



JOHNSON FELLOWS
CHARTERED SURVEYORS

Hamilton District Centre

Maidenwell Avenue

Leicester

LE5 1BJ

Service Charge Budget Report

**1st January 2020 to 31st December
2020**



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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 2020

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 a 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.

Voids and Concessions

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

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, we do not maintain the funds in a discrete 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.



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.



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



Budget Commentary

SCHEDULE 1 – Commercial

All figures are shown net of VAT

- **Building Repairs** **£4,500**

A contingency for any required repairs over the period, a cost for cleaning and repairing both the canopy and downpipes has been included.

- **Drain Maintenance** **£800**

Annual flush out of drainage channel and aco drains around the centre.

- **Electrical Maintenance** **£1,000**

Budgeted cost for the annual testing of the lightening conductor that is on site, to ensure that it is compliant and fit for purpose. Annual re-lamping costs and any ad-hoc electrical repairs that are required.

- **Foot Path Maintenance** **£1,200**

Maintenance of the footpath following any health and safety recommendations from the yearly report.

- **Gritting** **£1,200**

Gritting of common areas including footpaths and service yard.

- **External Maintenance** **£4,000**

Budgeted cost for periodic litter pick of the site; annual clean of the facade and block paving; and a small contingency for any potential fly tipping or graffiti, and the maintenance and high-level pruning of the landscaped areas in the raised beds, includes implementation of weed control to paving slabs.

- **Electricity Supply** **£500**

Cost of electricity to the communal external lighting.

- **Health and Safety** **£750**

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** **£300**

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

- **Management Fee** **£3,393**

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 indexation (RPI).

- **Facilities Management** **£1,099**

The cost for the Facilities Manager to organise and supervise the service charge contracts and maintenance works. Increase reflects actually time spent on this account.

Total

Schedule 1 **£18,742**

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Management Surveyor

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Facilities Manager



Appendix A

Hamilton District Centre, Thurmaston, Leicester LE5 1BJ

Service Charge Apportionment Schedule

Unit	sqft	GIA (sq m)	Schedule 1 All Tenants
1	1038	96	13.0%
2	1150	107	14.4%
3	1111	103	13.9%
4 & 5	2336	217	29.2%
6 & 7	2354	219	29.5%
		742	100.0%



Appendix B

Hamilton District Centre, Thurmaston, Leicester LE5 1BJ

Service Charge Variance Schedule

1st January 2020 to 31st December 2020

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

Service Charge Item	Schedule	Budget 2019	Budget 2020	Budget v Budget Variance %	Budget v Budget Variance £
Building Repairs	1	£3,000	£4,500	50.00%	£1,500
Drain Maintenance	1	£800	£800	0.00%	£0
Electrical Maintenance	1	£2,000	£1,000	-50.00%	-£1,000
Footpath Maintenance	1	£1,000	£1,200	20.00%	£200
Gritting	1	£1,000	£1,200	20.00%	£200
External Maintenance	1	£2,750	£4,000	45.45%	£1,250
Electricity Supply	1	£500	£500	0.00%	£0
Health & Safety	1	£750	£750	0.00%	£0
Interest	1	£0	£0	n/a	£0
Audit Fee	1	£300	£300	0.00%	£0
Management Fees	1	£3,313	£3,393	2.41%	£80
Professional Fees		£2,500	£0	0.00%	-£2,500
Facilities Management	1	£1,072	£1,099	2.52%	£27
Grand Tot:		£18,985	£18,742	-1.28%	-£243