



JOHNSON FELLOWS
CHARTERED SURVEYORS

Kennedy Way Shopping Centre

Immingham

DN40 2AB

Service Charge Budget Report

24th June 2020 to 23rd June 2021



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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 2020. A Budget Schedule can be seen in Appendix B.

The Property

The premises consists of a 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 aim 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:

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 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

- **Cleaning** **£9,000**

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 cost for the external cleaning of the facade and a small contingency for the removal of any fly tipping on site.

- **Pest Control** **£2,000**

The annual pest control contract to attend every six week to re-stock the bait traps.

- **Window Cleaning** **£3,600**

Monthly clean of all external windows

- **Boundary Maintenance** **£2,000**

Sum for the ad-hoc repairs of the boundary fencing, removal of graffiti.

- **Building Repair** **£3,000**

Budgeted cost for ad hoc repairs to the fabric of the main building.

- **Car Park Maintenance** **£7,000**

Adhoc cost for any potential pot holes or unforeseen works. Included in this cost is the unforeseen gritting requirements.

- **Drain Maintenance** **£1,000**

Annual cost for the flush out of the drainage system.

- **Electrical repairs** **£1,000**

Cost for the annual Re-lamping of the car park lights

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

A contingency budget for any service yard maintenance

- **External Maintenance** **£5,000**

Monthly attendance for the maintenance of the landscaped areas & adhoc jobs



- **Electricity Supply** **£2,000**

The anticipated cost of the electricity supply for the external car park lighting

- **Plant and Machinery** **£3,000**

Annual testing of the pump, generator, LV switch, transformer and electronic gates to meet safety and compliance requirements.

- **Health and Safety** **£1,000**

This is the cost of undertaking a whole site health and safety report.

- **Statutory Compliance** **£2,000**

Annual cost for the servicing and certification for the lightning conductor and Mansafe system

- **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** **£5,720**

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** **£2,620**

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

Total

Schedule 1 **£51,240**

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Management Surveyor

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Facilities Manager



Appendix A

Kennedy Way Shopping Centre, Immingham			
Service Charge Apportionment Schedule			
Unit / Plot	Schedule	GIA (Sq Ft)	Percentage
1 - (Tesco)	1	25148	56.35%
2 - Home Bargain	1	19482	43.65%
		44630	100.00%



Appendix B

Address: Kennedy Way Shopping Centre Immingham

Client: Tesco Stores Ltd

Service Charge Budget Report

24th June 2020 to 23rd June 2021

Service Charge Budget Heading	Sch	YE 2020	YE 2021	Variance %	Variance (£)
Cleaning	1	£ 10,000.00	£ 9,000.00	-10.0%	-£ 1,000.00
Pest Control	1	£ 3,000.00	£ 2,000.00	-33.3%	-£ 1,000.00
Window Cleaning	1	£ 3,600.00	£ 3,600.00	0.0%	£ -
Boundary Maintenance	1	£ 1,000.00	£ 2,000.00	100.0%	£ 1,000.00
Building Repair	1	£ 3,000.00	£ 3,000.00	0.0%	£ -
Car Park Maintenance	1	£ 7,000.00	£ 7,000.00	0.0%	£ -
Drain Maintenance	1	£ 1,000.00	£ 1,000.00	0.0%	£ -
Electrical Repairs	1	£ 1,000.00	£ 1,000.00	0.0%	£ -
Service Yard Maintenance	1	£ 1,000.00	£ 1,000.00	0.0%	£ -
External Maintenance	1	£ 5,000.00	£ 5,000.00	0.0%	£ -
Electricity Supply	1	£ 2,000.00	£ 2,000.00	0.0%	£ -
Plant and Machinery	1	£ 3,000.00	£ 3,000.00	0.0%	£ -
Health and safety	1	£ 1,000.00	£ 1,000.00	0.0%	£ -
Statutory compliance	1	£ 2,000.00	£ 2,000.00	0.0%	£ -
Audit Fee		£ 300.00	£ 300.00	0.0%	£ -
Management Fee	1	£ 5,634.00	£ 5,720.00	1.5%	£ 86.00
Facilities Management Fee	1	£ 2,580.00	£ 2,620.00	1.6%	£ 40.00
Total		£ 52,114.00	£ 51,240.00	-1.7%	-£ 874.00