

POTENTIAL ADDITIONAL COSTS - STAFF TRAVEL AND PARKING

STAFF TRAVEL (RELOCATION FROM CAESAR CENTRE TO ARGOSY HOUSE)		
MAXIMUM COST OF COMPENSATION TO MEET LAPSO DEMAND		Page reference
Number of staff to transfer:		
Current number located at the Caesar Centre	95	PS ix
Less number to be based in new Pergamon local office	-12	9
	83	
Distance between Pergamon and Troy (miles)	18	PS vi
Maximum additional mileage per day per employee (miles)	36	
Standard rate per mile	£0.40	23
Annual work attendance (44 weeks/220 days)	220	23
Maximum annual cost of compensation per employee	£3,168	
Maximum total annual cost of compensation	£262,944	
Mitigating factors:		
Some members of staff currently based at the Caesar Centre will have less than 36 miles extra daily travel.		
Some members of staff may travel by public transport (but would the cost of compensating them necessarily be less?)		
Some members of staff may choose to car share (but would this reduce their compensation?).		
Some staff may have a company car - lower mileage rates could then apply.		
Annual compensation bill would fall progressively as employees eligible for compensation move to new jobs - either externally or through internal career progression. All future contracts are to exclude compensation for relocation. (Page 23)		
Mitigating options:		
LAPSO is asking for "reasonable compensation" for extra travel costs - there should therefore be opportunity to negotiate over the amount of compensation (e.g. the assumed 40p mileage rate) and possibly to agree a phased annual withdrawal of any compensation payable.		

CAR PARKING PROVISION FOR ARGOSY HOUSE		
POSSIBLE COST OF MEETING LAPSO DEMAND	No. of Spaces	Page reference
Staff car parking demand - spaces required at/close to Argosy House		
Current provision ("just sufficient" for current Argosy House requirements)	155	4
Transfers from Caesar Centre (assuming all transferring staff require a space)	83	From above
	238	
Staff car parking supply - spaces available		
Current provision	155	4
Less reduction to provide space for temporary buildings (95 spaces remaining)	-60	4
Less spaces reallocated to visitor use	-7	23
	88	
Number of additional spaces already under negotiation	70	23
	158	
Further spaces required to meet LAPSO demand	80	
	238	
Cost of extra spaces		
Expected rental cost of 70 spaces currently under negotiation	£45,000	23
Cost per space	£643	
Additional annual cost for 80 spaces at same (typical) cost per space	£51,429	23
Total annual cost for 150 extra spaces	£96,429	
BUT there is no guarantee of any extra spaces being available - either at £643 per space, or at all.		
Mitigating factors:		
Not all transferring staff will be car users.		
Not all ex-Pergamon car users will attend each day - there may be no need to match the number of spaces to the theoretical maximum number of users.		
The annual cost could fall as spaces will not be guaranteed for employees with new contracts (Page 23). However, once an agreement has been entered into to rent extra spaces, this may have to be honoured by HHS irrespective of the numbers of spaces actually used.		
Mitigating options:		
Again, there should be an opportunity to negotiate with LAPSO over detailed arrangements. The union would probably not want to draw any distinction in this respect between different groups of employees, but perhaps a scheme of cash payments could be negotiated for employees who were prepared to give up a parking space and make other arrangements.		

PAYBACK FROM INVESTMENT IN HADES HOUSE			
	£'000	£'000	Page reference
Hades House -capital outlay			
Land purchase	1,200		20
Construction, fees, etc	5,830	7,030	14
Less expected disposal proceeds of Argosy House		-2,650	20
Net capital outlay		4,380	
Potential savings in annual running costs			
Argosy House expected running costs, 2009,	661		PS ix
<u>Less</u> depreciation	-171	490	PS ix
Caesar Centre expected running costs, 2009,	414		PS ix
<u>Less</u> depreciation	-40	374	PS ix
Total current running costs excluding depreciation		864	
Hades House running costs, excluding depreciation		522	15
Expected annual saving from investment in Hades House		342	
Payback period (years)		12.81	
Notes:			
1. The cost of purchasing the original option on the Hades House site is not known.			
2. The capital investment for Hades House would be £375,000 greater if the construction programme were brought forward by two years (Option 3), because of the need to make the additional highway contribution.			
3. Additional, but unquantified, efficiency savings in staff time, etc, should result from operating at a single site once the move to Hades House has taken place.			

