

Community Commission 19 January 2010

Council Homes Rent Increase 2010/11 - Consultation Document

Background

The Council wishes to consult on its plans for rent and service charges for 2010/11.

The aim is to balance the need to sustain the Housing Revenue Account (HRA) Business Plan by raising sufficient income to support the necessary spending on Council homes.

The HRA Subsidy system largely drives the extent to which there is a need to increase rents by reducing resources according to an assumed rental path towards rent convergence – that is the point at which Council rents would be broadly the same as those charged by Registered Social Landlords (RSLs). The government has been moving the date for this target in recent years. Last year it was expected to be a further 15 years to convergence. For 2010/11, the target has been set at 3.07 years. This shortening of the period increases the real terms rent more substantially than in the past, but at least comes at a point where Retail Price Index (RPI) inflation is negative. Further details are set out in this paper.

Consultation Timetable

The timetable for consultation on these plans is as follows:

Consultation is due on these issues with:
Community Commission – meeting 19th Jan
HRA Strategic Working Party – meeting 21st Jan
City Housing Consultative Group – meeting 22nd Jan
Derby Homes' Board – meeting 28th Jan
Deadline for final reports to Cabinet 4th Feb
Cabinet 16th Feb
Full Council (for rents) 1st March

Unfortunately the timetable for consultation has been compressed this year as the draft determination of Housing Subsidy was not released until 10 December 2009.

Rent Convergence

Under Government rules on rent restructuring, the Council needs to converge with RSL rents. Originally this was supposed to be achieved by 2012, but rent capping for a couple of years followed by a halving of the rent increase in 2009/10 have pushed back this target considerably.

At the moment, average rents in Derby are 11.5% or £7.67 a week below the formula or target rent. Where rents are quoted in this report they will be average rents in Derby on a 52 week basis. In reality, tenants are all on different points in the process of moving towards the formula rent, so will experience higher or lower increases according to their own position. We also actually charge on a 48 week basis, with 4 rent 'free' weeks, so actual rents experienced will be around 8% higher in chargeable weeks.

The formula rent increases each year by the previous September's RPI plus 0.5%. As RPI inflation was -1.4% in September 2009, the basic formula rent has fallen by 0.9%. This immediately reduces the gap with actual rents by the same amount, so our average rent is now around 10.6% below the formula. However, because the rent was reduced in July 2009, the average rent for 2009/10 of £59.28 is higher than the average rent being levied at the moment by around 0.75% or 44p a week. We need to bear this issue in mind for later, as actual rents will increase by slightly more than the average rent increase as a result.

Rent Restructuring

With the target period for rent restructuring set this year at 3.07 years, roughly a third of the remaining gap (almost 4%) between actual and formula rent has to be closed this year to stay on track. This pushes the national figure up from -0.9% to 3.1% increase. Each authority's average – as for individual tenants - is also at a different point on the track to convergence, and Derby's average rent would need to increase by around 3.3% to follow the rules as set out.

One option therefore would be to follow the rent restructuring rules and increase average rents according to the formula by an average of 3.3%. This would leave Derby around 8% below formula rent, and leave unchanged service charge cross subsidy issues which are detailed below. This would, however, miss an opportunity to increase resources for the longer term. This is discussed later in this paper.

Following two years – 2011/12 – 2012/13

If rent restructuring were really to be completed over the next two years, then further real terms increases of 4% a year would be required. Unless RPI remains negative – and this is not expected – then this would appear to be a fairly unlikely scenario. It may well be, therefore, that rent restructuring will again be spread over a longer period – perhaps 1% to 1.5% a year real terms increases, implying a further 5 to 8 years rather than 2 implied in this year's settlement.

Service Charges

Derby Homes Board has proposed two new service charges to the Council, relating to Smoke Alarms and to Grounds Maintenance. These relate to services which are not received by all tenants but are currently paid out of the

rent of all tenants. By introducing a service charge related to the specific cost of these services, the aim is to remove the cross subsidy that effectively exists between those tenants not receiving different levels of service. In addition, significant additional funds would be raised over time, with a majority of those funds being raised from Housing Benefit.

These service charges would be 'unpooled' from the basic rent, but would generate more funds over time as the rent increases over time back to the convergence point. Unpooling of service charges will reduce the basic rent for tenants at the point of introduction of the service charge, but result in higher overall charges of rent plus service charge by the end of the rent restructuring process. The benefit to the HRA however is roughly three times the level of resources generated from tenants, as two thirds of costs are met by Housing Benefit. Thus for every £1 extra charged to paying tenants, another £2 is raised from Housing Benefit, resulting in £3 of resources for the HRA to be spent on maintaining Council homes into the future.

