



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

Jennison Street

Bulwell

Nottingham

NG6 8EQ

**Service Charge Budget Report**

**1<sup>st</sup> January 2016 to 31<sup>st</sup> December  
2016**



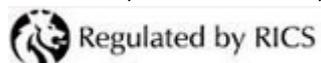
## **Contents**

Introduction  
The Property  
Voids and Concessions  
VAT  
Banking  
Service Charge Objectives  
Management Team  
Service Charge Apportionment  
Budget Commentary

## **Appendices**

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

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





## **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 1<sup>st</sup> January 2016.

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.

## **The Property**

The property is located in suburban shopping centre of Bulwell, 6.5 miles north of Nottingham city centre on the B682, Main Street. The premises consists of 5 units forming part of the Tesco Extra superstore development. There is a separate unit, the former public house known as Scots Gray which is excluded from the service charge arrangements as it is self contained.

The communal areas maintained directly by the service charge are the external and structural parts of the building, the rear service areas serving Units C & D and E and the internal area within the Superstore which serves Units A & B. 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 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.

## **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](mailto:chris.monteith@johnsonfellows.co.uk)

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

### Management Surveyor:

Jeremy Williams  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0454  
Mobile: 07884 352 576  
Email: [jeremy.williams@johnsonfellows.co.uk](mailto:jeremy.williams@johnsonfellows.co.uk)

Jeremy Williams 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 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 apportionment percentages are detailed in Appendix A.



**Budget Commentary**

**SCHEDULE 1**

**All figures are shown net of VAT**

- **Cleaning** **£500**

Annual jet wash of car park area and adhoc budget for any unforeseen repairs.

- **Pest Control** **£300**

The installation of pigeon spikes to the lighting areas and ledges to prevent roosting.

- **Building Repairs** **£2,000**

A contingency for any reactive works.

- **Electrical Maintenance** **£500**

Budgeted cost for the annual relamping of the lights in the service yard.

- **Statutory Compliance** **£0**

An annual health and safety audit of the site is being carried out in December 2015. Therefore there will not be a further audit undertaken in 2016.

- **Management Fee** **£1,512**

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** **£500**

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

**Total**

**Schedule 1** **£5,312**

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

.....  
Management Surveyor

.....  
Partner

.....  
Dated  
10<sup>th</sup> December 2015

.....  
Dated  
10<sup>th</sup> December 2015



**APPENDIX A**

**Jennison Street, Bulwell NG6 8EQ**

**Service Charge Apportionment Schedule**

**1st January 2016 to 31st December 2016**

<b>Unit</b>	<b>Tenant</b>	<b>Area (sq m)</b>	<b>Apportionment %</b>
A	Void	36.05	6.78%
B	Void	36.22	6.81%
C	Funeral Services	70.51	13.26%
D	Papa John's	73.65	13.86%
E	Mousetrap Soft Play	315.12	59.28%
<b>Total</b>		<b>531.55</b>	<b>100.00%</b>



## APPENDIX B

### Jennison Street, Bulwell NG6 8EQ

### Service Charge Variance Schedule

### 1st January 2016 to 31st December 2016

The property is VAT registered. Figures for Schedule 1 shown net of VAT.

Service Charge Item	Schedule	Budget 2015	Budget 2016	Budget v Budget Variance %	Budget v Budget Variance £
Cleaning	1	£ 500	£ 500	0.00%	£ -
Pest Control	1	£ 400	£ 300	-25.00%	-£ 100
Building Repairs	1	£ 2,000	£ 2,000	0.00%	£ -
Electrical Maintenance	1	£ 500	£ 500	0.00%	£ -
Statutory Compliance	1	£ 500	£ -	-100.00%	-£ 500
Management Fees	1	£ 1,500	£ 1,512	0.80%	£ 12
Facilities Management	1	£ 500	£ 500	0.00%	£ -
<b>Total</b>		<b>£ 5,900</b>	<b>£ 5,312</b>	<b>-9.97%</b>	<b>-£ 588</b>