OFFICE ACCOMMODATION CASH FLOW: OPTION 1 - RELOCATION OF ALL STAFF TO ARGOSY HOUSE

a) provide additional temporary offices at Argosy House ready for occupation by 01 January 2009; b) vacate the Caesar Centre entirely by that date; c) proceed with the Hades House development for occupation on 01 January 2013

Discount rate: 3.0 %

	Year 0 2008	Year 1 2009	Year 2 2010	Year 3 2011	Year 4 2012	Year 5 2013	TOTAL	Page reference
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Argosy House - existing building								
Running costs		661	661	661	661		2,644	PS ix
Less depreciation		-171	-171	-171	-171		-684	PS ix
Less specific repairs		-52	-52	-52	-52		-208	PS ix
Running costs base cashflow		438	438	438	438		1,752	
Specific repairs		52	26	137	30		245	20
	0	490	464	575	468	0	1,997	
Argosy House - temporary accommodation								
Temporary offices - set up	128						128	18
Temporary offices - rent		120	120	120	120		480	18
Temporary offices - running costs		140	140	140	140		560	18
Temporary car parking		45	45	45	45		180	23
	128	305	305	305	305	0	1,348	
Argosy House - disposal								
Removal costs to Hades House						75	75	18
Post occupation running costs						60	60	20
Sale proceeds (net of fees)						-2,650	-2,650	20
	0	0	0	0	0	-2,515	-2,515	
Caesar Centre - disposal								
Lease severance payment	80						80	21
Dilapidations		40					40	21
Removal costs to Argosy House		25					25	18
Local office - set up	68						68	9
Local office - running costs		35	35	35	35	35	175	9
	148	100	35	35	35	35	388	
Hades House								
Land purchase					1,200		1,200	20 & 14
Construction costs (inc fees)				400	5,280	150	5,830	14
Running costs						522	522	15
	0	0	0	400	6,480	672	7,552	
TOTAL CASH FLOW	276	895	804	1,315	7,288	-1,808	8,770	
Discount factor	1.0000	0.9709	0.9426	0.9151	0.8885	0.8626		
NET PRESENT VALUE	276	869	758	1,203	6,475	-1,560	8,022	

SEE ALSO THE NOTE AT THE END OF APPENDIX B4.

OFFICE ACCOMMODATION CASH FLOW: OPTION 2 - REMAIN IN OCCUPATION OF BOTH BUILDINGS

a) remain in occupation of both Argosy House and the Caesar Centre until 31 December 2012; b) upgrade communication links between the two buildings; c) proceed with the Hades House development for occupation on 01 January 2013.

Discount rate: 3.0 %

	Year 0 2008	Year 1 2009	Year 2 2010	Year 3 2011	Year 4 2012	Year 5 2013	TOTAL	Page reference
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Argosy House - existing building								
Running costs		661	661	661	661		2,644	PS ix
Less depreciation		-171	-171	-171	-171		-684	PS ix
Less specific repairs		-52	-52	-52	-52		-208	PS ix
Running costs base cashflow		438	438	438	438		1,752	
Specific repairs		52	26	137	30		245	20
	0	490	464	575	468	0	1,997	
Argosy House - disposal								
Removal costs to Hades House						60	60	18
Post occupation running costs						60	60	20
Sale proceeds (net of fees)						-2,650	-2,650	20
	0	0	0	0	0	-2,530	-2,530	
Caesar Centre								
Running costs		414	414	414	414		1,656	PS ix
Less depreciation		-40	-40	-40	-40		-160	PS ix
Running costs base cashflow		374	374	374	374	0	1,496	
Additional rent				45	45		90	21
Dilapidations						40	40	21
Removal costs to Hades House						25	25	18
Local office - set up					68		68	9
Local office - running costs						35	35	9
	0	374	374	419	487	100	1,754	
Communications upgrade								
Initial set up	125						125	18
Annual rental and support		27	27	27	27		108	18
	125	27	27	27	27	0	233	
Hades House								
Land purchase					1,200		1,200	20 & 14
Construction costs (inc fees)				400	5,280	150	5,830	14
Running costs						522	522	15
	0	0	0	400	6,480	672	7,552	
TOTAL CASH FLOW	125	891	865	1,421	7,462	-1,758	9,006	
Discount factor	1.0000	0.9709	0.9426	0.9151	0.8885	0.8626		
NET PRESENT VALUE	125	865	815	1,300	6,630	-1,516	8,219	

