



**1 – 9 Drakes Cross Parade**

**Hollywood**

**Birmingham**

**B47 5HD**

**Service Charge Budget Report**

**1<sup>st</sup> October 2023 –**

**30<sup>th</sup> September 2024**



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- A. Service Charge Apportionment Schedule
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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 1<sup>st</sup> October 2023 to 30<sup>th</sup> September 2024.

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

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

### **Management Surveyor:**

Tina Hothi  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Mobile: 07594 089316  
Email: [tina.hothi@johnsonfellows.co.uk](mailto:tina.hothi@johnsonfellows.co.uk)

Tina Hothi 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 Repairs & Maintenance** **£5,500**

The estimated expenditure is a contribution towards the ad-hoc repair and maintenance of any external building items and includes to costs of the service yard repair works and the drainage flush out.

- **Health & Safety** **£625**

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

- **Gritting** **£600**

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

- **Staff Costs** **£3,250**

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. The service had been reduced last year to fortnightly visits but reinstated to weekly visits to maintain site standards required.

- **Audit Fee** **£525**

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.

- **Help Desk** **£250**

This is a new cost heading for the service charge year. A 24 hour/7 day a week Help Desk has been set up to allow all occupiers to speak with a dedicated operative and report urgent items of repair and maintenance. This will ensure that matters can be handled promptly without delay.

- **Management Fee** **£4,585**

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 Retail Price Index has shown an 12.34% increase in the past 12 months. However, Johnson Fellows has agreed not to increase their fee this year as a gesture of good will towards the tenants. We do reserve the right to adjust our fee in future years when inflation falls again.

- **Facilities Management** **£4,245**

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 fee is fixed subject to annual indexation. The Retail Price Index has shown an 12.34% increase in the past 12 months. However, Johnson Fellows has agreed not to increase their fee this year as a gesture of good will towards the tenants. We do reserve the right to adjust our fee in future years when inflation falls again.

falls again.

**Total**

**£20,564**

**Budget Approval**

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Facilities Manager

Associate Partner



**Appendix A**

1 - 9 Drakes Cross Parade Hollywood Birmingham (02172)

**Service Charge Unit Percentages**

Recovery Group = sc

\*Amounts in gbp

<b>Unit</b>	<b>Tenant</b>	<b>Schedule 1</b>	<b>Area Sq Ft</b>
0001	A F Blakemore & Son Ltd	35.6510	4,199
0002	The Eye Collective (Wythall) Ltd	6.4810	763
0003	Brian Gilbert Pow	6.6010	777
0004	M Papageorgiou & M Papageorgiou	6.6610	785
0005	Bean 47 Ltd	6.6610	785
0006	Peter Fanari	6.6610	785
0007	Drakes Estate Agents Ltd	6.6610	785
0008	Lavang Indian Takeaway Limited	6.6610	785
0009	One Stop Convenience Stores Ltd	17.9620	2,116
	<b>Total</b>	<b>100.0000</b>	<b>11,780</b>



**Appendix B**

1-9 Drakes Cross Parade, Hollywood, Birmingham (02172)

**Service Charge Budget Comparison**

Recovery Group = sc

Reconciliation Period = 01/10/2023-30/09/2024

Description	Budget (09/2023)	Budget (09/2024)	Variance	%
<b>Schedule 1</b>				
Management Fee	4,081.00	4,585.00	504	11%
S/C Audit Fees	525.00	525.00	0	0%
Staff Costs	3,250.00	3,250.00	0	0.00%
Facilities Manager	3,779.00	4,628.53	850	18%
Health & Safety	625.00	625.00	0	0.00%
Security systems	1,160.00	0.00	-1,160	0.00%
External Landscaping	600.00	600.00	0	0.00%
Snow clearance / Gritting	600.00	600.00	0	0.00%
External Repairs and Maintenance	2,500.00	5,500.00	3,000	54.55%
Help Desk	250.00	250.00	0	0.00%
<b>Schedule Total</b>	<b>17,370</b>	<b>20,564</b>	<b>3,194</b>	<b>18.39%</b>