



1 – 9 Drakes Cross Parade

Hollywood

Birmingham

B47 5HD

Service Charge Budget Report

1st October 2020 –

30th September 2021



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





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 1st October 2020 to 30th September 2021.

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; 1st 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.

Voids 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

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

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

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

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** **£600.00**

This cost is an estimate for high level prune that is required in this financial period on site.

- **External Repairs & Maintenance** **£2,500.00**

The estimated expenditure is a contribution towards the ad-hoc repair and maintenance of any external building items.

- **Health & Safety** **£625.00**

The budget covers the costs of completing a health and safety audit for the site.

- **Gritting** **£600.00**

A budget has been added for gritting at an estimated requirement of 20 visits per annum.

- **Staff Costs** **£3,251.00**

This cost heading represents the Site Manager's costs in respect of the parade. 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.

- **Audit Fee** **£514.00**

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** **£3,930.00**

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 1.06% increase in the past 12 months.

- **Facilities Management** **£3,639.00**

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 1.06% increase in the past 12 months.

Total **£15,659.00**



Budget Approval

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Facilities Manager

Dated 13st August 2020

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Associate Partner

Dated 13st August 2020



Appendix A

1 - 9 Drakes Cross Parade, Hollywood, Birmingham

Service Charge Apportionment Schedule

Unit	Schedule	Area Sq Ft	Percentage
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%
		11,780	100.00%



Appendix B

1 - 9 Drakes Cross Parade, Hollywood, Birmingham

Service Charge Variance Schedule

1st October 2020 to 30th September 2021

Service Charge Item	Schedule	Budget 2019/2020	Budget 2020/2021	Variance (£)	Variance (%)
Landscape - External	1	£ -	£ 600.00	£ 600.00	N/A
External Repairs	1	£ 2,500.00	£ 2,500.00	£ -	0.00%
Health and Safety	1	£ 500.00	£ 625.00	£ 125.00	25.00%
Gritting	1	£ -	£ 600.00	£ 600.00	N/A
Staff Wages	1	£ 3,250.73	£ 3,251.00	£ 0.27	0.01%
Audit Fees	1	£ 500.00	£ 514.00	£ 14.00	2.80%
Management Fees	1	£ 3,888.86	£ 3,930.00	£ 41.14	1.06%
Facilities Management	1	£ 3,600.80	£ 3,639.00	£ 38.20	1.06%
1 Total		£ 14,240.39	£ 15,659.00	£ 1,418.61	9.96%