SEE ALSO THE NOTE AT THE END OF APPENDIX B4.

OFFICE ACCOMMODATION CASH FLOW: OPTION 3 - BRING FORWARD CONSTRUCTION OF HADES HOUSE

a) remain in occupation of both Argosy House and the Caesar Centre until 31 December 2010 only; b) upgrade communication links between the two buildings; c) bring forward the Hades House development by two years for occupation on 01 January

Discount rate: 3.0 %

	Year 0 2008	Year 1 2009	Year 2 2010	Year 3 2011	Year 4 2012	Year 5 2013	TOTAL	Page reference
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Argosy House - existing building								
Running costs		661	661				1,322	PS ix
Less depreciation		-171	-171				-342	PS ix
Less specific repairs		-52	-52				-104	PS ix
Running costs base cashflow		438	438				876	
Specific repairs		52	26				78	20
	0	490	464	0	0	0	954	
Argosy House - disposal								
Removal costs to Hades House				60			60	18
Post occupation running costs				60			60	20
Sale proceeds (net of fees)				-2,650			-2,650	20
	0	0	0	-2,530	0	0	-2,530	
Caesar Centre								
Running costs		414	414				828	PS ix
Less depreciation		-40	-40				-80	PS ix
Running costs base cashflow		374	374	0	0	0	748	
Dilapidations				40			40	21
Removal costs to Hades House				25			25	18
Local office - set up			68				68	9
Local office - running costs				35	35	35	105	9
	0	374	442	100	35	35	986	
Communications upgrade								
Initial set up	125						125	18
Annual rental and support		27	27				54	18
	125	27	27	0	0	0	179	
Hades House								
TCC highway contribution		375					375	24
Land purchase			1,200				1,200	20 & 14
Construction costs (inc fees)		400	5,280	150			5,830	14
Running costs				522	522	522	1,566	15
	0	775	6,480	672	522	522	8,971	
TOTAL CASH FLOW	125	1,666	7,413	-1,758	557	557	8,560	
Discount factor	1.0000	0.9709	0.9426	0.9151	0.8885	0.8626		
NET PRESENT VALUE	125	1,617	6,987	-1,609	495	480	8,096	

SEE ALSO THE NOTE AT THE END OF APPENDIX B4.

OFFICE ACCOMMODATION - SUMMARY OF THE THREE OPTIONS

Discount rate: 3.0 %

	Year 0 2008	Year 1 2009	Year 2 2010	Year 3 2011	Year 4 2012	Year 5 2013	TOTAL	RANK
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
CASH FLOW								
Option 1	276	895	804	1,315	7,288	-1,808	8,770	2
Option 2	125	891	865	1,421	7,462	-1,758	9,006	3
Option 3	125	1,666	7,413	-1,758	557	557	8,560	1
NET PRESENT VALUE								
Option 1	276	869	758	1,203	6,475	-1,560	8,022	1
Option 2	125	865	815	1,300	6,630	-1,516	8,219	3
Option 3	125	1,617	6,987	-1,609	495	480	8,096	2

NOTE:

The cash flows shown in Appendices B1 - B3 are set out in what is seen to be the most helpful presentation for HHS Board members. However, there are other methods of presentation that candidates may adopt without prejudicing the validity of their bottom line figures. The running costs of Hades House in 2013 are common to all three options and could therefore be omitted for that year only. Also, in place of showing the running costs (net of depreciation) for Argosy House and the Caesar Centre in the years when these are incurred, it would be valid to set out the net savings in running costs for these two buildings for the years in which they have been taken out of use.

