



JOHNSON FELLOWS
CHARTERED SURVEYORS

Wellingborough Retail Park

London Road

Wellingborough

NN8 2DP

Service Charge Budget Report

25th March 2019 to

24th March 2020



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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 are 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 since the park was developed for the upkeep of the communal structures, services and areas.

We review contracts with a view to ensure they are required and they provide value for money. Where appropriate, we periodically re-tender contracts.

Property

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

The common parts maintained by the service charge comprise of pedestrian areas, forecourts, service areas, access roads, communal car parking and landscaped areas.

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 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 Gross Internal Area of each unit.



Budget Commentary

All figures are shown net of VAT

- **Cleaning** **£5,000**

The contract cost for the periodic cleaning of the common areas including the car park. The budget reflects weekly litter picks and a contingency.

- **Pest Control** **£420**

The contract cost for the pest control around the common areas.

- **Drain Maintenance** **£3,000**

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

The reduction in the budget reflects the maintenance of the drainage pump being transferred to Lidl.

- **Electrical Maintenance** **£500**

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

- **Landscape - External** **£5,750**

The contract cost for maintaining the soft landscaped areas, weed control and a small contingency.

- **Repairs – External** **£2,000**

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

- **Gritting** **£1,500**

A budget for the gritting and snow clearance of the common parts.

- **Electrical Supply** **£6,000**

The contract for the communal electrical supply for the lights and CCTV system which reflects the historical costs based upon actual readings.

- **Telephone** **£800**

The line rental and broadband contract for the CCTV system.

- **Security Equipment** **£0**



This budget has been merged with the Security budget below.

- **Statutory Compliance** **£750**

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

- **Security** **£1,600**

All security expenditure is now amalgamated under this budget heading. It includes the contract for the maintenance and monitoring of the CCTV system, security patrols, emergency call outs and a contingency for repairs,

- **Signage** **£0**

We do not anticipate any expenditure on signage at the Retail Park.

- **Interest** **£0**

Interest charged to the leaseholders on the late payment of service charge.

- **Audit Fee** **£350**

The fee of the external accountants to certify the year-end service charge accounts.

- **Management Fee** **£2,876**

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** **£1,094**

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 **£31,640**

An increase of £1,718 (5.74%) on the previous service charge budget, generally as a result of the increased electricity budget.

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Facilities Manager

Partner

Dated 13th March 2019

Dated 13th March 2019



Appendix A

Service Charge Apportionment

25th March 2019 to 24th March 2020

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	Dominos Pizza	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

Service Charge Variance

25th March 2019 to 24th March 2020

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

Service Charge Item	Actual YE 3/2018	Budget YE 3/2019	Budget YE 3/2020	Budget v Budget	
				Variance %	Variance £
Cleaning	£ 3,751	£ 5,000	£ 5,000	0.00%	£ -
Pest Control	£ 660	£ -	£ 420	N/A	£ 420
Drain Maintenance	£ 485	£ 6,000	£ 3,000	-50.00%	-£ 3,000
Electrical Repair	£ -	£ 500	£ 500	0.00%	£ -
Landscape - External	£ 5,503	£ 5,335	£ 5,750	7.78%	£ 415
Repairs - External	£ 720	£ 2,000	£ 2,000	0.00%	£ -
Gritting	£ 4,275	£ 1,500	£ 1,500	0.00%	£ -
Electrical Supply	£ 7,548	£ 1,800	£ 6,000	233.33%	£ 4,200
Water Charges	£ -	£ -	£ -	N/A	£ -
Telephone	£ 1,407	£ 800	£ 800	0.00%	£ -
Security Equipment	£ 1,010	£ 1,350	£ -	-100.00%	-£ 1,350
Statutory Compliance	£ 750	£ 750	£ 750	0.00%	£ -
Security	£ 3,723	£ 500	£ 1,600	220.00%	£ 1,100
Signage	£ -	£ 250	£ -	-100.00%	-£ 250
Interest	£ -	£ -	£ -	N/A	£ -
Insurance	£ -	£ -	£ -	N/A	£ -
Bank Charges	£ -	£ -	£ -	N/A	£ -
Audit Fees	£ 350	£ 350	£ 350	0.00%	£ -
Management Fees	£ 3,121	£ 2,720	£ 2,876	5.74%	£ 156
Facilities Management	£ 1,026	£ 1,067	£ 1,094	2.54%	£ 27
TOTAL	£ 34,327	£ 29,922	£ 31,640	5.74%	£ 1,718