



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

Hagley Road Retail Park

343/353 Hagley Road West

Quinton

Birmingham

B32 2AL

**Service Charge Budget Report**

**1<sup>st</sup> January 2017 to**

**31<sup>st</sup> December 2017**



## **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



## **Introduction**

The service charge budget report is intended to provide details of the planned expenditure for the forthcoming service charge year.

Johnson Fellows LLP were appointed as managing agents of Hagley Road Retail Park by Central England Co-Operative Society Ltd, who purchased the Retail Park from Hortons' Estate Limited on 14<sup>th</sup> October 2016. The service charge has been in operation for a number of years for the upkeep of the communal structures, services and areas.

As a consequence of our appointment, we are reviewing the contracts with a view to ensure they are required and they provide value for money. Where appropriate, we will periodically re-tender contracts.

## **Property**

The property comprises of five retail units with communal car parking/servicing, two access points to/from Hagley Road West.

## **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 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. As a consequence the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

Interest charged to tenants for late payment of service charge is credited to the service charge.

## **Reserve Fund**

There is no 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](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  
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 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](mailto:rebecca.glover@johnsonfellows.co.uk)

Rebecca Glover is the client accountant responsible for this property.



### **Service Charge Apportionment**

The service charge operates for the whole property as defined in the lease documents. The apportionment percentages for each lessee are noted within the Service Charge Apportionment Schedule, as detailed in Appendix A.

The calculation of the apportionment percentages is based upon the area of each unit.



## **Budget Commentary**

*All figures are shown net of VAT*

- **Cleaning** **£5,000**

The contract cost for the periodic cleaning of the gutters, elevations and car park.

- **Pest Control** **£500**

The contract cost for the hire of bait stations and the periodic visits to site to maintain them.

- **Drain Maintenance** **£1,250**

Annual flush of the surface water drains serving the car park and a contingency for any maintenance required to communal drains.

- **Electrical Repairs** **£2,000**

The annual re-lamping of the communal lights and a fixed wire test of the communal electrics, given the age of the development.

- **Landscaping - External** **£4,400**

The contract cost for maintaining the soft landscaped areas, weed control and litter picking. Also included in this budget is a budget for any gritting and snow clearance of the common parts.

- **Repairs – External** **£3,500**

A budget for any external repairs required to the building and communal areas during the year.

- **Electrical Supply** **£500**

The contract costs for the communal electrical supply for the lights and CCTV system.

- **Telephone** **£240**

The line rental and broadband contract for the CCTV system.

- **Security Equipment** **£2,000**

The annual cost of the maintenance and monitoring contract for the CCTV system and a contingency for repairs.



- **Statutory Compliance** **£750**

The annual health and safety audit of the common parts.

- **Audit Fee** **£400**

This cost covers the fee raised by the accountants for certifying the year end service charge accounts.

- **Management Fee** **£2,500**

This figure represents the fee to manage the property and administer the service charge. It is a fixed fee indexed linked annually to RPI.

- **Facilities Management** **£750**

This figure represents the facilities manager's costs to administer and periodically re-tender the supply contracts. It is a fixed fee indexed linked annually to RPI.

**Total** **£23,790**

An increase of £800 (3.48%) on the previous service charge budget.

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



.....  
Facilities Manager

.....  
Dated 30<sup>th</sup> November 2016

.....  
Partner

.....  
Dated 30<sup>th</sup> November 2016





**Appendix A**

**Hagley Road Retail Park, Hagley Road West, Quinton, Birmingham, B32 2AL**

**Service Charge Apportionment Schedule**

**1st January 2017 to 31st December 2017**

<b>Unit</b>	<b>Occupier</b>	<b>Area (sq. ft.)</b>	<b>Percentage</b>
Unit 1	American Golf Discount Centre Ltd	5,053	28%
Unit 2	Pets at Home Ltd	4,082	23%
Unit 3a	Barnardo's	2,647	15%
Unit 3b	Quinton Vets4Pets Ltd	2,018	11%
Unit 4	Co-Operative Group Food Ltd	4,025	23%
<b>TOTAL</b>		<b>17,825</b>	<b>100%</b>

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





## Appendix B

**Hagley Road Retail Park, Hagley Road West, Quinton, Birmingham, B32 2AL**

### **Service Charge Variance Schedule**

**1st January 2017 to 31st December 2017**

The property is VAT registered. Figures shown net of VAT.

<b>Service Charge Item</b>	<b>Budget 2016</b>	<b>Budget 2017</b>	<b>Budget v Budget Variance %</b>	<b>Budget v Budget Variance £</b>
Cleaning	£ 3,675	£ 5,000	36.05%	£ 1,325
Pest Control	£ -	£ 500	N/A	£ 500
Drain Maintenance	£ 1,250	£ 1,250	0.00%	£ -
Electrical Repairs	£ 1,500	£ 2,000	33.33%	£ 500
Landscape - External	£ 8,400	£ 4,400	-47.62%	-£ 4,000
Repairs - External	£ 2,660	£ 3,500	31.58%	£ 840
Electrical Supply	£ 500	£ 500	0.00%	£ -
Telephone	£ 240	£ 240	0.00%	£ -
Security Equipment	£ 2,015	£ 2,000	-0.74%	-£ 15
Statutory Compliance	£ 750	£ 750	0.00%	£ -
Audit Fees	£ -	£ 400	N/A	£ 400
Management Fees	£ 2,000	£ 2,500	25.00%	£ 500
Facilities Management	£ -	£ 750	N/A	£ 750
<b>TOTAL</b>	<b>£ 22,990</b>	<b>£ 23,790</b>	<b>3.48%</b>	<b>£ 800</b>

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



Regulated by RICS