HOUSING REPAIRS REVISED ESTIMATES, 2008 - DETAILED WORKINGS

	ex-THH	ex-OHA	Total cost	Page reference
	DWO & external	External		
	£'000	£'000	£'000	
CYCLICAL WORKS				
Payments - 01 January to 30 April	379	185	564	22
Less creditors provision b/fwd	-10	-24	-34	16
	369	161	530	
Missing invoices for work carried out by DWO				
<i>As invoiced by the DWO</i>	43			16
<i>Less 40 % discount</i>	-17			16
	26	0	26	
Sub-total of the above items	395	161	556	
Balance of current contracts	615	425	1,040	22
	1,010	586	1,596	
New contract - gas servicing				
<i>Total value</i>	537	245		22
<i>% in 2008</i>	17%	17%		22
Value in 2008	91	42	133	
Revised estimate - cyclical repairs	1,101	628	1,729	
REINVESTMENT WORKS				
Payments - 01 January to 30 April	1,416	1,514	2,930	22
Less creditors provision b/fwd	-108	-176	-284	16
Less liquidated damages receipt	0	-29	-29	16
Balance of current contracts	395	636	1,031	22
	1,703	1,945	3,648	
New contracts - kitchens and bathrooms				
<i>Total value</i>	975	1,890		22
<i>% in 2008</i>	12%	25%		22
Value in 2008	117	473	590	
Revised estimate - reinvestment repairs	1,820	2,418	4,238	
RESPONSIVE REPAIRS				
Actual costs - jobs completed prior to 01 January	101	56	157	13
Actual costs - jobs completed 01 January to 29 February	355	135	490	13
Actual costs - jobs completed 01 March to 30 April	338	161	499	13
Less creditors provision b/fwd	-89	-55	-144	16
Sub-total - completed jobs	705	297	1,002	
Jobs in progress at 30 April				
<i>As ordered</i>	93	52		13
<i>14% uplift</i>	13	7		11
Amended value	106	59	165	
Sub-total - completed jobs & jobs in progress	811	356	1,167	
Allowance for jobs ordered after 01 May				
No. of jobs.				
<i>No. of jobs (annual)</i>	12,800	6,600		PS viii
<i>No. of jobs for May - December (7.5/12)</i>	8,000	4,125		11
Cost per job				
<i>Average cost per job for jobs completed in March and April 08</i>	£167.00	£147.00		13
Allowance required	1,336	606	1,942	
Revised estimate - responsive repairs	2,147	962	3,109	

HOUSING REPAIRS REVISED ESTIMATES, 2008 - DETAILED WORKINGS (continued)

	ex-THH	ex-OHA	Total cost	Page reference
	DWO & external	External		
	£'000	£'000	£'000	
RELET REPAIRS				
Actual costs - jobs completed prior to 01 January	25	19	44	13
Actual costs - jobs completed 01 January to 29 February	142	64	206	13
Actual costs - jobs completed 01 March to 30 April	130	72	202	13
Less creditors provision b/fwd	-34	-27	-61	16
Sub-total - completed jobs	263	128	391	
Jobs in progress at 30 April				
<i>As ordered</i>	66	26		13
<i>8% uplift</i>	5	2		11
Amended value	71	28	99	
Sub-total - completed jobs & jobs in progress	334	156	490	
Allowance for jobs ordered after 01 May				
No. of jobs.				
No. of jobs (annual)	470	320		PS viii
No. of jobs for May - December (7.5/12)	294	200		11
Cost per job				
Expected average cost per job	£1,550	£1,140		11
Allowance required	456	228	684	
Revised estimate - relet repairs	790	384	1,174	
REVISED ESTIMATE TOTALS	5,858	4,392	10,250	

