



Kennedy Way Shopping Centre

Immingham

DN40 2AB

Service Charge Budget Report

24th June 2024 to 23rd June 2025

Johnsonfellows.co.uk



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

Kennedy Way is the Town Centre for Immingham. The scheme has recently been subject to a multimillion-pound regeneration project including the creation of the units this service charge serves.

Retailers within Kennedy Way include B&M, Poundstretcher, Betfred, Lloyds Pharmacy, Cooplands, Natwest, Coral and Heron Frozen Foods.

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 24th June 2024. A Budget Schedule can be seen in Appendix B.

The Property

The premises consists of 2 retail units. It is located in Immingham town centre off Washdyke Lane. The site benefits from a front car parking facility, landscaped area and rear service yard which are maintained directly by the service charge.

Voids 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 by the commercial lessees 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 on 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 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 aims 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:

Robert Scott
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0409
Mobile: 07540 732602
Email: Robert.scott@johnsonfellows.co.uk

Robert Scott is responsible for the repair and maintenance of the property and statutory compliance.

Management Surveyor:

Angela Lindop
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0454
Email: angela.lindop@johnsonfellows.co.uk

Angela Lindop 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 provisions are set out in each tenants lease. These consistently provide for each tenant to pay a due proportion of the service charge which is attributable to each tenant's premises. The due proportion is based primarily on the net internal area of each property relative to the total net internal area of all units. If such apportionment is inappropriate, the Landlord has reasonable discretion to adopt such other due proportion as is fair and reasonable. This may include attributing the whole expenditure to a particular unit.

The service charge percentage apportionments are detailed in Appendix A.



Budget Commentary

SCHEDULE 1

All figures are shown net of VAT

- **Management Fee** **£7877**

This figure represents the cost incurred for the management of the property and the administration of the service charge, including periodic inspections. This is a fixed fee, subject to annual indexation in line with the Retail Price Index (RPI). In the previous service charge year, the annual RPI indexation for 2023/24 was missed. This oversight will be accounted for during the 2023/24 service charge reconciliation. Consequently, the service charge budget comparison figure at Appendix B for the management fee year ending June 2024, reflects the corrected budget figure, incorporating the missed indexation.

- **Audit Fee** **£300**

The estimated cost for independent audit of the yearly service charge.

- **Facilities Management** **£3492**

The cost for the Facilities Manager to organise and supervise the service charge contracts and maintenance works. This is a fixed fee, subject to annual indexation in line with the Retail Price Index (RPI). In the previous service charge year, the annual RPI indexation for 2023/24 was missed. This oversight will be accounted for during the 2023/24 service charge reconciliation. Consequently, the service charge budget comparison figure at Appendix B for the management fee year ending June 2024, reflects the corrected budget figure, incorporating the missed indexation.

- **Landlord Risk Assessments and Reviews** **£1,500**

The estimated budget for an annual General Risk Assessment (GRA) health and safety report for the site.

- **Health and Safety** **£0**

This cost heading has been removed from the budget for 2024/25 with costs now accounted for under Landlord Risk Assessments and Reviews.

- **Electricity Supply** **£8,250**

The anticipated cost of the electricity supply for the external car park lighting. This cost has been increased in line with previous year expenditure.

- **External Cleaning** **£5000**

Monthly attendance for the maintenance of the landscaped areas & ad hoc works carried out and charged by Immingham Town Council. This cost has been reduced based on costs charged by the Town Council in 2023/2024.



- **Window Cleaning** **£0**

This cost has been removed from the budget as the window cleaning is now carried out by Tesco's in house Maintenance Team.

- **Pest Control** **£1,530**

The anticipated cost of the annual pest control contract to attend every six weeks to re-stock and monitor the bait traps.

- **Snow Clearance and Gritting** **£2,687**

An estimated budget cost for the gritting of the external areas. The site has a reactive gritting service in place. This is triggered when the temperature falls to zero degrees Celsius or below and is advised by the Met Office.

- **Drainage** **£2,000**

The estimated annual cost for the flush out of the drainage system and any associated call outs required.

- **M&E Maintenance Contract** **£4,000**

Estimated cost of the contracts to check the external lighting, mansafe system and lightning protection. Additionally included under this cost heading are the maintenance of mechanical and electrical equipment including the pump, generator, LV switch, transformer, electronic gates and re-lamping of car park lights as required.