Capping

There is a cap set by the government to the additional amount that can be raised from a tenant in any one year compared to the next. This is based on $RPI + 0.5\% + £2$ a week. In most recent years, this has only affected a minority of tenants.

For 2010/11, it is anticipated that there will be a large number of tenants who will have their rent increases capped by this formula, as the RPI measure for September 2009 was so low at -1.4%. This means that for a tenant on the average rent of £59.28, the cap would be set at £60.75 – an increase of 2.5%.

As the average rent increase alone would be higher than this, a large number of tenants are likely to be capped at around this level. If unpooled service charges are added in to the equation, the capped figure is not increased, and the increases would not take effect next year, but in effect be deferred and spread over future years. It may be possible, therefore, to increase nominal charges and future income while not increasing further the charges to tenants in the short term. It would therefore appear that 2010/11 is the year during which additional revenue raised by unpooling service charges would be maximised.

Smoke Alarms

The amounts proposed are (48 week basis – actual charge):

One smoke alarm	70p	Multiple alarms	£1.06p
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These are slightly lower than those initially proposed by Derby Homes (74p/£1.12). This is set out in Appendix 1.

Our understanding is that tenants' rents cannot be reduced by the amount of the first year's charge on an individual basis but rather has to be calculated on the basis of the saving for all tenants made as a result of the introduction of

the charge. The following figures are therefore on that basis. We are, however, taking further advice on this issue and it may well be that we can reduce specific rents relating to those facing new service charges. In that case, the figures would be slightly different, and the overall increase for 2010/11 would not be affected by the introduction of service charges on an individual basis.

On our assumed basis of across the board rent reductions, there would therefore be a reduction in basic rent of an average 87p a week (48 week charging basis) – or 80p a week on a 52 week basis. There would therefore be a slightly different impact on individual tenants depending whether they have single or multiple alarms at present. As the charge would be mandatory, the cost would be recoverable through Housing Benefit where applicable.

Once rent restructuring is complete, this measure will raise around **£570,000** a year for the HRA which would be additional to existing funds, and help to enhance or protect services.

Around 65% of the funds would be generated from Housing Benefit (£380,000) with the rest from an increase in overall charges to paying tenants (£190,000), of which the majority of tenants will be capped in 2010/11.

If the rent reductions are targeted to those facing the new charges, then there would be no net impact in 2010/11 beyond that faced under the rest of rent restructuring.

Grounds Maintenance

The proposed charges are set out in Appendix 2 to this paper. They range from £0.10 a week to £7.59 a week (48 week basis). Derby Homes suggested that these be capped at £6 a week and a minimum charge of 50p a week be introduced.

The Council's initial view is that these restrictions should not apply as there is an overall cap in place that will limit increases anyway. The overall cap on individual property rent and service charge increases applies at RPI plus 0.5% plus £2 a week. For a tenant paying around the average, this cap will determine the total to be paid and it is anticipated that a majority of tenants would be placed in this position. This means that many of the increased charges will not translate into actual increases to rental income until the effect of the cap works through over a number of years. Again, each case will be different, but all have the cap applied to them.

Overall, around 5,600 homes receive a specific grounds service for their area. As a result, the unpooling of charges would see average rents reduce by 84 pence a week (52 week basis). There are therefore likely to be a few tenants that would face considerable increases over time but these are likely to be limited by the overall cap on rents each year.

Again, once rent restructuring has worked through, there would be an increase in resources generated of around **£600,000** a year for the HRA which would be available to enhance or protect services.

Taken together, these two measures would have the ability to generate almost **£1.2m** a year in additional revenue, two thirds of which would come from Housing Benefit. The maximum benefit to tenants overall therefore, would come from raising these new service charges.

The concern, as always, will be about those tenants that will have to pay and that any charge is reasonable and phased in. The overall cap on rents and service charges means that the average rent increase is estimated to be around 2.5% - or around 3.2% from what is being charged now, but there will be a lot of variation within this. Further work will be undertaken to examine the actual impact before final decisions are taken.

Consultation questions:

1. Do you agree that these charges should be unpooled in order to generate additional funding for the longer term?
2. If we have a choice, would you prefer targeted reductions for those facing new charges or general reductions in rent for all tenants?
- 3.. Do you have any comments on the specific proposals?

Energy Charges

Derby Homes have undertaken some work to update energy charges for the few homes still with shared metering. These reveal that current charges are understated by between 13% and 109% reflecting increased energy costs. While these are a minor amount (under £10,000 a year of cross subsidy) the proposed increases would be very substantial for the few tenants to which this applies.

