



JOHNSON FELLOWS
CHARTERED SURVEYORS

Orion House

Athena Drive

Tachbrook Park

Leamington Spa

CV34 6RQ

Service Charge Budget Report

1st January 2023 to

31st December 2023



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Introduction

This service charge budget report is intended to provide details of the planned expenditure for the service charge year.

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

The Property

The property comprises of a purpose-built office building constructed c1990. The offices are arranged on the ground and first floors with toilet and kitchen facilities.

The internal common parts include the ground floor reception, circulation corridor, server room, three sets of stairs and one passenger lift.

The common parts of the building comprise of the main structure and external elevations.

The external communal areas are the vehicular access, car park (108 spaces), hard and soft landscaping, refuse compound and boundary walls/fences.

The communal services include the supply of hot and cold water, heating/air-conditioning, fire alarm and emergency lights, cleaning, refuse, gritting/snow clearance, security patrols and access systems.

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

The consumption of electricity within the demised units is via a single electricity supply to the building which is recharged separately to the service charge.

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 professional statement 1st edition.

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.

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. Consequently, the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

Reserve Fund

There is no reserve fund.

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 in Appendix A. The apportionment is based upon the lettable net internal areas.

A single service charge schedule operates for the building.

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.

Assistant Property Manager:

Narinder Sira
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0463
Mobile: 07745 539 094
Email: narinder.sira@johnsonfellows.co.uk

Narinder Sira assists with the management of the building, including the administration and collection of the service charge.

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.

Budget Commentary

SCHEDULE 1

All figures shown net of VAT

- **Management Fee** **£3,485**

The fee to manage the property and administer the service charge, which is a fixed fee indexed linked annually to RPI.

- **S/C Audit Fees** **£500**

The accountancy fee for certifying the annual service charge.

- **Facilities Manager** **£3,485**

A share of the facilities management costs for the administration of maintenance works, contracts, and compliance.

- **Telephones** **£550**

The phone line rental for the monitoring of the building alarms.

- **Landlords risk assessments, audits & reviews** **£2,400**

The cost of the annual Health & Safety Audit of the communal areas together with the testing of the water supply, LOLER lift inspection, fire alarm and emergency lighting.

- **Signage** **£1,000**

New tenant signage in entrance to the building.

- **Electricity** **£7,000**

The communal electricity supplied for the lighting and heating of the communal areas. The electricity serving the internal office areas is recharged separate to the service charge. The increase reflects utility inflation.

- **Water and sewage charges** **£1,000**

The communal water supply for the building.



- **Security guarding** £12,500

The cost of the securing and opening of the building outside normal business hours and emergency attendance.

- **Security systems** £1,000

The maintenance of the communal entry system to the building, CCTV, and vehicle barrier.

- **Internal Cleaning** £4,000

The contract cost for the cleaning of internal communal areas of the building, comprising the ground floor entrance, stairs, and lift. The toilet facilities are the responsibility of the tenants.

- **Window Cleaning** £750

The contract cost for the external window being cleaned twice a year.

- **External Landscaping** £4,000

The contract cost for a fortnightly external litter pick, monthly grass cutting during the growing season and an annual cut of the shrubs.

- **Snow clearance / Gritting** £3,000

A budget for the gritting of the external footpaths and car park.

- **Refuse collection** £3,500

The contract cost for the waste disposed. It has been increased to reflect additional costs of increasing the capacity in line with the requests from the leaseholders.

- **Drainage** £500

The cost for an annual clean of the buildings rain-water goods, including the surface water drainage serving the car park.

- **M&E Repairs** £8,000

The cost for any re-active repairs to the services covered by the M&E contract.

- **M&E Maintenance contract** £3,500

There is a single contract for the maintenance of services for the offices which cover:

- Fire alarm
- Emergency lighting
- Fire extinguishers
- Central heating/air conditioning.

- **Electrical Maintenance** £1,000



A budget for the repairs identified to the external lighting and any reactive repairs which might be required.

