

# **Service Charge Budget Report**

*Service Charge Year*

**1<sup>st</sup> January 2015 to  
31<sup>st</sup> December 2015**

**For**

**Newhall Street/Charlotte Street  
Birmingham  
B3 1SW**

**Prepared by**

**Johnson Fellows LLP  
Charter House  
163 Newhall Street  
Birmingham  
B3 1SW**

**On behalf of**

**Newhall Management Limited**



**Newhall Street/Charlotte Street, Birmingham, B3 1SW**





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## **1. Introduction**

This report has been produced by Johnson Fellows on behalf of the Management Company, Newhall Management Limited.

### The Property

The Property comprises a secure car park serving six self-contained office buildings on the corner of Newhall Street and Charlotte Street.

The communal areas to which the service charge relates comprise of a vehicle entrance from Charlotte Street, rear car park and associated service areas including a bin store.

The fabric of the office buildings including the roofs and external facades are the responsibility of the owners to maintain.

There are no internal common parts, or communal areas to the front of the buildings.

### VAT

The property is not elected for VAT.

### Banking

Due to the general level of service charge funds, we do not maintain the funds in a discreet bank account. As a consequence the service charge is not credited with any interest, neither are any bank charges allocated to the service charge accounts. The funds are held within the Johnson Fellows Clients Account, which is maintained with Barclays Bank plc, sort code 20-46-06.

There is a Reserve Fund into which annual payments are made. The Reserve Fund is for exceptional items of expenditure. These funds are retained in a discreet bank account with interest credited to it, against which bank charges are off set. This held by the Landlord on trust for the leaseholders.

### Service Charge Objectives

The objective of this budget report is to provide a clear explanation of the planned service charge expenditure for the forthcoming year on a not for profit/not for loss basis.

Should any occupier or leaseholder have comments on the format or the information contained within this report, which would assist in the report being improved for the benefit of all concerned, these comments would be welcome. We would also welcome constructive feedback on the 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 deliver value for money for the service charge expenditure.

The service charge is administered having regard to RICS Practice Standards; Service Charges in Commercial Property: 2<sup>nd</sup> Edition, Code of Practice.



## 2. Management Team

### Facilities Manager

#### **Chris Monteith**

Facilities Manager

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](mailto:chris.monteith@johnsonfellows.co.uk)

Chris Monteith is responsible for the repair and maintenance of the property and statutory compliance.

### Management Surveyor

#### **Neil Wetherell**

Partner

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](mailto:neil.wetherell@johnsonfellows.co.uk)

Neil Wetherell is the management surveyor for the property

### Client Accountant

#### **Rachel Scicluna**

Partnership Secretary

Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Direct Dial: 0121 234 0417

Email: [rachel.scicluna@johnsonfellows.co.uk](mailto:rachel.scicluna@johnsonfellows.co.uk)

Rachel Scicluna is the client accountant responsible for this property.



### **3. Service Charge Budget**

The service charge budget for the year 1<sup>st</sup> January 2015 to 31<sup>st</sup> December 2015 totals £15,000

The budget has been maintained at the same level as 2014.

A service charge budget comparison schedule is attached at Appendix A.

Competitive quotes will be obtained for any significant items of expenditure.



**4. Service Charge Apportionment**

The service charge expenditure is allocated to a single schedule.

All expenditure relates to the external common parts and for services which benefit all tenants.

The service charge apportionment percentages are based on the shareholdings in the Management Company of the long leasehold owners of the individual units.

An apportionment schedule for the property is attached at Appendix B.



## 5. **Budget Commentary**

### Cleaning

New Budget	£1,700
Previous Budget	£1,700

The budget provides for the sweeping, litter pick and cleaning of the communal areas. The budget has been maintained at the same level as the previous year reflecting the contract sum.

### Pest Control

New Budget	£400
Previous Budget	£400

The budget for the provision of bait stations to the common areas, the regular replenishment of the poison within them and periodic inspections.

### Refuse collection

New Budget	£4,900
Previous Budget	£4,750

The budget has been marginally increased to reflect the increase in landfill tax anticipated for April 2015

### Drain Maintenance

New Budget	£200
Previous Budget	£200

The budget has been maintained at the same level. It allows for the flushing through of the drains and gullies to the car park on a periodic basis.