HOUSING REPAIRS REVISED ESTIMATES, 2008 - COMPARISON WITH ORIGINAL ESTIMATES				
	ex-THH DWO & external	ex-OHA External	Total cost	Page reference
	£'000	£'000	£'000	
REVISED ESTIMATES				
Cyclical repairs	1,101	628	1,729	App C1
Reinvestment repairs	1,820	2,418	4,238	App C1
Responsive repairs	2,147	962	3,109	App C1
Relet repairs	790	384	1,174	App C1
	5,858	4,392	10,250	
ORIGINAL ESTIMATES				
Cyclical repairs	1,140	540	1,680	PS vii
Reinvestment repairs	2,350	2,410	4,760	PS vii
Responsive repairs	2,010	970	2,980	PS vii
Relet repairs	799	340	1,139	PS vii
	6,299	4,260	10,559	
VARIANCES FROM ORIGINAL ESTIMATES				
Cyclical repairs	-39	88	49	
Reinvestment repairs	-530	8	-522	
Responsive repairs	137	-8	129	
Relet repairs	-9	44	35	
	-441	132	-309	

HOUSING REPAIRS REVISED ESTIMATES, 2008 - POSSIBLE UNDERSTATEMENT OF RE-LET REPAIR COSTS AND FULL YEAR IMPLICATIONS				
	ex-THH dwellings	ex-OHA dwellings	Total	Page reference
Expected no. of re-let repair jobs, May - December 2008	no. 294	no. 200		App C1
Cost per re-let job	£	£		
Actual average for March and April 2008	1,646	1,241		13
Projected average cost - Head of Maintenance	1,550	1,140		11
Difference	96	101		
Possible extra costs for 2008, if costs per job remain at March/April level.	£28,224	£20,200	£48,424	
Possible full year impact				
No. of jobs	470	320		
Extra cost per job	£96	£101		
Possible full year extra cost	£45,120	£32,320	£77,440	

Appendix C2 (continued)

HOUSING REPAIRS REVISED ESTIMATES, 2008 - EXTRA COST OF RESPONSIVE REPAIRS - POSSIBLE FULL YEAR IMPLICATIONS				
	ex-THH dwellings	ex-OHA dwellings	Total	Page reference
Expected no. of responsive repair jobs, 2008 full year	no. 12,800	no. 6,600	no. 19,400	PS viii
Cost per responsive repair job job	£	£		
Actual average for March and April 2008	167	147		13
Projected average cost in original estimates	157	147		PS viii
Difference	10	0		
Possible extra cost in full year, if costs per job remain at March/April level.	£128,000	£0	£128,000	

POTENTIAL COMBINED FULL YEAR EXTRA COST - RE-LET AND RESPONSIVE REPAIRS			Total	Above
			£205,440	

Note: candidates may choose to base the full year implications calculations on the basis of the revised nos. of jobs for 2008 shown in Appendix C3. In that case, the potential extra full year costs are as follows:

	ex-THH dwellings	ex-OHA dwellings	Total	Page reference
Re-let repairs				
No. of jobs	500	344	844	App C3
Extra cost per job	£96	£101		Above
Potential extra cost for full year	£48,000	£34,744	£82,744	
Responsive repairs				
No. of jobs	12,917	6,555	19,472	App C3
Extra cost per job	£10	£0		Above
Potential extra cost for full year	£129,170	£0	£129,170	
Combined total			£211,914	

HOUSING REPAIRS ESTIMATES - UNIT COSTS

COSTS PER DWELLING <i>Average number of dwellings</i>	ex-THH		ex-OHA		Total stock		Page reference
	No.		No.		No.		
	Original	Revised	Original	Revised	Original	Revised	
	£	£	£	£	£	£	
Costs per dwelling) Original) unit costs) as per PS vii.) Revised) costs from) App C2.
Cyclical repairs	177	171	127	148	157	162	
Reinvestment repairs	364	282	567	569	445	396	
Responsive repairs	312	333	228	226	279	291	
Relet repairs	124	122	80	90	106	110	
Total	977	908	1,002	1,033	987	959	

COSTS PER JOB - RESPONSIVE REPAIRS	ex-THH		ex-OHA		Total stock		Page reference
	Original	Revised	Original	Revised	Original	Revised	
	No.	No.	No.	No.	No.	No.	
Number of jobs	12,800	12,917	6,600	6,555	19,400	19,472	PS viii & below
Total costs	£'000 2,010	£'000 2,147	£'000 970	£'000 962	£'000 2,980	£'000 3,109	App C2
Cost per job	£ 157	£ 166	£ 147	£ 147	£ 154	£ 160	

