



JOHNSON FELLOWS
CHARTERED SURVEYORS

Cromwell Leisure Park

Cromwell Road

Wisbech

Cambridgeshire

Service Charge Budget Report

24th June 2018 to 23rd June 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

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

Cromwell Leisure Park is located on the south side of Wisbech, situated on the B198 Cromwell Road located on the old Stadium site.

The site is made up of a Tesco's Extra, Gym concession, 3 restaurant units and a cinema.

Voids and Concessions

Any shortfall in the recovery of the service charge expenditure as a result of concessions granted to a tenant or void accommodation are funded by the Landlord.

VAT

The Landlord has elected the property for VAT; consequently the budget 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. 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 late payment of service charge by tenants is to be credited to the service charge.

Reserve Fund

There will be a reserve fund for Schedule 2, this is with the aim of spreading out any large expenses in the coming years.



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:

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:

George Brittain

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

Direct Dial: 0121 234 0454

Mobile: 07884 352 576

Email: george.brittain@johnsonfellows.co.uk

George Brittain 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 costs are apportioned in line with the terms of the leases which provide for each tenant to pay a due proportion of the service charge which is attributable to each tenant's premises. The general method of apportionment adopted has regard to the Gross Internal Area of each unit. This is shown in Appendix A.

The service charge is split into two schedules: -

1. Payable into by all tenants this schedule covers the maintenance of all external common area and common services.
2. Payable by the restaurants and cinema tenants this schedule covers maintenance of the structure of their unit, the service yard, and common services that exclusively serve those units.



Budget Commentary

SCHEDULE 1 – All tenants

All figures are shown net of VAT

- **Cleaning** **£0**

This is currently being provided by Tesco due to them being unable currently invoice for this service, there is no cost to the service charge. This heading is being left in case this changes in subsequent service charge years.

- **Pest Control** **£750**

The budget for bait stations around the communal areas and their periodic inspection and replenishment.

- **External Maintenance** **£14,500**

This is the cost for repairs and maintenance of any external item found within the site including the carpark maintenance.

- **Drain Maintenance** **£1,500**

The annual flush out of the drainage channels serving the car park.

- **Electricity Supply** **£3,500**

Budget for the supply to the car park lighting.

- **Sprinklers** **£1,000**

Budget for the annual maintenance, and health and safety checks required for a sprinkler system.

- **Health & Safety** **£750**

The cost of the annual Health & Safety Audit for the communal areas of the Leisure park.

- **Staff Wages** **£1,033**

A contribution to the Facilities Manager's employment costs.

- **Signage** **£750**

A contingency to maintain communal signage as required.

- **Security** **£1,000**

A contingency if external security team is required on site.



- **Interest** **£0**

Any interest collected from tenants for the late payment of service charge will be credited to this budget heading.

- **Audit Fee** **£250**

The RICS regulations require that service charge accounts are certified on an annual basis. This cost covers the fee raised by the accountants for certifying the year end service charge accounts.

- **Management Fee** **£2,403**

This figure represents the fees for managing the property and administration of the service charge, raised in line with RPI annually.

Total

Schedule 1 **£27,436**



SCHEDULE 2 – Restaurant and Cinema tenants

All figures are shown net of VAT

- **Cleaning** **£12,500**

Daily sweep of the front walkway, to remove all litter, empty the bins. Also included in this sum is the pressure washing of the foot path area, and an annual clean of the external cladding using a purified water system.

- **Pest Control** **£500**

The budget for bait stations around the communal areas and their periodic inspection and replenishment.

- **External Repairs** **£1,500**

This is the cost for repairs and maintenance of any external item.

- **Internal Repairs** **£1,500**

This is the cost for repairs and maintenance of any internal item.

- **Roof Maintenance** **£1,000**

This is the cost for the maintenance and cleaning of the roof.

- **Drain Maintenance** **£500**

The annual flush out of the drainage in the service yard.

- **Service Yard Maintenance** **£1,500**

Budgeted cost for any adhoc unforeseen repairs to the service yard area.

- **Electricity Supply** **£1,200**

Budget for the supply to the internal common area.

- **Electrical Repairs** **£3,000**

Annual servicing of the automatic doors serving the service yard area. Included in this is the budgeted cost for the installation of PIR sensors in the common areas and yearly relamping.

- **Health & Safety** **£250**

The cost of the annual Health & Safety Audit for the communal areas of the leisure park.

- **Statutory Compliance** **£500**

The cost is in relation to the maintenance of the lightening conductor.



