



JOHNSON FELLOWS
CHARTERED SURVEYORS

Kingstanding Shopping Centre,

Kings Road,

Kingstanding,

Birmingham,

West Midlands,

B44 9HH

Service Charge Budget Report

1st April 2020 to

31st March 2021



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Introduction

The service charge report is intended to provide details of the expenditure for the service charge year.

A service charge is necessary due to there being communal structures, services and areas.

The Property

The property comprises of a three-storey shopping centre in multiple occupation, split into a supermarket and 21 retail units.

At the first-floor level a number of units have ancillary accommodation, there is also a customer car park and service area. The main retail units are at ground floor level, some fronting an open central pedestrian mall, others the external forecourts facing Kings Road and Kingstanding Road. Around the rear perimeter of the centre is a service road which runs from Kings Road at ground floor level to Kingstanding Road at the equivalent of basement level where a number of retail units have access into basement ancillary accommodation.

Gates secure the pedestrian entrances to the mall and vehicular access to the roof deck car park and service area and the rear service road.

The common parts include the main structure and the external elements (but not the shop frontages) of the buildings, the car park and service yard and road, forecourts, soft landscaped areas and the boundary walls/fences.

There are a number of communal systems which include parts of the fire alarm, lighting, drains, dry-riser, CCTV, electric and a single water supply to the centre which serves each individual unit.

All occupiers are responsible for contributing to all service charge expenditure for the property.

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 has 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.

Reserve Fund

A reserve fund has not been established.



Service Charge Objectives

The object of this report is to provide clear explanation 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 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 the RICS professional statement: Service Charges in Commercial Property, 1st edition 2018.

Management Team

Facilities Manager:

Robert Scott
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0407
Mobile: 07540 732 602
Email: robert.scott@johnsonfellows.co.uk

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

Management Surveyor:

Neil Wetherell
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0406
Mobile: 07836 313 914
Email: neil.wetherell@johnsonfellows.co.uk

Neil Wetherell 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 operates for the whole property as defined in the lease documents. The apportionment percentages for each lessee are noted within the Service Charge Apportionment, as detailed in Appendix A.

The apportionment percentage have been inherited from the previous managing agents and reflect the internal area of each unit.

All occupiers contribute to all expenditure, so there is a single schedule.

Budget Commentary

SCHEDULE 1 – General

All figures are shown net of VAT

- **Cleaning** **£12,000**

The contract cost for the cleaning of the common areas, including the mall, car park and service areas. The cleaning is undertaken 4 days a week and is being re-tendered for the start of the new service charge year.

- **Pest Control** **£1,500**

The cost for the pest control contract comprising external bait boxes located in the car park, service yard and service road.

- **Refuse** **£1,800**

The contract for the disposal of refuse from the cleaning of the communal areas.

- **Drain Maintenance** **£1,500**

Annual flush of the surface water drains serving the mall, car park, service yard and road.

- **Landscape - External** **£2,500**

The contract cost for the soft landscapes areas to be cut back twice a year and to treat weeds.

- **Repairs – External** **£3,000**

A budget for maintenance and repair of the communal parts of the property.

- **Gritting** **£3,000**

The budget for the gritting of the car park, service yard and pedestrian walkways.

- **Electric Supply** **£2,500**

The electric supply for the communal areas of the property, including the external lights.

- **Water Charges** **£2,000**



The water costs for the single supply which serves the whole centre, including each individual unit.

- **Telephone** **£500**

The contract cost for the phone line which allows remote access to the security CCTV system.

- **Mechanical & Electrical Maintenance** **£1,300**

The contract costs for the maintenance and testing of the communal emergency lights, dry riser and fire extinguishers.

- **Mechanical & Electrical Repairs** **£2,000**

A contingency budget for any repairs required to the communal M&E systems. We will look to isolate the water supplied to all void units to prevent the cost of water from burst pipes and leaks.

- **Security Equipment** **£2,500**

Maintenance and monitoring of the security CCTV.

- **Statutory Compliance** **£1,800**

The budget for the annual health and safety audit of the common parts of the property. There is a provisional sum for periodic electrical installation condition report for the communal electrics to ensure they are safe.

- **Security** **£10,625**

A contract has been tendered and placed for the daily opening and closing of all the external gates which help secure the mall, roof deck and rear service road. The gates are opened at 06:00 and closed at 21:00. There is also the contract cost for a key holding service and a contingency for emergency security call outs.