- **Internal repairs and maintenance** **£1,500**

A contingency for any repairs required to the internal communal areas which serve the offices

- **External repairs and maintenance** **£4,000**

Relocation of the smoking shelter and a contingency for any repairs required to the external parts of the property.

- **Decoration external** **£2,000**

External decorations are planned for the building.

- **Decoration internal** **£5,000**

A contingency budget for any minor redecoration of the internal communal areas.

- **Interest** **£0**

Any interest charged for the late payment of the service charge will be credited to this budget heading.

- **Building Insurance** **£500**

The premium for public liability insurance.

Total

Schedule 1 **£74,170**

This budget is net of VAT.

Management Surveyor

Facilities Manager



Appendix A

Orion House, Athena Drive, Tachbrook Park, Leamington Spa CV34 6RQ (02221)

Service Charge Apportionment

1st January 2023 to 31st December 2023

Unit	Schedule	Area (sq ft)	Area (sq m)	Percentage	On Account PA	£/sq ft
Ground Floor	1	8,378	776	46.27%	£ 34,321	£ 4.10
First Floor	1	9,727	901	53.73%	£ 39,849	£ 4.10
	1 Total	18,105	1677	100.00%	£ 74,170	£ 4.10
	Grand Total		1677	100.00%	£ 74,170	

Notes

Lettable net internal areas



Appendix B

Orion House, Athena Drive, Tachbrook Park, Leamington Spa CV34 6RQ (02221)

Service Charge Variance

1st January 2023 to 31st December 2023

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

Service Charge Item	Schedule	Expenditure		Budget 2022	Budget 2023	Budget v Budget	Budget v Budget
		2021				Variance %	Variance £
Management Fee	1	£ -	£ 3,116	£ 3,485	12%	£ 369	
S/C Audit Fees	1	£ -	£ -	£ 500	N/A	£ 500	
Facilities Manager	1	£ -	£ 3,116	£ 3,485	12%	£ 369	
Telephones	1	£ -	£ 550	£ 550	0%	£ -	
Landlords risk assessments, audits & reviews	1	£ -	£ 2,200	£ 2,400	9%	£ 200	
Signage	1	£ -	£ 2,000	£ 1,000	N/A	-£ 1,000	
Electricity	1	£ -	£ 3,500	£ 7,000	100%	£ 3,500	
Water and sewage charges	1	£ -	£ 1,000	£ 1,000	0%	£ -	
Security guarding	1	£ -	£ 11,500	£ 12,500	9%	£ 1,000	
Security systems	1	£ -	£ 1,000	£ 1,000	0%	£ -	
Internal Cleaning	1	£ -	£ 3,500	£ 4,000	14%	£ 500	
Window Cleaning	1	£ -	£ 750	£ 750	0%	£ -	
External Landscaping	1	£ -	£ 3,500	£ 4,000	14%	£ 500	
Snow clearance / Gritting	1	£ -	£ 3,000	£ 3,000	0%	£ -	
Refuse collection	1	£ -	£ 2,500	£ 3,500	40%	£ 1,000	
Drainage	1	£ -	£ 500	£ 500	0%	£ -	
M&E Repairs	1	£ -	£ 8,000	£ 8,000	0%	£ -	
M&E Maintenance contract	1	£ -	£ 3,500	£ 3,500	0%	£ -	
Electrical Maintenance	1	£ -	£ 1,000	£ 1,000	0%	£ -	
Internal Repairs and maintenance	1	£ -	£ 1,500	£ 1,500	0%	£ -	
External Repairs and maintenance	1	£ -	£ 1,000	£ 4,000	300%	£ 3,000	
Decoration External	1	£ -	£ 250	£ 2,000	700%	£ 1,750	
Decoration Internal	1	£ -	£ 5,000	£ 5,000	0%	£ -	
Interest	1	£ -	£ -	£ -	N/A	£ -	
Building Insurance	1	£ -	£ 500	£ 500	0%	£ -	
TOTAL	1 Total	£ -	£ 62,482	£ 74,170	19%	£ 11,688	
	Grand Total	£ -	£ 62,482	£ 74,170	19%	£ 11,688	