



1 – 9 Drakes Cross Parade

Hollywood

Birmingham

B47 5HD

Service Charge Budget Report

1st October 2021 –

30th September 2022



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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 2021 to 30th September 2022.

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.

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

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.

- **CCTV** **£1,160.00**

A budget has been added for installation of site wide CCTV to aid in reducing antisocial behaviour on site.

- **Staff Costs** **£1,630.00**

This cost heading represents the Site Manager's costs in respect of the parade. The Site Manager is at the property one day per fortnight and is responsible for landscaping, minor items of repair and maintenance and tenant liaison. The service has been reduced for the new year to balance the cost of the CCTV installation.

- **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** **£4,081.00**

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 3.8% increase in the past 12 months.

- **Facilities Management** **£3,779.00**

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 3.8% increase in the past 12 months.

Total **£15,489.00**



Budget Approval

A handwritten signature in black ink, appearing to read 'C. Lantieri'.

A handwritten signature in blue ink, appearing to read 'A. [unclear]'.

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Facilities Manager

Dated 23rd August 2021

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Associate Partner

Dated 23rd August 2021



Appendix A

1 - 9 Drakes Cross Parade Hollywood Birmingham (02172)

Service Charge Unit Percentages

Recovery Group = sc

*Amounts in gbp

Unit	Tenant	Schedule 1	Area Sq Ft
0001	A F Blakemore & Son Ltd (Original)	35.6510	4,199.0
0002	The Eye Collective (Wythall) Ltd (Original)	6.4810	763.0
0003	Brian Gilbert Pow (Original)	6.6010	777.0
0004	M Papageorgiou & M Papageorgiou (Original)	6.6610	785.0
0005	Bean 47 Ltd (Original)	6.6610	785.0
0006	Peter Fanari (Original)	6.6610	785.0
0007	Thomas Patrick Kelly (Original)	6.6610	785.0
0008	A K L Chan, C K Chan, & R Y W Fisher (Original)	6.6610	785.0
0009	One Stop Convenience Stores Ltd (Original)	17.9620	2,116.0
	Total	100.0000	11,780.0



Appendix B

1 - 9 Drakes Cross Parade Hollywood Birmingham (02172)

Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 01/10/2021-30/09/2022

*Amounts in gbp

Code	Description	Budget (09/2022)	Budget (09/2021)	Variance	%
1	Schedule 1				
5100-0101	Management Fee	4,081.00	3,930.00	151.00	3.84%
5100-0203	S/C Audit Fees	514.00	514.00	0.00	0.00%
5100-0308	Building Manager	1,630.00	3,251.00	-1,621.00	-49.86%
5100-0309	Facilities Manager	3,779.00	3,639.00	140.00	3.85%
5100-0402	Health & Safety	625.00	625.00	0.00	0.00%
5300-0902	Security systems	1,160.00	0.00	1,160.00	NA
5300-1009	External Landscaping	600.00	600.00	0.00	0.00%
5300-1010	Snow clearance / Gritting	600.00	600.00	0.00	0.00%
5400-1502	External Repairs and maintenanc	2,500.00	2,500.00	0.00	0.00%
	Schedule Total	15,489.00	15,659.00	-170.00	-1.09%