



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

**1 – 9 Drakes Cross Parade**

**Hollywood**

**Birmingham**

**B47 5HD**

**Service Charge Budget Report**

**1<sup>st</sup> October 2019 –**

**30<sup>th</sup> September 2020**



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## **Introduction**

This report has been produced by Johnson Fellows on behalf of the Landlord, W Wing Yip & Brothers Property and Investments Ltd. It is intended to provide details of the planned expenditure for the service charge period 1<sup>st</sup> October 2019 to 30<sup>th</sup> September 2020.

Enclosed within this report is a copy of the Service Charge Variance Schedule and Service Charge Apportionment Schedule.

The service charge is administered having regard to RICS Professional Statement; Service Charges in Commercial Property; 1<sup>st</sup> Edition.

## **The Property**

The property is located on Drakes Cross Parade, which is set back from both the Alcester Road and Shawhurst Lane. It is approximately 6 miles to the south-west of Solihull Town Centre and 8 miles south of Birmingham City Centre.

The Parade is a purpose-built retail premises with brick facades under a pitched tiled roof. The majority of the units are two storey with ground floor retail and ancillary accommodation above. The two corner units are single storey. Customer parking is provided to the front of all units, with a service road and loading area to the rear.

## **Service Charge Objectives**

The objective of Johnson Fellows as Managing Agent is to provide a high quality management service. In so doing we aim to provide a well maintained environment, delivering value for money for the service charge expenditure.

The objective of this budget report is to provide a clear explanation for the recovery of the service charge expenditure on a not for profit/not for loss basis. It is also to promote clarity and transparency and to allow the tenants to budget accurately for the forthcoming period.

Should any occupier have comments on the format, or the information contained in this report which would assist in the report being improved for the benefit of all concerned, these comments would be welcomed. We would also welcome constructive feedback on the communal services provided at the property.

## **VAT**

The property is elected for VAT, consequently the expenditure stated within this report is net of VAT.

## **Void and Concessions**

Where any void units exist, the responsibility for the service charge rests with the Landlord.



### **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 on the late payment of service charge by tenants is to be credited to the service charge.

### **Reserve Fund**

There is no reserve fund.



### **Service Charge Apportionment**

The apportionment is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

The budget contains a single schedule that all occupiers contribute towards.

The apportionment percentages are calculated based on net internal floor areas.



## **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](mailto:chris.monteith@johnsonfellows.co.uk)

Chris Monteith is responsible for the repair and maintenance of the property and statutory compliance.

### **Site Manager:**

Ashley Clayton  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Mobile: 07860 207 355  
Email: [ashley.clayton@johnsonfellows.co.uk](mailto:ashley.clayton@johnsonfellows.co.uk)

Ashley Clayton is on site one day per week and is responsible for landscaping, minor items of repair, maintenance and tenant liaison.

### **Management Surveyor:**

George Brittain  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0454  
Mobile: 07884 352 576  
Email: [George.brittain@johnsonfellows.co.uk](mailto:George.brittain@johnsonfellows.co.uk)

George Brittain 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](mailto:rebecca.glover@johnsonfellows.co.uk)

Rebecca Glover is the client accountant responsible for this property.



## **Budget Commentary**

***All figures are shown net of VAT***  
**SCHEDULE 1 - All Occupiers**

- **External Landscaping** **£0.00**

The grounds maintenance and landscaping costs have been taken in house and will now be completed by the Roaming Site Manager.

- **External Repairs & Maintenance** **£2,000.00**

The estimated expenditure is a contribution towards the repair and maintenance of any external building items. The budget has been reduced to reflect the work that the Roaming Site Manager will also be able to pick up.

- **Health & Safety** **£500.00**

The budget covers the costs of completing the health and safety.

- **Staff Costs** **£3,251.00**

The cost heading has been added to the budget for the new year. It represents the Site Manager's costs in respect of the Business Centre. The Site Manager is at the property one day per week and is responsible for landscaping, minor items of repair and maintenance and tenant liaison. Overall we anticipate that this will result in cost savings over the previous regime, whilst also improving the service.

- **Audit Fee** **£500.00**

The cost heading allows for the year end accounts to be certified by an independent accountant as recommended by the RICS Service Charge Professional Statement. The budget has been maintained at the same level.

- **Management Fee** **£3,889.00**

This figure represents the costs incurred for the management of the property, administration of the service charge and completing periodic inspections. The RICS Service Charge Professional Statement recommends that this be a fixed fee, subject to annual review or indexation. The budget has been increased in line with the Retail Price Index that has shown a 2.88% increase in the past 12 months.

- **Facilities Management** **£3,601.00**

The figure represents the costs incurred to organise and supervise the various contracts in place, deal with items of maintenance, ensuring compliance and complete regular site inspections. The budget has been increased in line with the Retail Price Index that has shown a 2.88% increase in the past 12 months.

- **Help Desk** **£0.00**

The budget heading covered the help desk for the previous managing agent. The costs have been removed. Johnson Fellows will field calls directly.

**Total** **£14,240.00**



**Budget Approval**

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Facilities Manager

Associate Partner

Dated 31<sup>st</sup> August 2019

Dated 31<sup>st</sup> August 2019



**Appendix A**

**1 - 9 Drakes Cross Parade, Hollywood, Birmingham**

**Service Charge Apportionment Schedule**

**1st October 2019 to 30th September 2020**

<b>Unit</b>	<b>Schedule</b>	<b>Area Sq Ft</b>	<b>Percentage</b>
1	1	4,199	35.66%
2	1	763	6.48%
3	1	777	6.60%
4	1	785	6.66%
5	1	785	6.66%
6	1	785	6.66%
7	1	785	6.66%
8	1	785	6.66%
9	1	2,116	17.96%
		<b>11,780</b>	<b>100.00%</b>



**Appendix B**

**1 - 9 Drakes Cross Parade, Hollywood, Birmingham**

**Service Charge Variance Schedule**

**1st October 2019 to 30th September 2020**

<b>Service Charge Item</b>	<b>Schedule</b>	<b>Budget 2018/2019</b>	<b>Budget 2019/2020</b>
Landscape - External	1	£ 2,450	£ -
External Repairs	1	£ 3,500	£ 2,500
Health and Safety	1	£ 590	£ 500
Staff Wages	1	£ -	£ 3,251
Audit Fees	1	£ 500	£ 500
Management Fees	1	£ 3,780	£ 3,889
Facilities Management	1	£ 3,500	£ 3,601
Help/Desk/Call Centre	1	£ 500	£ -
<b>1 Total</b>		<b>£ 14,820</b>	<b>£ 14,240</b>