There is therefore a need to ensure that any settlement of this issue is demonstrably fair. The solution in the medium term would be to introduce meters. If this is a viable solution then this would be the Council's initial view of the issue. In the meantime, it is proposed to cap the increase to the charges by 10% for next year, less than the smallest initial calculation and less than has been experienced by most tenants in the recent past. It therefore represents a much reduced cross subsidy from other tenants while ensuring that the more extreme results of the calculations can be verified by meters in the medium term. This will raise around £5,000 additional funds in 2010/11. The issue will then have to be considered again in 2011/12 in terms of how fast to move to the full calculated charge. The calculations are set out in Appendix 3.

A further option would be to move to the full calculated charge for any new tenants.

Consultation question:

4. Views are invited on whether this proposed increase is acceptable, and what the general principles should be in considering the issue this year and in future?

Other Service Charges

In view of the introduction of new service charges and the overall rent cap, there appears to be little point in changing other service charges at this point. A freeze is therefore proposed for 2010/11.

Consultation question:

5. Do you agree with a service charge freeze for 2010/11?

Rents

If the service charges are unpooled, the average rent will reduce by £1.64 from £59.28 to £57.64. If this is then used as the starting point for rent restructuring the average rent would then increase to £60.13 using the government's formula.

Overall the average rent would increase by 85p a week or 1.4%. The increase in reality is higher than this for the vast majority of tenants, who will then have to pay a service charge for at least one smoke alarm. For a tenant in that position, but without a grounds maintenance charge, the average increase would be about 2.6%. For those with multiple alarms the increase would be slightly higher at 3.2%. The inclusion of grounds charges for a large minority of tenants will push this increase up according to the relevant applicable charge.

All tenants will however have the rent cap applied at RPI +0.5% +£2. For a tenant on average rent this will be lower by around 2.5%. The effect of the lower rent now being charged (around 0.75%) is also likely to apply, so a majority of tenants are expected to face increases of around 3% overall as a result of the cap.

Further work is being undertaken to review these issues before final decisions are taken, to check that our assumptions and calculations are correct.

Each tenant's position will be even more individual than in previous years if the service charges are unpooled on the assumed basis, but all tenants can rely on the rent cap to restrain real rent and service charge increases to a figure around 2.5% to 3%. The real terms increase for any tenant in any year cannot exceed £2 a week.

Summary

The overall effect of these changes leaves a headline increase in rent of less than £1 a week or about 1.5% but it is acknowledged that this headline figure understates the effect on most tenants who will pay around 2.5% to 3% more.

The impact on tenants will be considered further as part of detailed work during the consultation period. In particular whether unpooling can be done in a targeted way.

Rents and Service Charges overall will be capped for a very large proportion of tenants at RPI +0.5% (that is -0.9%) + £2 a week. For someone on average rent now, this is about 2.5% overall increase.

Future years' increases are likely to remain well above inflation while rent restructuring continues.

Overall these proposals would raise a significant additional sum for the HRA and this can be considered as part of plans for the future as it is actually received – which will be delayed as rent capping holds back those increases.

6.. Comments are invited on the proposals overall for consideration in setting this year's rent and service charges.

Summary of Grounds Maintenance Charges :

