



JOHNSON FELLOWS
CHARTERED SURVEYORS

455/469 Otley Road

Bradford

BD2 4QF

Service Charge Budget Report

29th September 2022 to

28th September 2023



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Introduction

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

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

The Property

The property is situated at the junction of Otley Road with Northcote Road and comprises of a parade of eight self-contained retail units with ground and first floor accommodation, with a forecourt to the front and rear communal car park and service area with vehicular access from Northcote Road.

The common parts serving the whole property include the main structure and the external parts of the buildings, but not the shop frontages, the vehicular access, forecourt, car park and the boundary walls/fences.

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.

Reserve Fund

Whilst the leases do provide for a reserve fund, one is not operated at present. Unbudgeted exceptional expenditure is recoverable.

During the service charge year ending 2022 exceptional expenditure was incurred to repair the roof. This will be funded from accrued funds from previous service charge years and a year end balancing 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 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:

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 Apportionment

The service charge operates for the whole property as defined in the lease documents. The apportionment percentages for each lessee are based upon the net internal area of each unit obtained from the independent 2017 Rating List of the Valuation Office Agency.

The exception to the normal arrangements is that the lease for 461 Otley Road provides for the service charge to include the external decorations of the shop front, whilst no other lease does. If such expenditure is incurred, the lease allows for all the costs to be apportioned to the tenant of 461 Otley Road.

The percentages are noted within the Service Charge Apportionment, as detailed in Appendix A.

Budget Commentary

All figures are shown net of VAT

- **Management Fee** **£1,406**

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This figure represents the fee to manage the property and administer the service charge. It is a fixed fee indexed linked annually to RPI. It includes the preparation of the annual service charge accounts which are not externally certified, having regards to the level of expenditure.

- **Facility Manager** **£291**

The cost for the Facilities Manager to organise and supervise the service charge contracts and maintenance works. This has been increased in line with RPI.

- **Landlords risk assessments, audits & reviews** **£559**

The annual health and safety audit of the common parts.

- **Electricity** **£559**

The contribution to electricity consumed by the communal lighting, which is supplied from the Tesco Express trading store. This has been increased in line with RPI.

- **External Cleaning** **£1,600**

Contract cost for the daily cleaning of the service yard and car park at the rear of the property and the forecourt.

- **Pest Control** **£400**

The annual contract cost for attendance of the bait boxes located in the service yard/car park.

- **Snow clearance / Gritting** **£1,750**

For the gritting of the car park, service yard and forecourt.

- **Refuse Collection** **£250**

Contingency sum for removing fly tipping from the common area.

- **Drainage** **£5,000**

Following the drains backing up and flooding a unit internally, a full survey of the drains has been undertaken. Repairs have been identified with a budget cost of £9,000. These repairs include making good cracked and misaligned pipes. The most urgent repairs to the drains are planned this service charge year with the remaining repairs to be completed in the service charge year ending 2024.

- **Car Park Maintenance** **£1,000**

A budget for repairs required to the service yard/car park.

- **Boundary Maintenance** **£650**

Contingency for repairs to the boundary fencing.

- **Building Repairs** **£2,500**

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Structural repairs are required to the first floor front elevation.

The accrued funds from previous service charge years will be applied to the roof repairs completed during 2022.

- **Electrical Repair** **£100**

Contingency for repairs.

- **Interest** **£0**

Any interest charged on the late payment of service charge by leaseholders will be credited to this budget.

Total

Schedule 1 **£16,065**

The total budget has been increased by £2,119 (15.19%) to reflect the additional maintenance works planned.

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Facilities Manager

Dated 7th September 2022

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Partner

Dated 7th September 2022



Appendix A

Bradford:455-469 Otley Road Undercliffe S/C (01437)

Service Charge Unit Percentages

Recovery Group = sc

Reconciliation Period = 29/09/2022-28/09/2023

*Amounts in gbp

Unit	Tenant	Days	Schedule 1
0001	Tesco Stores Limited - (Service Charge Account) (Original)	365.00	50.96%
0002	PH Yorkshire Ltd (Original)	365.00	10.95%
0003	Mr Shabir Ahmed & Mr Abdul Rehman (Original)	365.00	10.64%
0004	Ladbrokes Betting & Gaming Ltd (Original)	365.00	20.96%
0005	Wasserette Limited (Original)	365.00	6.49%
0006	On Tower UK Ltd (Holdover)	365.00	0.00%
Total			100.00%

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Appendix B

Bradford:455-469 Otley Road Undercliffe S/C (01437)

Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 29/09/2022-28/09/2023

*Amounts in gbp

Code	Description	Esti Actual (09/2021)	Budget (09/2022)	Budget (09/2023)	Variance	%
1	Schedule 1					
5100-0101	Management Fee	1,210.00	1,256.71	1,405.86	149.14	11.8676%
5100-0309	Facilities Manager	250.00	259.65	290.79	31.14	11.9922%
5100-0401	Landlords risk assessments, audits & reviews	0.00	500.00	559.21	59.21	11.8421%
5200-0501	Electricity	500.00	500.00	559.21	59.21	11.8421%
5300-1002	External Cleaning	1,560.00	1,560.00	1,600.00	40.00	2.5641%
5300-1007	Pest control	762.52	370.00	400.00	30.00	8.1081%
5300-1010	Snow clearance / Gritting	1,500.00	1,500.00	1,750.00	250.00	16.6667%
5300-1014	Refuse collection	300.00	250.00	250.00	0.00	0.0000%
5300-1016	Drainage	600.00	600.00	5,000.00	4,400.00	733.3333%
5400-1505	Car Park Maintenance	2,420.00	1,500.00	1,000.00	-500.00	-33.3333%
5400-1525	Boundary Maintenance	780.00	650.00	650.00	0.00	0.0000%
5400-1530	Building Repair	4,063.84	5,000.00	2,500.00	-2,500.00	-50.0000%
5400-1535	Electrical Repair	0.00	0.00	100.00	100.00	#DIV/0!
	Schedule Total	13,946.36	13,946.36	16,065.07	2,118.70	15.1918%
	Total	13,946.36	10,215.00	16,065.07	2,118.70	15.1918%

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