



JOHNSON FELLOWS
CHARTERED SURVEYORS

OYO Business Units

Park Lane

Castle Vale

Birmingham

B35 6AN

Service Charge Budget Report

1st January 2018 to

31st December 2018



Contents

Introduction

The Property

Voids and Concessions

VAT

Banking

Reserve Fund

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 Management Company, OYO Land Management (Castle Vale) Limited. It is intended to provide details of the planned expenditure for the service charge period 1st January 2018 to 31st December 2018.

Enclosed within this report is a copy of the Service Charge Variance Schedule and Service Charge Apportionment Schedule.

The service charge is administered having regard to RICS Practice Standards; Service Charges in Commercial Property; 3rd Edition, Code of Practice.

The Property

The property is located on Park Lane, Castle Vale, 6 miles northeast of Birmingham City Centre. Junction 5 of the M6 is 1 mile to the south. Junction 1 of the M6 Toll Road and Junction 9 of the M42 are 4 miles to the east. Direct access to the City Centre is via the A38.

OYO Business Units comprises an estate of 31 industrial units on a secure site. The units are arranged in 5 blocks and are of varying sizes.

The communal parts of the site broadly include the entrance gates, estate road, landscaped areas and all car parking, including that exclusively allocated to the occupiers. The roofs and associated rainwater goods are demised to the individual units.

Voids and Concessions

Where any void units exist, the responsibility for the service charge rests with the Landlord.

VAT

The property is elected for VAT, consequently the expenditure stated within this report is net of VAT.

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



Reserve Fund

There is no Reserve Fund.

Service Charge Objectives

The objective of Johnson Fellows as Managing Agent 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 this budget report is to provide a 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 period.

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.



Management Team

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

Ian Starbuck is responsible for the overall management of the property.

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.

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 apportionment is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

The service charge expenditure is contained under a single schedule that all occupiers contribute towards, reflecting the benefit of the services provided.

The apportionment percentages are calculated based on the gross internal floor area of the individual units.



Budget Commentary

SCHEDULE 1 – All Occupiers

All figures are shown net of VAT

- **External Cleaning** **£1,500.00**

The cost heading provides a contingency sum for the removal of any fly tipping at the site, the clearing of the bin stores and the cleaning of the cycle shelters.

- **Boundary Maintenance** **£500.00**

The budget allows for any ad-hoc repairs to the boundary fencing.

- **Drain Maintenance** **£500.00**

The budget provides for the annual cleaning of the communal drainage channels.

- **Landscaping** **£2,880.00**

The cost heading is for the monthly attendance to maintain the landscaped areas of the estate, including weed control, grass cutting, shrub maintenance, winter leaf collecting and litter picking. Included in the budget is a one off high level prune to the vegetation to the rear fire escape routes.

- **Road Maintenance** **£1,000.00**

The budget provides for any repairs required to the estate road. It also includes a cost for yellow lining.

- **Electricity Supply** **£400.00**

The cost heading is for the electricity supply to the common areas, including the lighting, automatic gate and CCTV.

- **Mechanical & Electrical** **£1,000.00**

The budget cost is for the completion of the fixed wire certificate, the annual service of the automatic gate and any associated repairs.

- **Security Equipment** **£3,420.00**

The budget provides for the installation of CCTV to the communal areas of the estate. A quote has been supplied by Justice Fire and Security.



- **Gritting** **£250.00**

The budget allows for winterisation, including gritting and snow clearance.

- **Signage** **£100.00**

The heading allows for updates to the tenant sign boards as required.

- **Health & Safety** **£400.00**

The budget cost will allow for completion of the annual Health & Safety Audit for the communal areas.

- **Insurance** **£4,000.00**

The cost heading is for the annual buildings insurance premium, which is paid for through the service charge.

- **Audit Fee** **£350.00**

The RICS Service Charge Code of Practice states that service charge accounts are to be independently certified on an annual basis. This cost covers the fee raised by the Accountants for certifying the year end service charge accounts.

