



JOHNSON FELLOWS
CHARTERED SURVEYORS

Cromwell Retail Park

Cromwell Road

Wisbech

Cambridgeshire

PE14 0SL

Service Charge Budget Report

**1st December 2015 to 30th
November 2016**



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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

Cromwell Retail Park is located on the south side of Wisbech, situated on the B198 Cromwell Road. It is opposite the Tesco Extra Superstore and 8 screen cinema and adjacent to the Belgrave Retail Park.

There are 9 new retail warehousing units providing 85,000 sq ft of accommodation, plus mezzanine floor space, to the front of which is a surface car park with 350 spaces. To the rear with access from Enterprise Way is a communal service yard. There is an adjacent undeveloped site with potential for an additional two units.

Voids and Concessions

There are presently 3 vacant units.

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 is no sinking fund or reserve fund.



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:

Jeremy Williams

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

Direct Dial: 0121 234 0454

Mobile: 07884 352 576

Email: jeremy.williams@johnsonfellows.co.uk

Jeremy Williams 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.



Budget Commentary

SCHEDULE 1 - Commercial

All figures are shown net of VAT

- **Cleaning** **£15,000**

Budget cost for the daily litter pick of the car park area and other ad-hoc cleaning required to the common parts.

- **Pest Control** **£1,000**

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

- **Refuse** **£3,500**

The cost for removing the waste collected from the communal area.

- **Boundary Maintenance** **£500**

Budgeted cost for any unforeseen repairs or maintenance to the boundaries.

- **Car Park Maintenance** **£5,000**

The anticipated cost for gritting of the car park and service yard together with a budget for ad-hoc repairs.

- **Drain Maintenance** **£1,700**

The annual flush out of the aco drainage channels serving the car park and service yard.

- **Electrical Repairs** **£1,200**

Annual re-lamping of the car park lights and ad-hoc repairs required.

- **Landscape – External** **£4,000**

Monthly attendance for the maintenance of the landscaped areas and new plants as required.

- **Service Yard Maintenance** **£2,500**

A contingency cost for repairs to the service yard.



- **Electricity Supply** **£2,000**

Budget for the supply to the car park lighting.

- **Plant & Machinery** **£1,000**

The cost of monitoring and maintenance of the petrol interceptors.

- **Health & Safety** **£1,000**

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

- **Statutory Compliance** **£500**

Annual cost for the servicing and certification of the lightning conductor.

- **Staff Wages** **£2,500**

A contribution to the Facilities Manager's employment costs.

- **Security** **£10,000**

Cost of a nightly inspection of the car park and loading bay area.

- **Signage** **£500**

A contingency to maintain communal signage as required.

- **Interest** **£0**

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

- **Audit Fee** **£400**

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** **£5,229**

This figure represents the fees for managing the property and administration of the service charge. As an appropriate management fixed fee (as provided for in the RICS Service Charge Code) would exceed the 10% cap contained in the leases, the fee charged reflects 10% of service charge expenditure.

Total

Schedule 1 **£57,529**

Please note this budget is net of VAT at 20%.

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Management Surveyor

.....
Partner

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Dated
24th November 2015

.....
Dated
24th November 2015



Appendix A

Cromwell Retail Park, Cromwell Road, Wisbech

Service Charge Apportionment Schedule

1st December 2015 to 30th November 2016

Unit	Tenant	GIA (sq ft)	Percentage
1a	Poundstretcher	16,205	23.7%
1b	Poundworld	7,535	11.0%
2	Iceland	7,804	11.4%
3a	Void	6,746	10.0%
3b	Cancer Research UK	5,867	8.6%
4	SportsDirect	5,353	7.8%
5	Brantano	6,006	8.8%
6	Void	4,769	7.0%
7	Void	8,009	11.7%
8	Not built	0	0.0%
9	Not built	0	0.0%
	Total	68,294	100.0%



Appendix B

Cromwell Retail Park, Cromwell Road, Wisbech

Service Charge Variance Schedule

1st December 2015 to 30th November 2016

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

Service Charge Item	Schedule	Budget 2014/2015	Budget 2015/2016	Budget v Budget Variance %	Budget v Budget Variance £
Cleaning	1	£ 17,000	£ 15,000	-11.76%	-£ 2,000
Pest Control	1	£ 500	£ 1,000	100.00%	£ 500
Refuse	1	£ 1,000	£ 3,500	250.00%	£ 2,500
Boundary Maintenance	1	£ 500	£ 500	0.00%	£ -
Car Park Maintenance	1	£ 5,000	£ 5,000	0.00%	£ -
Drain Maintenance	1	£ 1,700	£ 1,700	0.00%	£ -
Electrical Repairs	1	£ 1,200	£ 1,200	0.00%	£ -
Landscape - External	1	£ 9,500	£ 4,000	-57.89%	-£ 5,500
Service Yard Maintenance	1	£ 1,000	£ 2,500	150.00%	£ 1,500
Electricity Supply	1	£ 1,800	£ 2,000	11.11%	£ 200
Plant & Machinery	1	£ 1,000	£ 1,000	0.00%	£ -
Health & Safety	1	£ 1,500	£ 1,000	-33.33%	-£ 500
Statutory Compliance	1	£ 1,000	£ 500	-50.00%	-£ 500
Staff Wages	1	£ 2,500	£ 2,500	0.00%	£ -
Security	1	£ 8,500	£ 10,000	17.65%	£ 1,500
Signage	1	£ 500	£ 500	0.00%	£ -
Interest	1	£ -	£ -	100.00%	£ -
Audit Fees	1	£ 400	£ 400	0.00%	£ -
Management Fees	1	£ 5,460	£ 5,229	-4.23%	-£ 231
Total		£ 60,060	£ 57,529	-4.21%	-£ 2,531