COSTS PER JOB - RELET REPAIRS	ex-THH		ex-OHA		Total stock		Page reference
	Original	Revised	Original	Revised	Original	Revised	
	No.	No.	No.	No.	No.	No.	
Number of jobs	470	500	320	344	790	844	PS viii & below
Total costs	£'000 799	£'000 790	£'000 340	£'000 384	£'000 1,139	£'000 1,174	App C2
Cost per job	£ 1,700	£ 1,580	£ 1,062	£ 1,116	£ 1,442	£ 1,391	

NUMBER OF JOBS ALLOWED FOR IN REVISED ESTIMATES							
	ex-THH			ex-OHA		Total	Page reference
	No.	No.		No.	No.		
Responsive repairs							13 App C1
Total up to 30.04.08		4,917		2,430	7,347		
Add expected number up to 31.12.08		8,000		4,125	12,125		
Total for year		12,917		6,555	19,472		
No. of responsive jobs per dwelling		2.00		1.54	1.82		
Relet repairs							13 App C1
Total up to 30.04.08		206		144	350		
Add expected number up to 31.12.08		294		200	494		
Total for year		500		344	844		
No. of re-let jobs per dwelling		0.08		0.08	0.08		

HOUSING REPAIRS ESTIMATES - UNIT COSTS (continued)

COMPARISONS AGAINST NATIONAL BENCHMARKS					
<i>Responsive repairs - average cost per job</i>	Average cost	Variances from national benchmark			Page reference
	£	£	%		
National benchmark (State Housing Commission)	135				5
HHS original estimate - all dwellings	154	19	13.8%		Above
HHS revised estimate - all dwellings	160	25	18.3%		Above
HHS original estimate - ex-THH dwellings	157	22	16.3%		PS vii
HHS revised estimate - ex-THH dwellings	166	31	23.1%		Above
HHS original estimate - ex-OHA dwellings	147	12	8.9%		PS vii
HHS revised estimate - ex-OHA dwellings	147	12	8.7%		Above

<i>Responsive and relet repairs - proportion of total repairs budget</i>	Total budget		Responsive & relet		Proportion	Page reference
	£'000		£'000		%	
National benchmark (State Housing Commission)					35.0%	5
HHS original estimate - all dwellings	10,559		4,119		39.0%	PS vii
HHS revised estimate - all dwellings	10,250		4,283		41.8%	App C2
HHS original estimate - ex-THH dwellings	6,299		2,809		44.6%	PS vii
HHS revised estimate - ex-THH dwellings	5,858		2,937		50.1%	App C2
HHS original estimate - ex-OHA dwellings	4,260		1,310		30.8%	PS vii
HHS revised estimate - ex-OHA dwellings	4,392		1,346		30.6%	App C2

<i>Potential saving to HHS if national benchmarks were adhered to</i>		
		Page reference
Responsive repairs average cost per job		
HHS revised estimate, all dwellings	£160	Above
National benchmark	£135	5
Difference	£25	
No. of jobs (revised estimate)	19,472	Above
Extra cost above national benchmark	£'000 487	
Responsive and re-let repairs as percentage of total repair costs		
HHS responsive and relet repairs - as percentage of total	41.8%	Above
National benchmark	35.0%	5
Difference	6.8%	
Total cost of repairs - revised estimate	£'000 10,250	Above
Extra cost above benchmark	£'000 696	