Area	Name	Type	Total Contractor cost 2009/10	Estimated Contractor Cost Flats & Sheltered 2010/11	Bad Debt & Void Provision	Management & Admin charge	Total Estimated Annual Cost 2010/11	No. of homes	Annual Cost per Home 2010/11	Weekly Cost per Home	Proposed new name for reference
				2%	10%	15%					
Allenton	Thanet Drive	Sheltered	885.35	903.05	90.31	135.46	1,128.82	11	102.62	2.14	1129
Allenton	Tilbury Place	Sheltered	4,327.23	4,413.78	441.38	662.07	5,517.22	20	275.86	5.75	5517
Allenton	Boulton Lane	Sheltered	1,185.70	1,209.41	120.94	181.41	1,511.77	7	215.97	4.50	1512
Allenton	Berwick Close	Sheltered	3,978.95	4,058.53	405.85	608.78	5,073.16	37	137.11	2.86	5073
Allenton	Thorndike Ave Bungalows	Sheltered	4,887.66	4,985.41	498.54	747.81	6,231.76	33	188.84	3.93	6232
Allenton	Slaney Close / Marsden / Wilkins Drive	Sheltered	7,437.19	7,585.94	758.59	1,137.89	9,482.42	36	263.40	5.49	9482
Allenton	Lord Street Bungalows	Sheltered	1,502.92	1,532.98	153.30	229.95	1,916.22	8	239.53	4.99	1916
Allenton	Cranwood Bungalows / Merril Way Flats	Sheltered	3,195.25	3,259.15	325.92	488.87	4,073.94	16	254.62	5.30	4074
Allenton	Field Lane	Flats	610.78	622.99	62.30	93.45	778.74	11	70.79	1.47	779
Allenton	Harvey Road	Flats	944.42	963.31	96.33	144.50	1,204.13	10	120.41	2.51	1204 Omit Rodney House as to be demolished (917.4)
Allenton	Watermeadow Road	Flats	2,444.87	2,493.77	249.38	374.06	3,117.21	30	103.91	2.16	3117
Alvaston	Dovedale Ave	Sheltered	817.24	833.58	83.36	125.04	1,041.98	5	208.40	4.34	1042
Alvaston	Eden Street	Sheltered	1,748.20	1,783.16	178.32	267.47	2,228.95	34	65.56	1.37	2229
Alvaston	Hawtreys Gardens	Sheltered	5,254.18	5,359.27	535.93	803.89	6,699.08	17	260.54	5.43	4429
Alvaston	Barrett Street - Alvaston	Flats	2,715.39	2,769.70	276.97	415.45	3,462.12	22	260.54	5.43	5732
Alvaston	Keldholme Lane / Glaisdale Nook	Sheltered	3,735.49	3,810.20	381.02	571.53	4,762.75	36	132.30	2.76	4763 KL Glaisdale/ Whernside Nidderdale/ Eskdale
Alvaston	Alvaston - Keldholme Lane/ Humber Clo	Sheltered	2,049.21	2,090.19	209.02	313.53	2,612.74	30	87.46	1.82	2624 KL Humber Close
Alvaston	Alvaston - Keldholme Lane/ Humber Clo	Sheltered	8.57	8.74	0.87	1.31	10.93		87.46	1.82	0 KL Humber Close added MFP
Alvaston	Slindon Croft	Sheltered	1,679.18	1,712.76	171.28	256.91	2,140.95	30	71.37	1.49	2141 KL Slindon Croft
Alvaston	Trevone Court / Shardlow Road	Sheltered	1,924.51	1,963.00	196.30	294.45	2,453.75	30	81.79	1.70	2454 Trevone Court
Alvaston	Elvaston Lane	Sheltered	1,808.84	1,845.02	184.50	276.75	2,306.27	16	144.14	3.00	2306
Alvaston	Elvaston Lane (Alum Close)	Sheltered	2,540.35	2,591.15	259.12	388.67	3,238.94	24	134.96	2.81	3239 Omit Derbyshire Blocks AA10 TO AA16
Alvaston	Boscastle Road	Sheltered	5,363.48	5,470.75	547.08	820.61	6,838.44	30	227.95	4.75	6838
Alvaston	Pendennis Close	Sheltered	1,713.52	1,747.79	174.78	262.17	2,184.74	6	364.12	7.59	2185
Alvaston	Coronation Ave	Sheltered	1,405.37	1,433.48	143.35	215.02	1,791.85	9	199.09	4.15	1792
