



JOHNSON FELLOWS
CHARTERED SURVEYORS

73 Turnberry Road,

Bloxwich,

Walsall,

West Midlands, WS3 3UA

Service Charge Budget Report

29th September 2022 to

28th September 2023



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Johnson Fellows. Charter House, Newhall Street, Birmingham, B3 1SW





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 required due to there being communal structures, services and areas to be maintained.

The Property

The property comprises of a single storey building in multiple occupation, split into a convenience store and two retail units. To the front is an area of the car park and to the rear is a service yard.

Situated immediately adjacent to the property is a detached building split into three units all trading as hot food take-away businesses which share the rear service yard with the Property. On the opposite side of the car park is the One Man and his Dog public house. All premises have use of an area of the car park.

The common parts serving the whole property include the main structure and the external elements (but not the shop frontages), part of the car park and service yard, soft landscaped areas and the boundary walls/fences. The only communal system are the external lights.

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 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 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.

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 noted within the Service Charge Apportionment in Appendix A.



Budget Commentary

SCHEDULE 1 – General

All figures are shown net of VAT

- **Management Fee** **£919**

This figure represents the fee to manage the common parts and administer the service charge. It is indexed linked annually to RPI.

- **Service Charge Audit Fee** **£350**

This budget provides for the service charge accounts to be certified annually by external accountants.

- **Facilities Management** **£498**

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** **£559**

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

- **Electricity** **£290**

A fixed contribution for the electricity to the communal lighting provided from the Co-operative trading store which is indexed linked annually to RPI.

- **External Cleaning** **£1,040**

The contract cost for a weekly litter pick of the car park.

- **External Landscaping** **£500**

We have made a provision for an annual one-off visit to tend to the soft landscaped areas, to cut back the vegetation.

- **Snow Clearance/ Gritting** **£1,000**

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

- **Drainage** **£250**

Annual flush of the surface water drains serving the relevant car park area.

- **External Repairs & Maintenance** **£2,500**

This budget has been reduced for reactive repairs.

- **Decoration External** **£1,500**



The planned decoration of the shop canopy.

- **Building Repair** **£500**

This budget has been reduced for reactive repairs.

- **Electrical Repairs** **£500**

A budget for reactive repairs.

Total

Schedule 1 **£10,407**

The budget has been reduced by £1,460 (-12%).

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

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Management Surveyor

10th August 2022
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Facilities Manager

10th August 2022
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Appendix A

Bloxwich Walsall:73 Turnberry Road (0229)

Service Charge Unit Percentages

Recovery Group = sc

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

*Amounts in gbp

Unit	Tenant	Days	Schedule 1
0001	Amanda Green	365.00	14.0000
0002	Mr Busby	365.00	14.0000
0003	The Midcounties Co-operative Ltd	365.00	72.0000
	Total		100.0000



Appendix B

Bloxwich Walsall:73 Turnberry Road (0229)
Service Charge Budget Comparison

Recovery Group = sc
Reconciliation Period = 29/09/2022-28/09/2023

*Amounts in gbp

Code	Description	Actual (09/2021)	Budget (09/2022)	Budget (09/2023)	Variance	%
1	Schedule 1					
5100-0101	Management Fee	791.00	822.04	919.39	97.35	11.84%
5100-0203	S/C Audit Fees	350.00	350.00	350.00	0.00	0.00%
5100-0309	Facilities Manager	429.00	445.54	498.30	52.76	11.84%
5100-0401	Landlords risk assessments, audits & reviews	0.00	500.00	559.21	59.21	11.84%
5200-0501	Electricity	250.00	259.65	290.40	30.75	11.84%
5300-1002	External Cleaning	1,050.03	1,040.00	1,040.00	0.00	0.00%
5300-1009	External Landscaping	0.00	500.00	500.00	0.00	0.00%
5300-1010	Snow clearance / Gritting	1,000.00	1,000.00	1,000.00	0.00	0.00%
5300-1016	Drainage	600.00	600.00	250.00	-350.00	-58.33%
5400-1502	External Repairs and maintenance	825.00	4,500.00	2,500.00	-2,000.00	-44.44%
5400-1516	Decoration External	0.00	600.00	1,500.00	900.00	150.00%
5400-1530	Building Repair	1,000.00	1,000.00	500.00	-500.00	-50.00%
5400-1535	Electrical Repair	908.00	250.00	500.00	250.00	100.00%
	Schedule Total	7,203.03	11,867.23	10,407.30	-1,459.93	-12.30%
	Total	7,203.03	11,867.23	10,407.30	-1,459.93	-12.30%