

## Appendix A. Comparison of 2016 actual charges against 2017 proposed

The following tables do not incorporate repair and maintenance charges (including major works) as these charges are already applied on a variable basis.

<b>Table 1 – Comparison of charges by individual leaseholder</b>			
<b>Charge item</b>	<b>2016 charge</b>	<b>2017 proposed</b>	<b>Increase</b>
Ground rent <sup>a</sup>	£10	£10	-
Administration <sup>b</sup>	-	£5	£5
Management <sup>c</sup>	£60	£130	£70
Communal cleaning <sup>d</sup>	£26	£98	£72 <sup>f</sup>
Buildings insurance <sup>e</sup>	£116 (average)	£134 (average)	£18
<b>Totals</b>	<b>£212</b>	<b>£377</b>	<b>£165 <sup>g</sup></b>

Notes:

- <sup>a</sup> Ground rent is fixed at £10 per annum, as per the terms of the lease agreements.
- <sup>b</sup> 2017 administration charges will be calculated by deriving the actual administrative expenditure for the Leasehold Management service from the Council's budget management system; Collaborative Planning. This will be costs such as printing, postage and stationery and the proposed charges are based on a year-end projection for such costs apportioned equally amongst all leaseholders.
- <sup>c</sup> 2017 management charges will be calculated by deriving the actual management expenditure for the Leasehold Management service from the Council's budget management system; Collaborative Planning. This will predominantly be staff salaries and the 2017 proposed charges are based on a year-end projection for such costs apportioned equally amongst all leaseholders.
- <sup>d</sup> The communal cleaning service is provided by Regeneration and Environment with costs being incurred by way of annual recharge to Housing. The proposed increase is based on the full expected value of the annual recharge and is calculated by apportioning first to each block receiving the service and then to each individual dwelling within the said blocks.
- <sup>e</sup> The proposed 2017 increase to buildings insurance relates to the additional 'fire and added perils' cover which the Council provides but the cost for which has not previously been passed back to leaseholders. The total annual premium is recharged to Housing from the Insurance and Risk Management service and the 2017 proposed charges are based on the expected value of the recharge apportioned equally amongst all leaseholders.
- <sup>f</sup> Communal cleaning charges are not paid by all leaseholders.
- <sup>g</sup> The average increase for leaseholders who do not receive cleaning services would be £93.

<b>Table 2 – Comparison of the total value of charges</b>			
<b>Charge item</b>	<b>2016 value</b>	<b>2017 proposed</b>	<b>Increase</b>
Ground rent	£5020	£5200	£180
Administration	-	£3000	£3000
Management	£30120	£67000	£36880
Communal cleaning	£4524	£18130	£13606
Buildings insurance	£58159	£69680	£11521
<b>Totals</b>	<b>£97823 <sup>a</sup></b>	<b>£161530 <sup>b</sup></b>	<b>£65187</b>

Notes:

- <sup>a</sup> 2016 values based on 502 leaseholders as billed with 174 paying for communal cleaning
- <sup>b</sup> 2017 values based on an estimated 520 leaseholders with 185 paying for communal cleaning – this expected increase stems from ongoing Right to Buy sales.