



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

**Monarch Drive & Martley Road**

**Henwick Park**

**Worcester**

**WR2 6EU**

**Service Charge Budget Report**

**24<sup>th</sup> June 2015 to 23<sup>rd</sup> June 2016**



## **Contents**

Introduction

The Property

Voids and Concessions

VAT

Banking

Service Charge Objectives

Residential Service Charge Obligations

Management Team

Service Charge Apportionment

Budget Commentary

## **Appendices**

- A. Service Charge Apportionment Schedule
- B. Service Charge Variance Schedule



## **Introduction**

This report has been produced by Johnson Fellows on behalf of the Landlord, Robin N Johnson. It is intended to provide details of the planned expenditure for the service charge year commencing 24<sup>th</sup> June 2015. The total budget for the year is £15,463, which represents a 3.09% increase from the previous year. A Service Charge Variance Schedule can be seen at Appendix B.

## **The Property**

The property is located at the junction of Monarch Drive and Martley Road. It is situated approximately 2 miles to the west of Worcester City Centre. The premises consist of a parade of ground floor retail units, with residential flats above and associated garages. There is a customer car park to the front of the property and a private service road providing vehicular access to the rear. Communal staircases leads to a walkway terrace, which provides access to the residential flats.

## **Voids and Concessions**

Where any void units exist, the responsibility for the payment of the service charge rests with the Landlord. Presently there are no void units at the property. The Landlord is also responsible for the payment of the service charge in respect of the residential flats that are let on an Assured Shorthold Tenancy basis.

## **VAT**

The property is not elected for VAT. Therefore all expenditure stated within the report is gross of VAT.

## **Banking**

Due to the general level of service charge funds, we do not maintain a discrete bank account for the service charge at this property. The funds are held within the Johnson Fellows Client Account, which is maintained by Barclays Bank plc. As a consequence the service charge is not credited with any interest, nor are any bank charges allocated to the service charge.

Interest charged on the late payment of service charge by tenants is to be credited to the service charge.

There is no sinking fund or reserve fund.



### **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 objective of the budget report is to provide a clear explanation for the 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 welcomed. 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.

### **Residential Service Charge Obligations**

In accordance with the Landlord & Tenant Act 1987, Section 48 we can confirm that the Landlord is Robin N Johnson and their address for the service of notices is 21 Crown Road, Kings Norton Business Centre, Kings Norton, Birmingham, B30 3HY.



## **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:

Ian Starbuck

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

Direct Dial: 0121 234 0462

Mobile: 07887 745 635

Email: [ian.starbuck@johnsonfellows.co.uk](mailto:ian.starbuck@johnsonfellows.co.uk)

Ian Starbuck 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 costs are apportioned under a single schedule in line with the provisions of the leases and shared amongst all leaseholders. We have adopted historical apportionments, which are based on the floor area for each premises. Should there be any changes to the floor areas then the service charge apportionments will be reviewed accordingly.

A Service Charge Apportionment Schedule is attached at Appendix A.



## **Budget Commentary**

### **SCHEDULE 1**

***All figures are shown gross of VAT***

- **Electrical Supply** **£400**

The figure for the electricity supply to the communal areas. This is based upon the consumption over the previous twelve months.

- **Electrical Repair** **£450**

The budgeted amount will allow for any unforeseen electrical repairs throughout the service charge year.

- **Building Repair** **£4,000**

The cost heading allows for a number of repairs to be completed throughout the service charge year, including replacement paving to the front of the property and any other items picked up during the health and safety audit.

- **Landscaping** **£1,400**

The budget allows for the general upkeep of the landscaped communal areas of the property, to include weeding, general maintenance and the cutting back of plant material throughout the growing season.

- **Health & Safety** **£300**

The budget figure allows for the completion of a health and safety audit in respect of the communal parts of the development.

- **Audit Fees** **£300**

The cost for an independent accountant to certify the service charge expenditure for the year.

- **Cleaning** **£5,500**

The cleaning contract is for the services of a cleaner/caretaker to clean, sweep and maintain the communal areas on a weekly basis.

- **Management Fee** **£2,613**

The figure represents the costs incurred for the preparation and management of the service charge budget and the general management of the communal areas of the property for the 12 month period. As per the previous year this has been increased in line with the Retail Price Index.



- **Facilities Management Fee** **£500**

The facilities management fee covers the costs for contract management and ensuring legislative compliance .

**Total** **£15,463**

.....  
Management Surveyor

.....  
Dated 18<sup>th</sup> June 2015

.....  
Partner

.....  
Dated 18<sup>th</sup> June 2015



**Appendix A**

**Monarch Drive & Martley Road, Henwick Park, Worcester, WR2 6EU**

**Service Charge Apportionment Schedule**

**24th June 2015 to 23rd June 2016**

<b>Unit</b>	<b>Schedule</b>	<b>Percentage</b>
20 Martley	1	15.60%
22 Martley	1	11.30%
24-28 Martley	1	25.70%
138 Monarch	1	11.20%
140 Monarch	1	11.20%
142 Monarch	1	11.10%
Flat 34	1	4.60%
Flat 36	1	4.60%
Flat 38	1	4.70%
<b>1 Total</b>		<b>100.00%</b>



**Appendix B**

**Monarch Drive & Martley Road, Henwick Park, Worcester, WR2 6EU**

**Service Charge Variance Schedule**

**24th June 2015 to 23rd June 2016**

The property is not VAT registered. All figures shown gross of VAT.

<b>Service Charge Item</b>	<b>Schedule</b>	<b>Budget 2014/2015</b>	<b>Budget 2015/2016</b>	<b>Budget v Budget Variance %</b>	<b>Budget v Budget Variance £</b>
Electricity Supply	1	£ 300	£ 400	33.33%	£ 100
Electrical Repair	1	£ 410	£ 450	9.76%	£ 40
Building Repair	1	£ 5,000	£ 4,000	-20.00%	-£ 1,000
Landscape Maintenance	1	£ 1,400	£ 1,400	0.00%	£ -
Cleaning	1	£ 5,000	£ 5,500	10.00%	£ 500
Health & Safety	1	£ -	£ 300	N/A%	£ 300
Audit Fees	1	£ 300	£ 300	0.00%	£ -
Management Fees	1	£ 2,590	£ 2,613	0.89%	£ 23
Facilities Management	1	£ -	£ 500	N/A%	£ 500
<b>Grand Total</b>		<b>£ 15,000</b>	<b>£ 15,463</b>	<b>3.09%</b>	<b>£ 463</b>