- **Interest** **£0**

Any interest collected for the late payment of service charge will be credited to the service charge.

- **Insurance** **£0**

Should there be any public liability insurance premium, it will be charged to this budget heading.

- **Audit Fee** **£500**

The service charge code provides for the service charge accounts to be certified on an annual basis. This cost covers the fee of the accountants for certifying the year end service charge accounts.

- **Management Fee** **£6,132**



This figure represents a fixed fee to manage the property and administer the service charge. Which is indexed linked annually to RPI.

- **Facilities Management** **£3,475**

The figure represents the facilities managers fee to administer the maintenance contracts and organise the repair and maintenance of the common parts. It is a fixed fee indexed linked annually to RPI.

Total

Schedule 1 **£58,632**

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

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Partner

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Facilities Manager

11th March 2020

11th March 2020

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Dated

.....
Dated



Appendix A

Kingstanding Shopping Centre, Kingstanding Road, Birmingham, B44 9HH (02199)

Service Charge Apportionment Matrix

1st April 2020 to 31st March 2021

Unit	Tenant	Schedule	Percentage
Supermarket	Farmfoods Ltd	1	12.00%
1 to 4	Void	1	12.00%
5	Shipley Investments Ltd	1	3.00%
6	Void	1	3.00%
7 to 8	Void	1	6.00%
9	Void	1	3.00%
10 to 11	Void	1	6.00%
12	Void	1	3.00%
13 to 14 & Pt 15	Sense	1	7.20%
Pt 15	Void	1	1.80%
16	TS Uppal	1	3.00%
17	Void	1	3.00%
18	Void	1	3.00%
19	DP Realty Ltd	1	3.00%
20	Void	1	3.00%
21 to 22	Void	1	6.00%
23 to 24	Sportswift Ltd	1	6.00%
25	Void	1	3.00%
26	Void	1	3.00%
27	Void	1	3.00%
28	Homepoint Estate Agents Ltd	1	3.00%
29	YMCA	1	4.00%
			100.00%



Appendix B

Kingstanding Shopping Centre, Kingstanding Road, Birmingham, B44 9HH (02199)

Service Charge Variance

1st April 2020 to 31st March 2021

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

Service Charge Item	Schedule	Actual 2018/2019	Annual Budget 2019/2020	Annual Budget 2020/2021	Budget v Budget Variance %	Budget v Budget Variance £
Cleaning	1	£ 18,220	£ 10,000	£ 12,000	20%	£ 2,000
Pest Control	1	£ 120	£ 2,900	£ 1,500	-48%	-£ 1,400
Refuse	1	£ 1,286	£ 1,800	£ 1,800	0%	£ -
Drain Maintenance	1	£ -	£ -	£ 1,500	N/A	£ 1,500
Landscape - External	1	£ 6,572	£ 6,500	£ 2,500	-62%	-£ 4,000
Repairs - External	1	£ 2,898	£ 2,000	£ 3,000	50%	£ 1,000
Gritting	1	£ -	£ -	£ 3,000	N/A	£ 3,000
Electricity Supply	1	£ 3,701	£ 2,500	£ 2,500	0%	£ -
Water Charges	1	£ 6,648	£ 2,000	£ 2,000	0%	£ -
Telephone	1	£ 709	£ 500	£ 500	0%	£ -
Mechanical & Electrical Maintenance	1	£ 1,206	£ 2,820	£ 1,300	-54%	-£ 1,520
Mechanical & Electrical Repairs	1	£ 4,033	£ 2,000	£ 2,000	0%	£ -
Security Equipment	1	£ 3,668	£ 2,500	£ 2,500	0%	£ -
Statutory Compliance	1	£ 645	£ 2,000	£ 1,800	-10%	-£ 200
Security	1	£ 16,710	£ 16,000	£ 10,625	-34%	-£ 5,375
Interest	1	£ -	£ -	£ -	N/A	£ -
Insurance	1	£ -	£ -	£ -	N/A	£ -
Audit Fees	1	£ 1,000	£ 1,000	£ 500	-50%	-£ 500
Management Fees	1	£ 12,000	£ 6,000	£ 6,132	2%	£ 132
Professional Fees	1	£ -	£ -	£ -	N/A	£ -
Facilities Management	1	£ 6,501	£ 3,400	£ 3,475	2%	£ 75
1 Total		£ 85,916	£ 63,920	£ 58,632	-8%	-£ 5,288
Grand Total		£ 85,916	£ 63,920	£ 58,632	-8%	-£ 5,288