



Wing Yip Business Centre

Thimble Mill Lane

Birmingham

B7 5HD

Service Charge Budget Report

1st October 2022 –

30th September 2023



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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, W Wing Yip & Brothers Property and Investments Ltd. It is intended to provide details of the planned expenditure for the service charge period 1st October 2022 to 30th September 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 the B4132 Thimble Mill Lane within the Nechells district of central Birmingham. It is approximately 2 miles to the north-east of Birmingham City Centre. Direct access is provided to the A38 Aston Expressway with J6 of the M6 Motorway approximately 1 mile to the north.

The Business Centre is a purpose built two storey brick building under a pitched tiled roof. It forms part of the wider Wing Yip Birmingham estate, which includes the Wing Yip Superstore, warehousing, Headquarters and associated surface car parking.

The Business Centre consists of ground floor retail style units with office/business units to the first floor. Occupiers include a mix of restaurant, retail and professional services.

The primary services provided for the property consist of the cleaning and landscaping of the communal parts, building maintenance, waste management and site security.

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 the 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.

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 Service Charge Apportionment Schedule attached at Appendix A.

Three separate schedules have been adopted. Schedule 1 provides costs for the Business Centre, Schedule 2 the refuse costs excluding the restaurant & Food operators and Schedule 3 relates to the internal shared corridor for Units 2A, 3A & 3D.

Schedule One All occupiers

Schedule Two All occupiers except Unit 6 and 9.

Schedule Three Units 2A, 3A & 3D only.

The apportionment percentages are calculated based on net internal floor areas.



Management Team

Management Surveyor:

Ian Starbuck
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0462
Mobile: 07887 745 635
Email: ian.starbuck@johnsonfellows.co.uk

Ian Starbuck is responsible for the overall management of the property.

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.

Site Manager:

Ashley Clayton
Mobile: 07860 207 355

Ashley Clayton is on site one day per week and is responsible for landscaping, minor items of repair and maintenance and tenant liaison for urgent matters.

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

All figures are shown net of VAT

SCHEDULE 1 - Business Centre Costs - All Occupiers

- **Estate Cleaning (Drainage) £800.00**

The expenditure is the estimated contribution towards the drainage cleaning at the estate. It has been maintained at the same level.

- **Pest Control £600.00**

The budget heading is for the pest control contract for the Business Centre with Rentokil. It has been increased marginally in line with the rise in contract costs.

- **External Landscaping £1,750.00**

The cost heading is the Business Centre's contribution towards the grounds maintenance and landscaping of the site as a whole. It has been increased in line with last year's expenditure.

- **External Repairs & Maintenance £15,000.00**

The budget figure is for the repair and maintenance of the external building and reflects the work that the site manager will directly pick up. The budget has been retained at the same level to allow for further essential roof works and external decoration.

- **Electricity £2,000.00**

The cost heading relates to the electricity consumption for the common areas of the Business Centre. The budget has been maintained at the same level despite the increase in energy costs. This reflects the fact that the expenditure last year was lower than budgeted.

- **M&E Maintenance Contract £2,750.00**

The cost heading covers the contribution towards the M&E contract and includes the testing of the external lighting, lightning conductor testing and ladders checks. It has been maintained at the same level and will be retendered in November 2022 to ensure best value.

- **M&E Repairs £500.00**

The budget heading provides a contingency for repairs to the Landlord's M&E equipment. It has been maintained at the same level.

- **Health & Safety £675.00**

The budget covers the costs of completing the annual health and safety and fire risk assessments. It has been maintained increased marginally in line with last years costs.



- **Security** **£37,000.00**

The budget figure is the Business Centre's contribution towards the 24/7 site security guarding. The budget has been increased for the new year based on last year's expenditure and the increase in the national minimum wage.

- **Staff Costs** **£4,245.00**

The cost heading represents the Site Manager's costs in respect of the Business Centre. The Site Manager is at the property one day per week and is responsible for minor items of repair and maintenance and tenant liaison for urgent matters. Overall, we believe that this results in cost savings, whilst also improving the service. The budget has been maintained at the same level.

- **Help Desk** **£500.00**

This is a new cost heading for the service charge year. A 24 hour/7 day a week Help Desk has been set up to allow all occupiers to speak with a dedicated operative and report urgent items of repair and maintenance. This will ensure that matters can be handled promptly without delay. Further correspondence including the telephone number and email address will be circulated in advance of the commencement of the service charge year.

- **Audit Fee** **£900.00**

The cost heading allows for the year end accounts to be certified by an independent accountant as recommended by the RICS Service Charge Professional Statement. The budget has been maintained at the same level.

- **Management Fee** **£8,470.00**

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 Professional Statement recommends that this be a fixed fee, subject to annual review or indexation. The Retail Price Index has shown an 11.84% increase in the past 12 months. However, JF has agreed to cap their fee increase at 6.00% as a gesture towards the tenants. We do reserve the right to adjust our fee in future years when inflation falls again.

- **Facilities Management** **£4,008.00**

The figure represents the costs incurred to organise and supervise the various contracts in place, deal with items of maintenance, ensuring compliance and complete regular site inspections. The fee is fixed subject to annual indexation. The Retail Price Index has shown an 11.84% increase in the past 12 months. However, JF has agreed to cap their fee increase at 6.00% as gesture towards the tenants. We do reserve the right to adjust our fee in future years when inflation falls again.

Total

Schedule 1 **£79,198.00**



SCHEDULE 2 – Refuse - All occupiers except Units 6 and 9.

