



JOHNSON FELLOWS
CHARTERED SURVEYORS

Hamilton Shopping Parade

Maidenwell Avenue

Leicester

LE5 1BJ

Service Charge Budget Report

**1st January 2015 to 31st December
2015**



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1. 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 service charge year commencing 1st January 2015.

Whilst leases for units at the property do provide for the operation of a service charge for the upkeep of the common parts and services, a service charge has not operated in recent years. A service charge is now being established to attend to the upkeep of the property.

This report is intended to provide details of the planned expenditure for the forthcoming service charge year. As this is the first such report, we will look to improve the accuracy of the budget during the initial years of its operation.

2. The Property

The property is located on the northern eastern section of the Leicester outer Ring Road, the A563 Hamilton Way, about 4 miles from Leicester city Centre. The premises consists of parade of 7 shops arranged in a 'L' shaped layout with one section fronting south and a grassed area and Library, the section facing east and Topaz Way. To the rear is a communal service yard accessed from the road servicing the rear of the Tesco Extra located adjacent to the property.

The communal areas maintained directly by the service charge are the external and structural parts of the Building, the rear service area and the immediately adjoining pedestrian and landscaped areas. Contributions are also to be made towards the repair and maintenance of the other common areas of the Centre including the landscape areas, service roads and car park.

3. Service Charge Objectives

The objective of Johnson Fellows as Managing Agents is to provide a high quality management service. In so doing we aim to provide a well maintained environment, delivering value for money for the service charge expenditure.

The object of the budget report is to provide clear explanation for recovery of the service charge expenditure on a not for profit/not for loss basis. It is also to promote clarity and transparency and to allow the tenants to budget accurately for the forthcoming year.

Should any occupier have comments on the format or the information contained in 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 communal services provided at the property.

The service charge is administered having regard to Service Charges in Commercial Property; RICS Code of Practice 3rd Edition.

4. VAT

The Landlord has elected the property for VAT, consequently the budget stated within this report is net of VAT.

5. Voids and concessions

The landlord assumes responsibility for the service charge attributable to any void unit and service charge concessions.

6. 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, Kidderminster branch, sort code 20-46-06.

7. Management Team

Jeremy Williams

Senior Surveyor

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

Direct Dial: 0121 234 0406

Mobile: 07836 313 914

Email: jeremy.williams@johnsonfellows.co.uk

Jeremy Williams is responsible for the overall management of the property.

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

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

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.

Neil Wetherell

Partner

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

Direct Dial: 0121 234 0406

Email: neil.wetherell@johnsonfellows.co.uk

8. Service Charge Approval

Budget Approval

.....
Management Surveyor

.....
Dated

22nd January 2015



Regulated by RICS

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



Partner

22nd January 2015

.....
Dated

9. 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 Net Internal Area of each unit. This is shown in Appendix A.

10. Budget Commentary

- **Cleaning** **£1,250**

It has been budgeted to implement a periodic litter pick of the site, removing all loose litter, emptying the bin and disposing it off the premise. A small contingency fund is also in place for any potential fly tipping or graffiti.

- **Building Repairs** **£1,250**

Budgeted costs for the re-levelling or replacement of all lipped and cracked paving slabs around the parade. Also included a high level clean to the canopy area and a contingency for any reactive works.

- **Drain Maintenance** **£250**

Annual flush out of drainage channel and aco drains to the premises.

- **Electrical Maintenance** **£250**

Budgeted cost for the annual testing of the lightening conductor that is on site, to ensure that it is compliant and fit for purpose. Investigation and re-lamping of the external lighting.

- **Landscape - External** **£1,000**

Maintenance and high level pruning of the landscaped areas in the raised beds, includes implementation of weed control to paving slabs.

- **Electricity Supply** **£250**

Budgeted cost for the supply of electricity to the external lighting

- **Health and Safety** **£500**

Health and safety audit of the site to ensure that it meets current regulations and highlights potential risks that can be managed.

- **Interest** **£0**

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

- **Audit Fee** **£250**

The RICS Service Charge Code of Practice states that service charge accounts should be independently certified on an annual basis.

- **Management Fee** **£3,000**



Regulated by RICS

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



This figure represents the cost incurred for the management of the property and administration of the service charge, including periodic inspection. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual review or indexation.

- **Facilities Management** **£250**

The cost for the Facilities Manager to organise and supervise the service charge contracts and maintenance works.

Total **£8,250**



Appendix A

Hamilton Shopping Centre

Service Charge Apportionment Percentages

1st January 2015

to

**31st December
2015**

Unit	Tenant	Area (sq m)	Apportionment %
1	Void	96	13.0%
2	Wa Chilli Chinese Takeaway	107	14.4%
3	Void	103	13.9%
4 & 5	Barnardos	218	29.3%
6 & 7	Central England Co-Op	219	29.4%
Total		743	100.00%

Notes:

1. Areas taken from VOA



Appendix B

Hamilton District Centre Leicester Service Charge Budget Comparison 01 January 2015 to 31 December 2015

The property is VAT registered, all figures shown net of VAT

Service Charge Item	Schedule	Actual 2013	Budget 2014	Budget 2015	Budget 2014 v Budget 2015 (%)	Budget 2014 v Budget 2015 (£)
Cleaning	1	£ -	£ -	£ 1,250	N/A	N/A
Building Repairs	1	£ -	£ -	£ 1,250	N/A	N/A
Drain Maintenance	1	£ -	£ -	£ 250	N/A	N/A
Electrical Maintenance	1	£ -	£ -	£ 250	N/A	N/A
Landscape - External	1	£ -	£ -	£ 1,000	N/A	N/A
Electricity Supply	1	£ -	£ -	£ 250	N/A	N/A
Health & Safety	1	£ -	£ -	£ 500	N/A	N/A
Signage	1	£ -	£ -	£ -	N/A	N/A
Interest	1	£ -	£ -	£ -	N/A	N/A
Audit Fee	1	£ -	£ -	£ 250	N/A	N/A
Management Fees	1	£ -	£ -	£ 3,000	N/A	N/A
Facilities Management	1	£ -	£ -	£ 250	N/A	N/A
Grand Total		£ -	£ -	£ 8,250	N/A	£ -