



Hagley Road Retail Park

343/353 Hagley Road West

Quinton

Birmingham

B32 2AL

Service Charge Budget Report

1st January 2018 to

31st December 2018



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Introduction

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

The service charge is necessary for the upkeep of communal structures, area and services benefiting the occupiers.

This is the second year that Johnson Fellows have prepared the service charge budget. The service charge is reviewed each year so the budget reflects more accurately the services required and the expenditure incurred.

Property

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

The common parts serving the whole property include the main structure and the external elements of the building, the car park and the boundary walls/fences.

In addition to the common areas of the building, there are common services including cleaning, landscaping and security.

As Managing Agents, Johnson Fellows are appointed to undertake the administration of the service charge and facility management of the contracts, ensuring that they are periodically tendered and provide value for money.

Void 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

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

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

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 and have been updated to match those adopted by the previous Landlord..



Budget Commentary

All figures are shown net of VAT

- **Cleaning** **£4,000**

The contract cost for the periodic cleaning of the common areas presently undertaken by Whiting Landscapes. We plan to re-tender this contract during the service charge year.

- **Pest Control** **£400**

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

- **Drain Maintenance** **£4,000**

The contract costs for the annual flush of the surface water drains serving the car park, the oil interceptor pit and the gutters.

- **Electrical Repairs** **£1,000**

The annual re-lamping of the communal lights and a contingency.

- **Landscaping - External** **£1,500**

The contract cost for maintaining the soft landscaped areas and weed control. Litter picking and gritting are now coded to other headings.

- **Repairs – External** **£2,000**

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

- **Gritting** **£3,000**

A new budget heading for the cost of gritting and snow clearance to the common areas.

- **Electrical Supply** **£1,000**

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

- **Telephone** **£250**

The line rental and broadband contract for the CCTV system.

- **Security Equipment** **£1,500**

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.

- **Security** **£1,000**

A new budget heading for a security company holding keys and attending to emergency call outs, reflecting problems experience in 2017 with vagrants.

- **Interest** **£0**

Any interest on the late payment of service charge will be credited to this budget heading.

- **Audit Fee** **£350**

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

- **Management Fee** **£2,601**

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** **£780**

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 **£24,132**

An increase of £342 (1.44%) on the previous service charge budget.

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

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Facilities Manager

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Partner

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Dated 20th November 2017

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Dated 20th November 2017

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



Regulated by RICS



Appendix A

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

Service Charge Apportionment Schedule

1st January 2018 to 31st December 2018

Unit	Occupier	Area (sq. ft.)	Percentage
Unit 1	American Golf Discount Centre Ltd	5,072	28.38%
Unit 2	Pets at Home Ltd	4,094	22.91%
Unit 3a	Barnardo's	2,648	14.82%
Unit 3b	Quinton Vets4Pets Ltd	2,030	11.36%
Unit 4	Co-Operative Group Food Ltd	4,025	22.53%
TOTAL		17,869	100%

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Appendix B

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

Service Charge Variance Schedule

1st January 2018 to 31st December 2018

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

Service Charge Item	Actual 2016	Budget 2017	Budget 2018	Budget v Budget Variance %	Budget v Budget Variance £
Cleaning	£ -	£ 5,000	£ 4,000	-20.00%	-£ 1,000
Pest Control	£ 495	£ 500	£ 400	-20.00%	-£ 100
Drain Maintenance	£ -	£ 1,250	£ 4,000	220.00%	£ 2,750
Electrical Repairs	£ 502	£ 2,000	£ 1,000	-50.00%	-£ 1,000
Landscape - External	£ 8,007	£ 4,400	£ 1,500	-65.91%	-£ 2,900
Repairs - External	£ 179	£ 3,500	£ 2,000	-42.86%	-£ 1,500
Gritting	£ -	£ -	£ 3,000	N/A	£ 3,000
Electrical Supply	£ 203	£ 500	£ 1,000	100.00%	£ 500
Telephone	£ 444	£ 240	£ 250	4.17%	£ 10
Security Equipment	£ 1,573	£ 2,000	£ 1,500	-25.00%	-£ 500
Statutory Compliance	£ -	£ 750	£ 750	0.00%	£ -
Security	£ -	£ -	£ 1,000	N/A	£ 1,000
Interest	£ -	£ -	£ -	N/A	£ -
Audit Fees	£ 350	£ 400	£ 350	-12.50%	-£ 50
Management Fees	£ 2,099	£ 2,500	£ 2,601	4.05%	£ 101
Facilities Management	£ 162	£ 750	£ 780	4.05%	£ 30
TOTAL	£ 14,014	£ 23,790	£ 24,132	1.44%	£ 342

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