- **Waste Management** **£2,750.00**

The costs allow for the refuse collection contract for the Business Centre occupiers, with the exception of Units 6 & 9. The restaurants maintain their own contracts. It has been increased marginally to reflect contract cost increases.

Total

Schedule 2 **£2,750.00**

SCHEDULE 3 – Shared Corridor - Units 2A, 3A & 3D

- **M&E Maintenance Contract** **£1,100.00**

The cost heading covers the contract cost for the testing of the fire alarm, emergency lighting checks, clock maintenance, distribution boards and main electrical intake. It has been maintained at the same level.

- **M&E Repairs** **£500.00**

The budget heading provides a contingency for repairs to the Landlord’s M&E equipment. It has been maintained at the same level.

Total

Schedule 3 **£1,600.00**

Budget Approval

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Facilities Manager

Partner

Dated 1st September 2022

Dated 1st September 2022



Appendix A

Wing Yip Business Centre, Birmingham

Service Charge Apportionment Schedule

1st October 2022 - 30th September 2023

Unit	Schedule	Area Sq Ft	Percentage
Unit 1 Gnd Fl	1	476	2.12%
Unit 2 Gnd Fl	1	649	2.89%
Unit 3 Gnd Fl	1	611	2.72%
Unit 3C Gnd Fl	1	934	4.16%
Unit 5 Gnd Fl	1	964	4.30%
Unit 6 Gnd Fl	1	815	3.63%
Unit 7 Gnd Fl	1	815	3.63%
Unit 8 Gnd Fl	1	1,013	4.51%
Unit 9 Gnd Fl	1	1,232	5.49%
Unit 10 Gnd Fl	1	724	3.23%
Unit 11 Gnd Fl	1	679	3.03%
Unit 12 Gnd Fl	1	856	3.81%
Unit 13 Gnd Fl & 13A 1st Fl	1	1,352	6.02%
Unit 15 Gnd Fl & 15A 1st Fl	1	2,484	11.07%
Unit 2A 1st Fl	1	1,355	6.04%
Unit 3A & 3D 1st Fl	1	1,433	6.38%
Unit 5A 1st Fl	1	743	3.31%
Unit 6A 1st Fl	1	684	3.05%
Unit 7A & 8A 1st Fl	1	1,551	6.91%
Unit 9A 1st Fl	1	873	3.89%
Unit 10A 1st Fl	1	756	3.37%
Unit 11A 1st Fl	1	718	3.20%
Unit 12A 1st Fl	1	727	3.24%
1 Total		22,444	100.00%
Unit 1 Gnd Fl	2	476	2.334%
Unit 2 Gnd Fl	2	649	3.182%
Unit 3 Gnd Fl	2	611	2.996%
Unit 3C Gnd Fl	2	934	4.579%
Unit 5 Gnd Fl	2	964	4.726%
Unit 7 Gnd Fl	2	815	3.996%
Unit 8 Gnd Fl	2	1,013	4.966%
Unit 10 Gnd Fl	2	724	3.550%
Unit 11 Gnd Fl	2	679	3.329%
Unit 12 Gnd Fl	2	856	4.197%
Unit 13 Gnd Fl & 13A 1st Fl	2	1,352	6.628%
Unit 15 Gnd Fl & 15A 1st Fl	2	2,484	12.178%
Unit 2A 1st Fl	2	1,355	6.643%
Unit 3A & 3D 1st Fl	2	1,433	7.026%
Unit 5A 1st Fl	2	743	3.643%
Unit 6A 1st Fl	2	684	3.353%
Unit 7A & 8A 1st Fl	2	1,551	7.604%
Unit 9A 1st Fl	2	873	4.280%
Unit 10A 1st Fl	2	756	3.706%
Unit 11A 1st Fl	2	718	3.520%
Unit 12A 1st Fl	2	727	3.564%
2 Total		20,397	100.00%
Unit 2A 1st Fl	3	1,355	48.60%
Unit 3A & 3D 1st Fl	3	1,433	51.40%
3 Total		2,788	100.00%



Appendix B

Wing Yip Business Centre, Birmingham

Service Charge Variance Schedule

21st October 2022 - 30th September 2023

The property is VAT registered. Figures for all schedules are shown net of VAT.

Service Charge Item	Schedule	Budget 2021-22	Budget 2022-23
Estate Cleaning (Drainage)	1	£ 800.00	£ 800.00
Pest Control	1	£ 570.00	£ 600.00
External Landscaping	1	£ 1,600.00	£ 1,750.00
External Repairs & Maintenance	1	£ 15,000.00	£ 15,000.00
Electricity	1	£ 2,000.00	£ 2,000.00
M&E Maintenance Contract	1	£ 2,750.00	£ 2,750.00
M&E Repairs	1	£ 500.00	£ 500.00
Health & Safety	1	£ 625.00	£ 675.00
Security Guarding	1	£ 34,500.00	£ 37,000.00
Staff Costs	1	£ 4,245.00	£ 4,245.00
Help Desk	1	£ -	£ 500.00
Audit Fee	1	£ 900.00	£ 900.00
Management Fee	1	£ 7,991.00	£ 8,470.00
Facilities Management	1	£ 3,781.00	£ 4,008.00
1 Total		£ 75,262.00	£ 79,198.00
Waste Management	2	£ 2,500.00	£ 2,750.00
2 Total		£ 2,500.00	£ 2,750.00
M&E Maintenance Contract	3	£ 1,100.00	£ 1,100.00
M&E Repairs	3	£ 500.00	£ 500.00
3 Total		£ 1,600.00	£ 1,600.00
TOTAL		£ 79,362.00	£ 83,548.00