



JOHNSON FELLOWS
CHARTERED SURVEYORS

Orion House

Athena Drive

Tachbrook Park

Leamington Spa

CV34 6RQ

Service Charge Budget Report

1st January 2024 to

31st December 2024



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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 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 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** **£3,858**

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** **£3,858**

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

- **Telephones** **£0**

We have not identified any communal costs for phones, but before the budget is removed from the service charge, we will continue to monitor and investigate.

- **Landlords risk assessments, audits & reviews** **£3,590**

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. The budget has increased because of the know costs incurred in 2023.

- **Signage** **£500**

New tenant signage in entrance to the building.

- **Electricity** **£12,500**

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** **£8,000**



The communal water supply for the building and the increase reflects the known costs in 2023.

- **Security guarding** **£14,680**

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

- **Security systems** **£1,300**

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

- **Internal Cleaning** **£3,500**

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

- **Window Cleaning** **£300**

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** **£2,500**

The contract cost for the waste disposed.

- **Drainage** **£750**

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

- **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.

- **M&E Repairs** **£4,000**

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



- **Electrical Maintenance** **£1,000**

A budget for any reactive repairs which might be required.

- **Internal repairs and maintenance** **£2,500**

For the planned repair of the entrance door and a contingency for any repairs required to the internal communal areas which serve the offices

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

For the planned relining of areas of the car park and a contingency for any repairs required to the external parts of the property.

- **Decoration external** **£0**

No external decorations are planned.

- **Decoration internal** **£0**

No internal decorations are planned.

- **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 **£78,936**

This budget is net of VAT.

Management Surveyor

Facilities Manager



Appendix A

Orion House Tachbrook Park (02221)

Service Charge Unit Percentages

Recovery Group = sc

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

*Amounts in gbp

Unit	Tenant	Days	Schedule 1
0001	Octopus Energy Ltd (Original)	365.00	53.7300
0002	British Pregnancy Advisory Service (Original)	365.00	46.2700
Total			100.0000



Appendix B

Orion House Tachbrook Park (02221)

Service Charge Budget Comparison

Recovery Group = sc

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

* Amounts in gbp

Code	Description	Budget (12/ 2023)	Budget (12/ 2024)	Variance	%
1	Schedule 1				
5100-0101	Management Fee	3,485	3,858	373	10.7%
5100-0203	S/C Audit Fees	500	500	0	0.0%
5100-0309	Facilities Manager	3,485	3,858	373	10.7%
5100-0310	Telephones	550	-	-550	-100.0%
5100-0401	Landlords risk assessments, audits & reviews	2,400	3,590	1,190	49.6%
5100-0408	Signage	1,000	500	-500	-50.0%
5200-0501	Electricity	7,000	12,500	5,500	78.6%
5200-0801	Water and sewage charges	1,000	8,000	7,000	700.0%
5300-0901	Security guarding	12,500	14,680	2,180	17.4%
5300-0902	Security systems	1,000	1,300	300	30.0%
5300-1001	Internal Cleaning	4,000	3,500	-500	-12.5%
5300-1003	Window cleaning	750	300	-450	-60.0%
5300-1007	Pest Control	0	600	600	N/A
5300-1009	External Landscaping	4,000	4,000	0	0.0%
5300-1010	Snow clearance / Gritting	3,000	3,000	0	0.0%
5300-1014	Refuse collection	3,500	2,500	-1,000	-28.6%
5300-1016	Drainage	500	750	250	50.0%
5400-1201	M&E Maintenance contract	3,500	3,500	0	0.0%
5400-1202	M&E Repairs	8,000	4,000	-4,000	-50.0%
5400-1207	Electrical Maintenance	1,000	1,000	0	0.0%
5400-1501	Internal Repairs and maintenance	1,500	2,500	1,000	66.7%
5400-1502	External Repairs and maintenance	4,000	4,000	0	0.0%
5400-1516	Decoration External	2,000	-	-2,000	-100.0%
5400-1517	Decoration Internal	5,000	-	-5,000	-100.0%
5600-1901	Building Insurance	500	500	0	0.0%
	Schedule Total	74,170	78,936	4,766	6.4%
	Total	74,170	78,936	4,766	6.4%