



JOHNSON FELLOWS
CHARTERED SURVEYORS

Kingstanding Shopping Centre,

Kings Road,

Kingstanding,

Birmingham,

West Midlands,

B44 9HH

Service Charge Budget Report

1st April 2022 to

31st March 2023



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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

- **Management Fees** **£6,674**

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

- **S/C Audit Fees** **£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.

- **Facilities Manager** **£3,783**

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.

- **Landlords risk assessments audits & reviews** **£1,500**

The budget for undertaking the annual health and safety audit of the common parts.

- **Electricity** **£4,000**

The electric supply for the communal areas of the property, including the external lights. This has been increased significantly having regards to escalating utility costs.

- **Water and sewage charges** **£2,000**

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

- **Security guarding** **£12,500**

The contract cost 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. This budget has been increased to reflect security incidents over the last 12 months which has required additional manning of the contract. There is also the contract cost for a key holding service and a contingency for emergency security call outs.



- **Security Systems** **£3,000**

Maintenance of the security CCTV, including the telephone line.

- **External Cleaning** **£10,000**

The contract cost for the cleaning of the common areas, including the mall, car park and service areas. The cleaning is undertaken 5 days a week.

- **Pest Control** **£500**

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

- **External Landscaping** **£1,000**

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

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

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

- **Refuse collection** **£4,875**

The contract for the disposal of refuse from the cleaning of the communal areas. There is a notable contingency for the removal of fly tipping.

- **Drainage** **£0**

Annual flush of the surface water drains serving the mall, car park, service yard and road will not be undertaken this year.

- **M&E Maintenance contract** **£1,300**

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

- **M&E Repairs** **£1,500**

A contingency budget for any repairs required to the communal M&E systems.

- **External Maintenance** **£2,500**

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

- **Interest** **£0**

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

Total



Schedule 1

£58,632

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

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Partner

March 2022
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Facilities Manager

March 2022
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Appendix A

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

Service Charge Apportionment Matrix

1st April 2022 to 31st March 2023

Unit	Tenant	Schedule	Percentage
Supermarket	Farmfoods Ltd	1	12.00%
1 to 4	Void	1	12.00%
5	Shipleys 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	Void	1	7.20%
Pt 15	Void	1	1.80%
16	Void	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	Void	1	3.00%
29	Void	1	4.00%
			100.00%



Appendix B

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

Service Charge Variance

1st April 2022 to 31st March 2023

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

Service Charge Item	Schedule	Actual 2020/2021 (Estimated)	Annual Budget 2021/2022	Annual Budget 2022/2023	Budget v Budget Variance %	Budget v Budget Variance £
Management Fees	1	£ 6,132	£ 6,206	£ 6,674	8%	£ 469
S/C Audit Fees	1	£ 500	£ 500	£ 500	0%	£ -
Facilities Manager	1	£ 3,475	£ 3,517	£ 3,783	8%	£ 266
Landlords risk assessments, audits & reviews	1	£ 1,364	£ 1,500	£ 1,500	0%	£ -
Electricity	1	£ 4,000	£ 2,500	£ 4,000	60%	£ 1,500
Water and sewage charges	1	£ 3,933	£ 2,000	£ 2,000	0%	£ -
Security guarding	1	£ 9,397	£ 10,625	£ 12,500	18%	£ 1,875
Security systems	1	£ 1,850	£ 3,000	£ 3,000	0%	£ -
External Cleaning	1	£ 8,873	£ 12,000	£ 10,000	-17%	£ 2,000
Pest Control	1	£ 320	£ 750	£ 500	-33%	£ 250
External Landscaping	1	£ 530	£ 2,500	£ 1,000	-60%	£ 1,500
Snow clearance / Gritting	1	£ 3,000	£ 3,000	£ 3,000	N/A	£ -
Refuse collection	1	£ 4,815	£ 3,500	£ 4,875	39%	£ 1,375
Drainage	1	£ 1,570	£ 1,500	£ -	N/A	£ 1,500
M&E Maintenance contract	1	£ 1,219	£ 1,300	£ 1,300	0%	£ -
M&E Repairs	1	£ 1,865	£ 1,235	£ 1,500	21%	£ 265
External Maintenance	1	£ 2,431	£ 3,000	£ 2,500	-17%	£ 500
Interest	1	£ -	£ -	£ -	N/A	£ -
1 Total		£ 55,274	£ 58,632	£ 58,632	0%	£ 0