



JOHNSON FELLOWS
CHARTERED SURVEYORS

Wellingborough Retail Park

London Road

Wellingborough

NN8 2DP

Service Charge Budget Report

25th March 2017 to

24th March 2018



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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.

Johnson Fellows LLP were appointed as managing agents of Wellingborough Retail Park by Central England Co-Operative Society Ltd, who purchased the Retail Park from St Modwen Developments Ltd on 30th November 2016. The service charge has been in operation for two years since the park was developed, for the upkeep of the communal structures, services and areas.

As a consequence of our appointment, we are reviewing the contracts with a view to ensure they are required and they provide value for money. Where appropriate, we will periodically re-tender contracts.

Property

The property comprises of a supermarket, takeaway restaurant, four retail units with communal car parking/servicing and access road from London Road.

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 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.

Interest charged to tenants for late payment of service charge is credited to the service charge.

Reserve Fund

There is no reserve fund.



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 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 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, as such only one schedule is required. The apportionment percentages for each lessee are noted within the Service Charge Apportionment Schedule, as detailed in Appendix A.

The calculation of the apportionment percentages is based upon the area of each unit.



Budget Commentary

All figures are shown net of VAT

- **Cleaning** **£3,750**

The contract cost for the periodic cleaning of the common areas including the car park.

- **Drain Maintenance** **£500**

Annual flush of the surface water drains serving the car park and a contingency for any maintenance required to communal drains.

- **Electrical Maintenance** **£500**

A contingency for any repairs required to the communal electrics and the re-lamping of the communal lights.

- **Landscape - External** **£5,335**

The contract cost for maintaining the soft landscaped areas and weed control. Also included is a budget for any gritting and snow clearance of the common parts.

- **Repairs – External** **£4,000**

A budget for any external repairs required to the communal areas during the year.

- **Electrical Supply** **£1,800**

The contract costs for the communal electrical supply for the lights and CCTV system.

- **Telephone** **£800**

The line rental and broadband contract for the CCTV system.

- **Security Equipment** **£1,500**

The annual cost of the maintenance and monitoring contract for the CCTV system and a contingency for repairs.

- **Statutory Compliance** **£750**

The annual health and safety audit of the common parts to ensure compliance with legislation.

- **Security** **£500**

The contract cost for security patrols and emergency call outs.



- **Signage** **£250**

A budget for signage to the Retail Park following the letting of 49a London Road.

- **Interest** **£0**

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

- **Audit Fee** **£500**

This cost covers the fee of the external accountants to certify the year end service charge accounts.

- **Management Fee** **£2,121**

This figure represents the fee to manage the property and administer the service charge. It reflects a capped management fee of 10% of the expenditure, as provided for in the various leases. Consequently a fixed annual management fee (as provided for the Service Charge Code) is not charged.

- **Facilities Management** **£1,026**

This figure is for the facilities manager's costs for routine visits to site, administer and periodically re-tender the supply contracts. It is a fixed contribution to the employment costs, indexed linked annually to RPI.

Total **£23,332**

An increase of £1,167 (5.27%) on the previous service charge budget.

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Facilities Manager

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Partner

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Dated 17th February 2017

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Dated 17th February 2017



Appendix A

Wellingborough Retail Park, London Road, Wellingborough, NN8 2DP

Service Charge Apportionment Schedule

25th March 2017 to 24th March 2018

Unit	Occupier	Area (sq. ft.)	Percentage
47 London Road	Lidl UK GmbH	22,185	63%
45 London Road	McDonalds Restaurants Ltd	4,629	13%
45 London Road	Subway Realty Ltd	2,153	6%
49a London Road	Void	2,174	6%
51 London Road	High Seat Ltd	2,174	6%
51a London Road	Slurps Coffee Co Ltd	2,153	6%
TOTAL		35,468	100%



Appendix B

Wellingborough Retail Park, London Road, Wellingborough, NN8 2DP

Service Charge Variance Schedule

25th March 2017 to 24th March 2018

The property is VAT registered. Figures shown net of VAT.

Service Charge Item	Actual YE 3/2016	Budget YE 3/2017	Budget YE 3/2018	Budget v Budget Variance %	Budget v Budget Variance £
Cleaning	£ -	£ 2,000	£ 3,750	87.50%	£ 1,750
Drain Maintenance	£ -	£ 500	£ 500	0.00%	£ -
Electrical Maintenance	£ -	£ 500	£ 500	0.00%	£ -
Landscape - External	£ 369.00	£ 850	£ 5,335	527.65%	£ 4,485
Repairs - External	£ 2,722.29	£ 4,000	£ 4,000	0.00%	£ -
Electrical Supply	£ 350.77	£ 1,800	£ 1,800	0.00%	£ -
Water Charges	£ -	£ -	£ -	#DIV/0!	£ -
Telephone	£ -	£ 1,000	£ 800	-20.00%	£ 200
Security Equipment	£ 2,860.50	£ 6,000	£ 1,500	-75.00%	£ 4,500
Statutory Compliance	£ 500.00	£ 500	£ 750	50.00%	£ 250
Security	£ -	£ 2,000	£ 500	-75.00%	£ 1,500
Signage	£ -	£ -	£ 250	#DIV/0!	£ 250
Interest	£ -	£ -	£ -	#DIV/0!	£ -
Insurance	£ -	£ -	£ -	#DIV/0!	£ -
Bank Charges	£ -	£ -	£ -	#DIV/0!	£ -
Audit Fees	£ -	£ -	£ 500	#DIV/0!	£ 500
Management Fees	£ 845.43	£ 2,015	£ 2,121	5.27%	£ 106
Facilities Management	£ 1,651.71	£ 1,000	£ 1,026	2.60%	£ 26
TOTAL	£ 9,299.70	£ 22,165	£ 23,332	5.27%	£ 1,167