



Farrell Close

Castle Street

Cirencester

GL7 1HW

Service Charge Budget Report

29<sup>th</sup> September 2023 to

28<sup>th</sup> September 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 Limited. It is intended to provide details of the planned expenditure for the forthcoming service charge year.

## **The Property**

The property is within Cirencester town centre adjacent to Brewery Court Public Car Park and comprises of three retail units and first floor offices fronting Castle Street, two retail units fronting Farrell Close together with a former supermarket. It includes the pedestrian area of Farrell Close together with external service areas. The property does not include Brewery Court Car Park which is maintained by the local Council.

The external communal areas which are maintained through the service charge are the pedestrian areas of Farrell Close, loading bays to the rear of Store Twenty One and former supermarket unit, external passageway leading to the rear of 43/49 Castle Street together with external and structural parts of the buildings. There are no internal common areas. All tenants have access to the external common areas.

## **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 payable by the commercial lessees will have 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. The service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

Interest charged on late payment of service charge by tenants is to be credited to the service charge.



### **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; RICS Code of Practice.



## **Management Team**

### Facilities Manager:

Robert Scott  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0409  
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 0454  
Mobile: 07884 352 576  
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 service charge provisions are set out in each tenant's lease. These consistently provide for each tenant to pay a due proportion of the service charge which is attributable to each tenant's premises. The due proportion is based on the weighted net internal area of each property relative to the total net internal area of all units. If such apportionment is inappropriate, the Landlord has reasonable discretion to adopt such other due proportion as is fair and reasonable. This may include attributing the whole expenditure to a particular unit.

The weighting which has been applied is as follows:-

The first 500 sq metres	@	100%
The next 500 sq metres	@	80%
The next 1,000 sq metres	@	60%
The next 1,000 sq metres	@	50%
The next 1,000 sq metres	@	40%
Excess over 4,000 sq metres	@	30%

No weighting has been applied to basement and upper floors.

The apportionment percentages will be reviewed periodically should circumstances change.

The service charge percentage apportionments are detailed in Appendix A.



## **Budget Commentary**

*All figures are shown net of VAT*

- **Cleaning** **£14,000**

Daily cleaning of the external common areas. The budget also includes for the ad hoc clean of the canopy and covered entrance from Castle Street as required.

- **Drainage Maintenance** **£750**

Provision for drainage clearance as required.

- **Electrical Repairs** **£1,000**

The cost of any repairs required to communal lighting re-lamping and any associated electricity costs.

- **Footpath Maintenance** **£1,000**

Ad-hoc repairs to the paving areas.

- **Snowing Clearance/Gritting** **£750**

The cost of restocking/gritting the communal walkway/areas.

- **Landscaping** **£500**

High level prune of foliage.

- **External Repairs** **£8,000**

This expenditure heading is to cover costs in relation to the external structure of the buildings.

- **Electricity Supply** **£500**

Provision for supply of electricity in respect of the external lighting.

- **Health and Safety Inspections** **£1,000**

Cost of periodic H&S inspections of common areas to identify any hazards.

- **Reserve Fund** **£4,000**

A reserve fund to make provision of any major works that may be required to the external structure of the buildings and or areas used in common.

- **Audit Fee** **£250**

The cost for the service charge accounts to be independently certified on an annual basis as required by The RICS Service Charge Code of Practice.



- **Management Fee** **£6,541**

This figure represents the cost incurred for the management of the property and administration of the service charge, including periodic inspection. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual retail price indexation.

- **Facilities Management Fee** **£1,070**

The cost of the Facilities Manager, for procurement and contract management, risk management, health and safety and meeting statutory legislations. The fee has been adjusted by RPI.

**Total**

**Schedule 1** **£39,861**

.....  
Management Surveyor

.....  
Facilities Manager



Appendix A

**Farrell Close, Cirencester GL7 1HW**

**Service Charge Apportionment Schedule**

<b>Unit</b>	<b>Weighted Floor Area (m<sup>2</sup>)</b>	<b>Percentage</b>
1 Farrell Close	164.81	4.59%
3 Farrell Close	119.23	3.32%
4-5 Farrell Close	995.24	27.72%
Supermarket Farrell Close	2,027.20	56.46%
43-45 Castle Street	143.47	4.00%
1st Floor, 45 Castle Street	91.60	2.55%
49 Castle Street	48.70	1.36%
<b>Total</b>	<b>3,590.25</b>	<b>100.00%</b>



Appendix B

**Farrell Close, Cirencester GL7 1HW**

**Service Charge Schedule**

**29th September 2023 to 28th September 2024**

The property is VAT registered. Figures shown net of VAT

<b>Service Charge Item</b>	<b>Schedule</b>	<b>Budget YE 2024</b>
Cleaning	1	£14,000
Drain Maintenance	1	£ 750
Electrical Repairs	1	£ 1,000
Footpath Maintenance	1	£ 1,500
Snow Clearance/Gritting	1	£ 750
Landscaping	1	£ 500
External Repair	1	£ 8,000
Electrical Supply	1	£ 500
Health and Safety	1	£ 1,000
Reserve Fund	1	£ 4,000
Audit Fees	1	£ 250
Management Fees	1	£ 6,541
Facilities Management	1	£ 1,070
<b>Total</b>		<b>£39,861</b>