule	Area Sq Ft	Apportionment
1	1	2,797	21.62%
2	1	2,650	20.48%
3	1	2,195	16.97%
4	1	1,000	7.73%
5	1	809	6.25%
6	1	1,046	8.08%
7	1	955	7.38%
8&9	1	1,486	11.49%
Total		12,938	100.00%



Appendix B

Borough Court, Grammar School Lane, Halesowen

Service Charge Variance Schedule

1st January 2024 to 31st December 2024

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

Service Charge Item	Schedule	Budget 2023	Budget 2024	Budget v Budget Variance £
External Cleaning	1	£ 1,400.00	£ 1,400.00	£ -
Landscaping	1	£ 800.00	£ 800.00	£ -
Refuse	1	£ 2,550.00	£ 2,550.00	£ -
Building Repair	1	£ 3,500.00	£ 4,000.00	£ 500.00
Water Charges	1	£ 1,300.00	£ 1,000.00	-£ 300.00
Gritting	1	£ 500.00	£ 800.00	£ 300.00
Health & Safety	1	£ 500.00	£ 500.00	£ -
Reserve Fund	1	£ 1,000.00	£ 1,000.00	£ -
Audit fee	1	£ 350.00	£ 350.00	£ -
Management Fee	1	£ 2,020.00	£ 2,143.22	£ 123.22
Facilities Management	1	£ 1,010.00	£ 1,071.61	£ 61.61
Total		£ 14,930.00	£ 15,614.83	£ 684.83