- **Professional Fee** **£800.00**

The cost heading is for the secretarial and accounting services of the Management Company.

- **Facilities Management** **£500.00**

The budget cost is for the Facilities Manager to organise and supervise the service charge contracts, maintenance works and ensure legislative compliance.

- **Management Fee** **£5,198.00**

The figure represents the costs incurred for the management of the property and the administration of the service charge, including periodic inspections. The RICS Service Charge Code of Practice recommends that this be a fixed fee. The fee has been increased for the current year in line with the Retail Price Index.



Total

Schedule 1

£22,798.00

A handwritten signature in black ink, appearing to read 'C. Lantieri', written over a dotted line.

A handwritten signature in black ink, appearing to read 'Paul Starbuck', written over a dotted line.

Facilities Manager

Partner

Dated 12th January 2018

Dated 12th January 2018



Appendix A

OYO Business Units

Service Charge Apportionment Schedule

1st January 2018 to 31st December 2018

Unit	Schedule	Area Sq Ft	Apportionment
A1	1	2,476	3.66%
A2	1	2,691	3.97%
A3	1	2,691	3.97%
B1	1	1,201	1.78%
B2	1	1,201	1.78%
B3	1	1,201	1.78%
B4	1	1,201	1.78%
B5	1	1,201	1.78%
B6	1	1,201	1.78%
B7	1	1,201	1.78%
B8	1	1,201	1.78%
B9	1	1,201	1.78%
B10	1	1,201	1.78%
B11	1	1,201	1.78%
C1	1	1,665	2.46%
C2	1	1,665	2.46%
C3	1	1,665	2.46%
C4	1	1,665	2.46%
C5	1	1,665	2.46%
C6	1	1,732	2.56%
C7	1	1,732	2.56%
C8	1	1,732	2.56%
C9	1	1,732	2.56%
C10	1	1,732	2.56%
C11	1	1,732	2.56%
D1	1	1,873	2.77%
D2	1	1,873	2.77%
D3	1	1,873	2.77%
E1	1	7,405	10.95%
E2	1	7,405	10.95%
E3	1	7,405	10.95%
Total		67,620	100.00%



Appendix B

OYO Business Units, Park Lane, Castle Vale, Birmingham

Service Charge Variance Schedule

1st January 2018 to 31st December 2018

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

Service Charge Item	Schedule	Budget 2017	Budget 2018	Budget v Budget Variance £
External Cleaning	1	£ -	£ 1,500.00	£ 1,500.00
Boundary Maintenance	1	£ -	£ 500.00	£ 500.00
Drain Maintenance	1	£ -	£ 500.00	£ 500.00
Landscaping	1	£ 3,400.00	£ 2,880.00	-£ 520.00
Road Maintenance	1	£ 2,000.00	£ 1,000.00	-£ 1,000.00
Gritting	1	£ -	£ 250.00	£ 250.00
Electricity Supply	1	£ 250.00	£ 400.00	£ 150.00
Mechanical & Electrical	1	£ 750.00	£ 1,000.00	£ 250.00
Security Equipment	1	£ 600.00	£ 3,420.00	£ 2,820.00
Health & Safety	1	£ 250.00	£ 400.00	£ 150.00
Signage	1	£ -	£ 100.00	£ 100.00
Insurance	1	£ 3,540.00	£ 4,000.00	£ 460.00
Audi Fee	1	£ 1,000.00	£ 350.00	-£ 650.00
Management Fee	1	£ 5,000.00	£ 5,198.00	£ 198.00
Professional Fee	1	£ -	£ 800.00	£ 800.00
Facilities Management	1	£ -	£ 500.00	£ 500.00
Contingency	1	£ 210.00	£ -	-£ 210.00
Total		£ 17,000.00	£ 22,798.00	£ 5,798.00