- **External Maintenance** **£4,000**

Annual cost for a daily litter pick of the car park area and sweep of the loading bay area. Included in this cost is the annual amount for the external cleaning of the facade and a small contingency for the removal of any fly tipping on site.

- **Car Park Maintenance** **£4,000**

Estimated cost of any works required to the car park. The site has a reactive gritting service and the estimated costs of the gritting have been removed from this cost heading, and a separate schedule created for this service charge year. Estimated budget costs have been maintained at £4000 under car park maintenance as a recent independent site General Risk Assessment carried out identified a number of paving and drain cover repairs that require completing.

- **Boundary Maintenance** **£2,000**

Contingency sum for any ad-hoc repairs of the boundary fencing, or removal of graffiti.



- **Service Yard Maintenance** **£1,000**

A contingency budget for any service yard maintenance.

- **Building Repair** **£2,500**

Budgeted cost for any reactive repairs to the fabric of the main building.

Schedule 1 Total £50,136

A Lindop

Angela Lindop
Management Surveyor

R. Scott

Robert Scott
Facilities Manager



Appendix A

| Immingham Superstore Kennedy Way Washdyke Lane S/C (02140) | | | |
|--|------------------------------------|-------------|-------------------|
| Service Charge Unit Percentages | | | |
| Recovery Group = sc | | | |
| Reconciliation Period = 24/06/2024-23/06/2025 | | | |
| *Amounts in gbp | | | |
| Unit | Tenant | Days | Schedule 1 |
| 0001 | Tesco Stores Ltd (Original) | 366.00 | 56.3500 |
| 0002 | T J Morris Ltd (Original) | 366.00 | 43.6500 |
| | Total | | 100.0000 |
| | | | |



Appendix B

Immingham Superstore Kennedy Way Washdyke Lane S/C (02140)

Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 24/06/2024-23/06/2025

*Amounts in gbp

| Code | Description | Budget (06/2025) | Budget (06/2024) | Variance | % |
|-----------|----------------------------------|------------------|------------------|---------------|---------------|
| 1 | Schedule 1 | | | | |
| 5100-0101 | Management Fee | 7,877.00 | 7,552.00 | 325.00 | 4.3035 |
| 5100-0203 | S/C Audit Fees | 300.00 | 300.00 | 0.00 | 0.0000 |
| 5100-0309 | Facilities Manager | 3,492.00 | 3,492.00 | 0.00 | 0.0000 |
| 5100-0401 | Landlords risk assessments, audi | 1,500.00 | 2,000.00 | -500.00 | -25.0000 |
| 5100-0402 | Health & Safety | 0.00 | 1,000.00 | -1,000.00 | -100.0000 |
| 5200-0501 | Electricity | 8,250.00 | 4,000.00 | 4,250.00 | 106.2500 |
| 5300-1002 | External Cleaning | 5,000.00 | 6,000.00 | -1,000.00 | -16.6667 |
| 5300-1003 | Window cleaning | 0.00 | 3,600.00 | -3,600.00 | -100.0000 |
| 5300-1007 | Pest control | 1,530.00 | 2,000.00 | -470.00 | -23.5000 |
| 5300-1010 | Snow clearance / Gritting | 2,687.00 | 0.00 | 2,687.00 | New |
| 5300-1016 | Drainage | 2,000.00 | 2,000.00 | 0.00 | 0.0000 |
| 5400-1201 | M&E Maintenance contract | 4,000.00 | 4,000.00 | 0.00 | 0.0000 |
| 5400-1502 | External Repairs and maintenanc | 4,000.00 | 4,000.00 | 0.00 | 0.0000 |
| 5400-1505 | Car Park Maintenance | 4,000.00 | 4,000.00 | 0.00 | 0.0000 |
| 5400-1525 | Boundary Maintenance | 2,000.00 | 2,000.00 | 0.00 | 0.0000 |
| 5400-1527 | Service Yard Maintenance | 1,000.00 | 1,000.00 | 0.00 | 0.0000 |
| 5400-1530 | Building Repair | 2,500.00 | 2,500.00 | 0.00 | 0.0000 |
| | | | | | |
| | | | | | |
| | Schedule Total | 50,136.00 | 49,444.00 | 692.00 | 1.3996 |
| | | | | | |
| | Total | 50,136.00 | 49,444.00 | 692.00 | 1.3996 |