- **Reserve fund** **£2,000**

Budgeted sum for meeting the future costs of upkeep and any unexpected costs that may arise in the future.

- **Staff Wages** **£2,584**

A contribution to the Facilities Manager's employment costs.

- **Interest** **£0**

Any interest collected from tenants for the late payment of service charge will be credited to this budget heading.

- **Audit Fee** **£250**

The RICS regulations require that service charge accounts are certified on an annual basis. This cost covers the fee raised by the accountants for certifying the year end service charge accounts.

- **Management Fee** **£3,209**

This figure represents the fees for managing the property and administration of the service charge, raised in line with RPI annually.

Total

- **Schedule 2** **£31,993**

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Management Surveyor

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Facilities Manager

Dated
September 2018

Dated
September 2018



Appendix A

Cromwell Leisure Park, Cromwell Road, Wisbech

Service Charge Apportionment Schedule

24th June 2018 to 23rd June 2019

Unit / Plot	Schedule	Tenant	GIA (Sq Ft)	Percentage
Main Store	1	Tesco	110,000	65.044%
Concession	1	24/7 Fitness (GB) Ltd	20,000	11.826%
Unit 1	1	Void	2,945	1.741%
Unit 2	1	Prezzo PLC	2,572	1.521%
Unit 3	1	The Restaurant Group	4,000	2.365%
Cinema	1	The Light Cinema	29,600	17.503%
1 Total			169,117	100.000%
Unit 1	2	Void	2,945	7.529%
Unit 2	2	Prezzo PLC	2,572	6.575%
Unit 3	2	The Restaurant Group	4,000	10.226%
Cinema	2	The Light Cinema	29,600	75.670%
2 Total			39,117	100.000%



Appendix B

Cromwell Leisure Park, Cromwell Road, Wisbech

Service Charge Variance Schedule

24th June 2018 to 23rd June 2019

The property is VAT registered. Figures for Schedule 1 & 2 shown net of VAT

Service Charge Item					
Estate	Budget 2017	Budget 2018	Variance %	Variance £	
Cleaning	£0.00	£0.00	0.00%		£0.00
Pest Control	£750.00	£750.00	0.00%		£0.00
External Maintenance	£14,500.00	£14,500.00	0.00%		£0.00
Drain Maintenance	£1,500.00	£1,500.00	0.00%		£0.00
Sprinklers	£0.00	£1,000.00	na		£1,000.00
Electricity Supply	£3,500.00	£3,500.00	0.00%		£0.00
Health and Safety	£750.00	£750.00	0.00%		£0.00
Signage	£750.00	£750.00	0.00%		£0.00
Interest	£0.00	£0.00	0.00%		£0.00
Security	£0.00	£1,000.00	0.00%		£1,000.00
Staff Costs	£1,000.00	£1,033.00	3.30%		£33.00
Audit Fee	£500.00	£250.00	-50.00%		-£250.00
Management Fee	£2,325.00	£2,403.00	3.35%		£78.00
Total	£25,575.00	£27,436.00	7.28%		£1,861.00
Restaurant & Cinema					
			Variance %	Variance £	
Cleaning	£12,500.00	£12,500.00	0.00%		£0.00
Pest Control	£500.00	£500.00	0.00%		£0.00
Repairs- External	£1,500.00	£1,500.00	0.00%		£0.00
Repairs- Internal	£1,500.00	£1,500.00	0.00%		£0.00
Roof Maintenance	£1,000.00	£1,000.00	0.00%		£0.00
Drain Maintenance	£500.00	£500.00	0.00%		£0.00
Service Yard Maintenance	£1,500.00	£1,500.00	0.00%		£0.00
Electricity	£800.00	£1,200.00	50.00%		£400.00
Electrical Repairs	£3,000.00	£3,000.00	0.00%		£0.00
Sprinklers	£2,500.00	£0.00	-100.00%		-£2,500.00
Health and Safety	£250.00	£250.00	0.00%		£0.00
Statuary Compliance	£500.00	£500.00	0.00%		£0.00
Interest	£0.00	£0.00	na		£0.00
Reserve Fund	£2,000.00	£2,000.00	0.00%		£0.00
Staff Costs	£2,500.00	£2,584.00	3.36%		£84.00
Audit Fee	£500.00	£250.00	-50.00%		-£250.00
Management Fees	£3,105.00	£3,209.00	3.35%		£104.00
Total	£34,155.00	£31,993.00	-6.33%		-£2,162.00