Alvaston	Alwards Close	Flats	590.78	602.59	60.26	90.39	753.24	24	31.39	0.65	753
Alvaston	Mosedale Close Alvaston	Flats	1,817.43	1,853.78	185.38	278.07	2,317.22	30	77.24	1.61	2317
Alvaston	Metcalfe Close / Elvaston Lane	Flats	2,912.44	2,970.69	297.07	445.60	3,713.36	22	168.79	3.52	3713
Alvaston	Shardlow Road	Flats	449.43	458.42	45.84	68.76	573.03	4	143.26	2.98	573
Alvaston	Ellesmere Ave - Wilmorton	Flats	1,890.90	1,928.72	192.87	289.31	2,410.90	33	73.06	1.52	2411
Alvaston	Spencer Street Flats	Flats	154.74	157.83	15.78	23.68	197.29	9	21.92	0.46	197
Alvaston	Keldholme Lane / Sledmere - Close Alvas	Flats	4,037.78	4,118.53	411.85	617.78	5,148.17	4	316.43	6.59	1266 KL Dentsdale / Sledmere / Wensleydale Walk
Alvaston	Airedale Walk / Whernside Close	Flats	2,213.49	2,257.76	225.78	338.66	2,822.20	12	316.43	6.59	3797 KL Glaisdale/ Whernside / Arkendale
Alvaston	Keldholme Lane / Hodge Beck Close	Flats	3,213.06	3,277.32	327.73	491.60	4,096.65	20	316.43	6.59	6329 KL Hodgebeck / Swaledale / Stonesdale
Alvaston	Keldholme Lane/ Alvaston - Crompton C	Flats	959.29	978.47	97.85	146.77	1,223.09	6	316.43	6.59	1899 KL Crompton Close
Austin	Caxton Street / Marlowe Court	Flats	1,436.90	1,465.64	146.56	219.85	1,832.04	28	65.43	1.36	1832
Austin	Coleridge Street Housing	Flats	5,317.61	5,423.96	542.40	813.59	6,779.95	64	105.94	2.21	6780 Caxton Street / Finsley walk / Woodruffe Walk
Austin	Fairdene Court / Rawdon Street	Sheltered	1,707.97	1,742.13	174.21	261.32	2,177.67	36	60.49	1.26	2178
Austin	Hilton Close	Sheltered	787.92	803.67	80.37	120.55	1,004.59	24	41.86	0.87	1005
Austin	Holly Court Mickleover	Sheltered	1,001.55	1,021.58	102.16	153.24	1,276.98	47	27.17	0.57	1277
Austin	Madeley Court	Sheltered	2,759.81	2,815.01	281.50	422.25	3,518.76	34	103.49	2.16	3519
Austin	Repton Avenue	Sheltered	5,369.44	5,476.83	547.68	821.52	6,846.04	27	253.56	5.28	6846
Austin	Bretton avenue	Sheltered	5,654.59	5,767.68	576.77	865.15	7,209.60	73	98.76	2.06	7210
Austin	Sunnyhill	Sheltered	1,892.28	1,930.12	193.01	289.52	2,412.65	9	268.07	5.58	2413 Ingleby Avenue
Brook Street	Centurion Walk	Sheltered	2,526.39	2,576.92	257.69	386.54	3,221.14	21	153.39	3.20	3221
Brook Street	Colville Street Housing	Sheltered	1,980.32	2,019.93	201.99	302.99	2,524.91	30	84.16	1.75	2525 Colville Street and Noel Street
Brook Street	Lea Close	Sheltered	2,783.98	2,839.66	283.97	425.95	3,549.57	30	118.32	2.46	3550
Brook Street	Roman Well Chester Green Housing	Sheltered	1,063.12	1,084.38	108.44	162.66	1,355.47	10	135.55	2.82	1355
Brook Street	Uttoxeter New Road / Fowler Street	Sheltered	4,099.82	4,181.82	418.18	627.27	5,227.27	53	98.63	2.05	5227 Rebecca House
Brook Street	Whitcross Street A	Sheltered	2,455.82	2,504.94	250.49	375.74	3,131.17	65	48.17	1.00	3131 Whitecross House and Leyland Gardens
Brook Street	Nuns Street / Leaper Street	Flats	1,876.14	1,913.66	191.37	287.05	2,392.08	48	49.84	1.04	2392
Brook Street	Darley Abbey Conservation Area	Flats	336.94	343.68	34.37	51.55	429.59	15	28.64	0.60	430 Darley Park and Derwent Park House