### Landscaping

New Budget	£600
Previous Budget	£600

The budget is for the contract for cutting back and maintaining the vegetation to the perimeter of the car park. In addition to this, a contingency sum has been added to allow for any larger unforeseen items that are not included within the general contract. It has been maintained at the same level as last year's budget.



### External Maintenance

New Budget	£2,250
Previous Budget	£2,750

Budgeted cost for repairs required to the communal areas.

### Entrance Gate Maintenance

New Budget	£1,000
Previous Budget	£1,000

The figure represents the cost of the annual maintenance contract for the gate, plus an allowance for any unforeseen repair works that may be required. It has been maintained at the same level as last year's budget.

### Health and Safety

New Budget	£282
Previous Budget	£282

The budget provided allows for the completion of the annual health and safety audit in respect of the common parts of the development.

### Reserve Fund

New Budget	£131
Previous Budget	£0

There is a Reserve Fund into which annual payments are made. The Reserve Fund is available to be used for exceptional items of expenditure such as the eventual resurfacing of the car park. The level of the reserve fund is consider sufficient for anticipated expenditure, so only a nominal contribution has been included in the budget. Any budget which is not spent during the service charge year will be allocated to the Reserve Fund.

### Insurance

New Budget	£450
Previous Budget	£300

The budget reflect the premium for the current year. The total premium includes public liability cover and Directors liability cover in respect of the common parts of the development.



### Accountancy Fees

New Budget	£1,125
Previous Budget	£1,100

The cost heading allows for the completion of the Company year-end accounts by JW Hinks Chartered Accountants. The budget figure has been adjusted to allow for RPI inflation.

### Management Fees

New Budget	£1,962
Previous Budget	£1,918

The management fee agreed for the administration of the service charge and the day to day management of the development is a fixed fee subject to an annual adjustment in line with the RPI (2.26%)

### Total

<b>New Budget</b>	<b>£15,000</b>
<b>Previous Budget</b>	<b>£15,000</b>
<b>Percentage Variance</b>	<b>-0.0%</b>



## Appendix A

### Service Charge Budget Variance Report

<b>Newhall Management Limited</b>					
<b>Charter House, Newhall Street</b>					
<b>Service Charge Budget Comparison Schedule</b>					
<b>1st January 2015 to 31st December 2015</b>					
<b>Service Charge Item</b>	<b>Code</b>	<b>Actual 2013</b>	<b>Budget 2014</b>	<b>Budget 2015</b>	<b>Budget 2014 V Budget 2015 %</b>
Cleaning/Litter pick	25001	£1,555	£1,700	£1,700	0.0%
Pest Control	25005	£831	£400	£400	0.0%
Refuse Collection	25006	£4,627	£4,750	£4,900	3.2%
Drain Maintenance	25026	£74	£200	£200	0.0%
Landscaping	25031	£341	£600	£600	0.0%
External Maintenance	25034	£0	£2,750	£2,250	-18.2%
Entrance Gate Maintenance	25040	£1,700	£1,000	£1,000	0.0%
Health & Safety	25082	£0	£282	£282	0.0%
Reserve Fund	25145	£2,222	£ -	131	N/A
Insurance	25147	£461	£300	£450	50.0%
Accountancy Fees	25151	£1,050	£1,100	£1,125	2.3%
Management Fees	25153	£2,232	£1,918	£1,962	2.3%
<b>GRAND TOTAL</b>		<b>£15,093</b>	<b>£15,000</b>	<b>£15,000</b>	<b>0.0%</b>



## Appendix B

### Service Charge Apportionment Schedule

<b>Newhall Management Limited</b>		
<b>Service Charge Apportionment Schedule</b>		
<b>1st January 2015 to 31st December 2015</b>		
<b>Unit</b>	<b>Percentage Apportionment</b>	<b>Service Charge Apportionment</b>
Unit A - Kirkstyle Developments Ltd	10.20%	£ 1,530
Unit B - Agape Ministries Limited	14.70%	£ 2,205
Unit C - Brendan Fleming	14.70%	£ 2,205
Unit D - Newhall Street Properties LLP	12.80%	£ 1,920
Unit E - Oneedge LLP	26.20%	£ 3,930
Unit F - AC Baily, K Flowers, JL Lodge & LJ Nood	21.40%	£ 3,210
<b>Total</b>	<b>100.00%</b>	<b>£ 15,000</b>