LEASEHOLD SERVICE CHARGES

COSTS FOR 2008					
COSTS APPLICABLE TO ALL DWELLINGS	%	Naxos Court	%	Nike Court	Page reference
		£		£	
Direct costs (excluding repairs)					
Alarm systems/door entry		2,980		2,980	10
Caretaking and cleaning		7,400		5,600	10
Communal light and heat		2,250		1,840	10
Depreciation - service equipment		940		620	10
Landscape maintenance		4,700		4,560	10
Lift maintenance		3,100		3,100	10 & 17
		21,370		18,700	
Repair costs					
Routine repairs		2,800		1,900	17
Non-routine repairs		2,180		6,000	17
		4,980		7,900	
Less proportion of non-routine repair costs chargeable in later years (£6,000 x 4 / 5)		0		-4,800	7
		4,980		3,100	
Sub-total - direct costs		26,350		21,800	
Administration					
Allocations relating to elements except repairs		1,980		1,850	17
Allocations relating to repair costs		600		2,650	17
Less administration allocation relating to deferred repairs charges (£2,650 x £4,800 / £7,900)		0		-1,610	7
		2,580		2,890	
Total costs applicable to all dwellings		28,930		24,690	
COSTS APPLICABLE ONLY TO LEASEHOLDERS					
Service charge administration and billing		584		1,241	17
COSTS APPLICABLE ONLY TO INDIVIDUAL LEASEHOLDERS IN DEFAULT					
Service charge recovery costs (These costs may only be charged to individual leaseholders in default.)		550		770	7 & 17

LEASEHOLD SERVICE CHARGES (continued)

NUMBERS OF DWELLINGS					
	Naxos Court		Nike Court		Page reference
	Tenanted	Leasehold	Tenanted	Leasehold	
One bedroom	5	0	0	0	10
Two bedroom	8	2	6	8	10 & 17
Three bedroom	14	6	3	9	10
Four bedroom	2	0	0	0	10
	29	8	9	17	

WEIGHTING FOR SERVICE CHARGE CALCULATION PURPOSES			
One bedroom	1		7
Two bedroom	2		7
Three bedroom	3		7
Four bedroom	4		7

WEIGHTED NUMBERS OF UNITS					
	Naxos Court		Nike Court		Page reference
	Tenanted	Leasehold	Tenanted	Leasehold	
One bedroom	5	0	0	0	
Two bedroom	16	4	12	16	
Three bedroom	42	18	9	27	
Four bedroom	8	0	0	0	
	71	22	21	43	
Total number of units	93		64		
Percentage allocation to leaseholders	22/93	23.66%	43/64	67.19%	7

ALLOCATION TO LEASEHOLD PROPERTIES					
		Naxos Court	Nike Court	Page reference	
Cost allocation to leaseholders					
Direct costs					
<i>Direct costs total - from App D1</i>		26,350	21,800	App D1	
<i>Percentage allocation to leaseholders</i>		23.66%	67.19%	Above	
Direct costs sub-total		6,233	14,647		
Administration costs					
Administration costs applicable to all dwellings					
<i>Administration allocation - from App D1</i>		2,580	2,890	App D1	
<i>Percentage allocation to leaseholders</i>		23.66%	67.19%	Above	
Leaseholders' share of costs		610	1,942		
Service charge admin and billing (100%)		584	1,241	17	
Administration sub-total		1,194	3,183		
Overall costs chargeable to leaseholders		7,428	17,830		
<i>Administration costs as % of direct costs</i>		19.16%	***	21.73%	

*** The maximum permissible administration cost allocation is 20% of direct costs (page 7, paragraph 10). Therefore the maximum allocation for Nike Court is £14,647 x 20% (£2,929).

ALLOCATION TO LEASEHOLD PROPERTIES (ADJUSTED FOR ADMINISTRATION COSTS LIMIT)					
		Naxos Court	Nike Court	Page reference	
Direct costs sub-total		6,233	14,647	Above	
<i>Administration costs as % of direct costs</i>		19.16%	20.00%		
Administration sub-total		1,194	2,929		
Overall costs chargeable to leaseholders		7,428	17,576		

Appendix D2 (continued)

LEASEHOLD SERVICE CHARGES (continued)

2008 LEASEHOLD SERVICE CHARGES				
	Naxos Court		Nike Court	Page reference
No. of weighted leasehold units - from above	no. 22		no. 43	Above
Overall costs chargeable to leaseholders	£ 7,428		£ 17,576	Above
Leasehold service charge per weighted unit	£ 337.62		£ 408.75	
Leasehold service charge for:	£		£	
One bedroom dwelling	n/a		n/a	
Two bedroom dwelling	675.24		817.50	
Three bedroom dwelling	1,012.86		1,226.25	
Four bedroom dwelling	n/a		n/a	