Area	Name	Type	Total Contractor cost 2009/10	Estimated Contractor Cost Flats & Sheltered 2010/11	Bad Debt & Void Provision	Management & Admin charge	Total Estimated Annual Cost 2010/11	No. of homes	Annual Cost per Home 2010/11	Weekly Cost per Home	Proposed new name for reference
				2%	10%	15%					
Brook Street	Dower Close - Darley Abbey	Flats	344.92	351.82	35.18	52.77	439.78	12	36.65	0.76	440
Brook Street	Henry Street	Flats	1,346.87	1,373.80	137.38	206.07	1,717.25	26	66.05	1.38	1717
Brook Street	Nuns Street / Lodge Lane	Flats	592.69	604.55	60.45	90.68	755.68	24	31.49	0.66	756
Brook Street	Uttoxeter Old Road	Flats	565.21	576.52	57.65	86.48	720.65	53	13.60	0.28	721
Brook Street	Whitecross Street B	Flats	1,408.42	1,436.58	143.66	215.49	1,795.73	72	24.94	0.52	1796 Whitecross Gardens
Brook Street	Arthur Hind Close	Flats	1,025.83	1,046.34	104.63	156.95	1,307.93	46	87.20	1.82	4011 29-41 Arthur Hind Close
Brook Street	Arthur Hind Close	Flats	666.84	680.17	68.02	102.03	850.22		87.20	1.82	0 12-24 and 25 to 28 Arthur Hind Close
Brook Street	Arthur Hind Close	Flats	266.77	272.11	27.21	40.82	340.13		87.20	1.82	0 1-7 and 8 to 11 Arthur Hind Close
Brook Street	Arthur Hind Close	Flats	1,186.73	1,210.46	121.05	181.57	1,513.08		87.20	1.82	0 Kings Mead House
Brook Street	Chester Road Flats	Flats	524.03	534.51	53.45	80.18	668.14	8	83.52	1.74	668 104 to 118 Old Chester Road
Brook Street	City Road / Mansfield Street	Flats	1,503.66	1,533.73	153.37	230.06	1,917.16	24	79.88	1.66	1917 2 to 24 and 25 to 47 Mansfield Street
Brook Street	City Road Flats	Flats	1,117.58	1,139.94	113.99	170.99	1,424.92	26	54.80	1.14	1425 1 to 51 John Lombe Drive
Brook Street	Duke Street Flats	Flats	1,303.92	1,330.00	133.00	199.50	1,662.50	64	25.98	0.54	1663 Britannia Court
Brook Street	Leaper Street / Quarn Way	Flats	7,338.86	7,485.64	748.56	1,122.85	9,357.05	126	74.26	1.55	9357 Quarn Way / Watson Gdns / Parker St / William St
Brook Street	Leaper Street / Whitecross Street	Flats	886.56	904.29	90.43	135.64	1,130.36	16	70.65	1.47	1130 1 to 15 Watson Street and 55 to 69 Leaper Street
Brook Street	Lodge Lane / Kedleston Street	Flats	3,141.09	3,203.91	320.39	480.59	4,004.89	62	64.59	1.35	4005 Kingsmead Close / Kings Mead Walk / Parker Close
Brook Street	Mansfield Street Flats	Flats	441.06	449.88	44.99	67.48	562.35	6	93.73	1.95	562 97 to 107 Mansfield Street
Brook Street	Nuns Street / Nuns Green	Flats	1,333.72	1,360.39	136.04	204.06	1,700.49	48	35.43	0.74	1700
Brook Street	Rivermead House & Bath Street	Flats	1,447.72	1,476.67	147.67	221.50	1,845.84	117	15.78	0.33	1846
Brook Street	Swallow House / South Street	Flats	158.31	161.48	16.15	24.22	201.85	9	22.43	0.47	202
Brook Street	Whitecross Street / Leaper Street	Flats	2,815.56	2,871.87	287.19	430.78	3,589.84	60	59.83	1.25	3590 1 to 35 and 2 to 36 St Annes Close / 1 to 23 and 25 to 47 Leaper Street
Brook Street	Windmill House	Flats	187.62	191.37	19.14	28.71	239.21	9	26.58	0.55	239
Brook Street	Parker Street / Elms Street	Flats	3,669.49	3,742.88	374.29	561.43	4,678.59	32	146.21	3.05	4679 Quarn Gardens / Parker Street / Elms Street
Chaddesden	Roosevelt Ave	,"Sheltered",	2,014.05	2,054.33	205.43	308.15	2,567.91	16	160.49	3.34	2568
Chaddesden	Shannon Square	Flats	689.02	702.80	70.28	105.42	878.50	24	36.60	0.76	878
