



JOHNSON FELLOWS
CHARTERED SURVEYORS

**Audley House,
119 Buckingham Road,
Bicester,
Oxfordshire, OX26 3ET**

Service Charge Budget Report

1st January 2024 to

31st December 2024



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





Introduction

Johnson Fellows are appointed by The Midcounties Co-operative Limited (MCC) to manage the commercial communal areas and services of Audley House.

A service charge is required to maintain the communal structures, services, and areas.

The service charge budget report provides details of the planned expenditure for the forthcoming service charge year.

Please note that the service charge year has been changed to 1st January 2024 to 31st December 2024.

The Property

The property comprises of the ground floor of a multi-storey building with residential flats on the upper floors. The commercial ground floor accommodation comprises four retail units. To the front of the building are the communal walkways and a customer car park and to the rear are specific areas for use by the commercial tenants including a bin store and three parking areas.

The areas maintained on behalf of Midcounties include the front walkways and customer car park and the rear bin store and commercial parking areas.

The structure and external parts of the building, rear car park and soft landscaping are managed by the superior landlord and a contribution to the maintenance expenditure for these areas forms part of the service charge.

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

Reserve Fund

Whilst the leases provide for a reserve fund, one is not 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 seeks to provide a high-quality management service to deliver a well-maintained environment with 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:

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 Apportionment

The service charge operates for the whole property as defined in the lease documents. Appendix A, Service Charge Apportionment details the apportionment percentages for each lessee.

Budget Commentary

SCHEDULE 1 – General

All figures are net of VAT

- **Management Fee** **£1,857**



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

- **S/Charge Audit Fees** **£350**

This budget provides for external accountants to certify the service charge.

- **Estate S/C** **£3,670**

The service charge payable to the superior landlord for the upkeep of the building structure and rear external parts including the access road, soft landscaping and boundaries.

- **Facilities Manager** **£619**

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** **£600**

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

- **External Cleaning** **£10,500**

The contract cost for the cleaning of the walkways and front car park.

- **Snow Clearance/ Gritting** **£2,500**

The budget for the gritting of the front car park and pedestrian walkways.

- **Drainage** **£1,450**

Annual flush and maintenance of the drains serving the commercial premises, having regards to the high fat content of waste from the food takeaway tenants.

- **External Repairs & Maintenance** **£1,000**

A contingency budget for reactive works required during the year.

Total

- Schedule 1** **£22,546**

An increase of £2,000 (9.7%%).

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

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Management Surveyor

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Facilities Manager



Appendix A

Audley House Bicester (p0000014)

Service Charge Unit Percentages

Recovery Group = sc

Reconciliation Period = 01/01/2024-31/12/2024

*Amounts in gbp

Unit	Tenant	Days	Schedule 1
UNIT_1	Kentucky Fried Chicken (Great Britain) Limited	365.00	17.6300
UNIT_2	Sania Limited	365.00	12.2400
UNIT_3	Ladbrokes Betting & Gaming Limited	365.00	11.3700
UNIT_A	The Midcounties Co-operative Limited	365.00	58.7600
	Total		100.0000



Appendix B

Audley House Bicester (p0000014)

Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 01/01/2024-31/12/2024

*Amounts in gbp

Code	Description	Actual (12/2022)*	Budget (12/2023)**	Budget (12/2024)	Variance	%
1	Schedule 1					
5100-0101	Management Fee	1,625.00	1,677.63	1,857.24	179.61	10.7%
5100-0203	S/C Audit Fees	350.00	350.00	350.00	0.00	0.0%
5100-0307	Estate S/C	3,522.08	4,500.00	3,670.00	-830.00	-18.4%
5100-0309	Facilities Manager	541.66	559.21	619.08	59.87	10.7%
5100-0401	Landlords risk assessments, audits & reviews	0.00	559.21	600.00	40.79	7.3%
5300-1002	External Cleaning	10,120.64	10,000.00	10,500.00	500.00	5.0%
5300-1010	Snow clearance / Gritting	2,396.97	1,000.00	2,500.00	1,500.00	150.0%
5300-1016	Drainage	5,465.00	900.00	1,450.00	550.00	61.1%
5400-1502	External Repairs and maintenance	0.00	1,000.00	1,000.00	0.00	0.0%
	Schedule Total	24,021.35	20,546.05	22,546.31	2,000.26	9.7%

*Includes 13 months of expenditure due to change of service charge year

** Original budget for 12 months before change of service charge year