Chaddesden	Ashworth Avenue Estate	Flats	9,315.86	9,502.18	950.22	1,425.33	11,877.72	52	228.42	4.76	11878
Chaddesden	Albert Road Estate	Flats	3,571.39	3,642.81	364.28	546.42	4,553.52	154	199.14	4.15	30668 See Below
Chaddesden	Albert Road Estate	Flats	3,571.39	3,642.81	364.28	546.42	4,553.52		199.14	4.15	0 See Below
Chaddesden	Albert Road Estate	Flats	10,847.85	11,064.80	1,106.48	1,659.72	13,831.01		199.14	4.15	0 Cut and Fly then Cut and Collect (perimeter)
Chaddesden	Albert Road Estate	Flats	6,062.88	6,184.14	618.41	927.62	7,730.18		199.14	4.15	0 Cut and Fly then Cut and Collect (perimeter)
Chaddesden	Oakleigh Avenue Estate	Sheltered	6,469.64	6,599.04	659.90	989.86	8,248.79	34	242.61	5.05	8249
Chaddesden	Trenton Green	Sheltered	1,329.96	1,356.56	135.66	203.48	1,695.69	8	211.96	4.42	1696
Chaddesden	Albemarle Road	Sheltered	443.13	452.00	45.20	67.80	564.99	3	188.33	3.92	565
Chaddesden	Appleton Close / Rainier Drive / Church	Sheltered	7,466.40	7,615.73	761.57	1,142.36	9,519.66	38	250.52	5.22	9520
Chellaston	Saddleworth Walk	Open Areas (1 to 39)	1,391.91	1,419.75	141.98	212.96	1,774.69	44	40.33	0.84	1775
Chellaston	Maple Drive	Flats	1,602.24	1,634.28	163.43	245.14	2,042.85	32	63.84	1.33	2043
Chellaston	20 to 34 Queensferry Gardens	Flats	369.75	377.15	37.71	56.57	471.43	8	58.93	1.23	471
Chellaston	38 to 52 High Street and 47 to 53 St Peter's	Flats	1,202.88	1,226.93	122.69	184.04	1,533.67	12	127.81	2.66	1534
Chellaston	326 to 356 Sinfen Avenue	Flats	659.54	672.73	67.27	100.91	840.91	16	52.56	1.09	841
Chellaston	Church Close / Barley Croft	Flats	2,044.20	2,085.09	208.51	312.76	2,606.36	30	86.88	1.81	2606
Chellaston	5 - 19, 21 - 35 and 63 - 79 Merrill Road & 2 - 24, 5 - 21, 64 - 86 and 67 - 77 Morningside Cl		2,594.24					76			
				2,646.13	264.61	396.92	3,307.66		43.52	0.91	3308
Chellaston	Shirland Court / Shipley Walk	Sheltered	2,015.57	2,055.88	205.59	308.38	2,569.85	44	58.41	1.22	2570
Chellaston	Shelton Lock Acorn Close	Sheltered	1,884.32	1,922.01	192.20	288.30	2,402.51	34	70.66	1.47	2403
Chellaston	Sheldon Court	Sheltered	2,996.94	3,056.88	305.69	458.53	3,821.10	44	86.84	1.81	3821
Chellaston	Woodlands Lane	Sheltered	1,920.60	1,959.02	195.90	293.85	2,448.77	46	53.23	1.11	2449 Filbert Walk
Chellaston	Meadow Way Bungalows	Sheltered	1,841.15	1,877.98	187.80	281.70	2,347.47	10	234.75	4.89	2347
Cowsley	Lothian Place	Flats	406.10	414.22	41.42	62.13	517.77	12	43.15	0.90	518
Cowsley	Huntingdon Green Flats	Flats	5,357.50	5,464.65	546.46	819.70	6,830.81	66	103.50	2.16	6831 Parkview / Derwent / Willow / Pennine / Wilcock Houses
Cowsley	St Marks Road	Flats	3,402.43	3,470.47	347.05	520.57	4,338.09	101	120.53	2.51	12173 Racecourse Flats - Berwick Avenue
Cowsley	St Marks Road	Flats	3,798.51	3,874.48	387.45	581.17	4,843.11		120.53	2.51	0 Racecourse Flats - Shetland Close
Cowsley	St Marks Road	Flats	2,346.70	2,393.63	239.36	359.05	2,992.04		120.53	2.51	0 Racecourse Flats - Moray Walk
Cowsley	Hillcrest Road Housing Chaddesden	Sheltered	5,278.80	5,384.38	538.44	807.66	6,730.47	97	161.57	3.37	15672
Cowsley	Hillcrest Road Housing Chaddesden	Sheltered	7,012.86	7,153.11	715.31	1,072.97	8,941.39		161.57	3.37	0
Cowsley	Stirling Close	Sheltered	2,750.41	2,805.42	280.54	420.81	3,506.78	11	318.80	6.64	3507 Stirling Close / Kinross Ave

Area	Name	Type	Total Contractor cost 2009/10	Estimated Contractor Cost Flats & Sheltered 2010/11	Bad Debt & Void Provision	Management & Admin charge	Total Estimated Annual Cost 2010/11	No. of homes	Annual Cost per Home 2010/11	Weekly Cost per Home	Proposed new name for reference
				2%	10%	15%					
Cowsley	Devon Close	Sheltered	1,804.33	1,840.42	184.04	276.06	2,300.52	13	176.96	3.69	2301
Littleover	Hartshorne Drive (in front of 59 to 71 ar	"Sheltered",	1,146.85	1,169.78	116.98	175.47	1,462.23	7	208.89	4.35	1462
Littleover	Southcroft Stenson Road	Flats	3,590.37	3,662.18	366.22	549.33	4,577.72	20	228.89	4.77	4578
Littleover	Greenacres	Sheltered	582.21	593.85	59.39	89.08	742.31	12	61.86	1.29	742
Littleover	Donington Close	Sheltered	2,517.16	2,567.50	256.75	385.13	3,209.38	58	55.33	1.15	3209
Littleover	Norbury Crescent	Sheltered	1,745.12	1,780.02	178.00	267.00	2,225.02	53	81.7	1.70	4333
Littleover	Rodsley crescent	Sheltered	897.73	915.69	91.57	137.35	1,144.61		81.7	1.70	0
Littleover	2 to 8 Boylestone Road	Sheltered	276.78	282.32	28.23	42.35	352.90		81.7	1.70	0
Littleover	110 to 130 Oaklands Ave	Sheltered	385.46	393.17	39.32	58.97	491.46		81.7	1.70	0
Littleover	Bowbridge (14 to 24)	Sheltered	93.00	94.86	9.49	14.23	118.57		81.7	1.70	0
Littleover	Rodsley crescent	Sheltered	413.78	422.05	42.21	63.31	527.57	4	131.89	2.75	528 11,15,17 and 19 Rodsley Crescent
Mackworth	Cobden Street	Flats	8,343.75	8,510.63	851.06	1,276.59	10,638.28	104	102.29	2.13	10638
Mackworth	Downing House	Flats	733.92	748.60	74.86	112.29	935.75	6	155.96	3.25	936
Mackworth	Finchley Avenue	Flats	1,101.90	1,123.94	112.39	168.59	1,404.92	12	117.08	2.44	1405
Mackworth	Aldwych	Flats	4,406.04	4,494.16	449.42	674.12	5,617.70	24	234.07	4.88	5618
Mackworth	Knightsbridge Flats (8 blocks)	Flats	10,622.80	10,835.25	1,083.53	1,625.29	13,544.07	42	322.48	6.72	13544
Mackworth	Pimlico Gardens	Flats	2,274.99	2,320.49	232.05	348.07	2,900.62	12	241.72	5.04	2901
Mackworth	Drayton Avenue	Flats	175.97	179.49	17.95	26.92	224.37	14	16.03	0.33	224
Mackworth	Cheviot Street / Hawke Street	Sheltered	1,896.31	1,934.24	193.42	290.14	2,417.80	9	268.64	5.60	2418
Mackworth	43/45 Lyttelton Street	Sheltered	381.54	389.17	38.92	58.38	486.46	2	243.23	5.07	486
Mackworth	Birdcage Walk	Sheltered	1,204.98	1,229.08	122.91	184.36	1,536.35	8	192.04	4.00	1536
Mackworth	Acton Road / Henley Green Bungalows	Sheltered	1,134.34	1,157.03	115.70	173.55	1,446.29	6	241.05	5.02	1446
Mackworth	Enfield Road	Sheltered	3,243.55	3,308.42	330.84	496.26	4,135.53	16	258.47	5.38	4136
Mackworth	Streatham Road Common Room	Sheltered	466.42	475.75	47.57	71.36	594.69	44	13.52	0.28	595 Streatham Road Sheltered Scheme(1)
Mackworth	Wembley Gardens	Sheltered	1,575.57	1,607.08	160.71	241.06	2,008.85	21	95.66	1.99	2009
Mackworth	Streatham Road / Chancery / Hampstead	Sheltered	7,838.91	7,995.68	799.57	1,199.35	9,994.60	47	212.65	4.43	9995 Streatham Road Sheltered Scheme(2)
Mackworth	Mornington Crescent Bungalows	Sheltered	1,344.67	1,371.57	137.16	205.74	1,714.46	6	285.74	5.95	1714
Mackworth	Harringay Gardens	Sheltered	1,885.98	1,923.70	192.37	288.55	2,404.62	13	184.97	3.85	2405
New Sinfon	31 to 37 Osprey Close	Flats	338.59	345.36	34.54	51.80	431.70	4	107.93	2.25	432
New Sinfon	1 to 23 and 2 to 16 Katrine Walk	Flats	622.18	634.63	63.46	95.19	793.28	20	39.66	0.83	793
New Sinfon	17 to 27, 43 to 49, 64 to 74 and 46 to 58 Flats		1,350.14	1,377.14	137.71	206.57	1,721.42	22	78.25	1.63	1721
New Sinfon	7 to 15 and 17 to 31 Dunoon Close	Flats	741.06	755.89	75.59	113.38	944.86	12	78.74	1.64	945
New Sinfon	43 to 49 Glengarry Way and 48 to 58 Mc Flats		245.72	250.63	25.06	37.60	313.29	10	31.33	0.65	313
New Sinfon	20 to 26 and 40 to 46 Athol Close	Flats	298.52	304.49	30.45	45.67	380.61	6	63.43	1.32	381
New Sinfon	Islay Road / Athol Close	Flats	675.84	689.36	68.94	103.40	861.70	10	86.17	1.80	862 21 to 31 and 55 to 61 Athol Close
New Sinfon	Islay Road / Athol Close	Flats	125.64	128.15	12.82	19.22	160.19	4	40.05	0.83	160 75 to 81 Islay Road
New Sinfon	Montrose Close / Islay Road	Flats	323.01	329.47	32.95	49.42	411.84	6	150.11	3.13	901 18 to 20 and 26 to 32 Montrose Close
New Sinfon	Montrose Close / Islay Road	Flats	383.37	391.04	39.10	58.66	488.80		150.11	3.13	0 40 to 42 and 62 to 68 Islay Road
New Sinfon	Rothsay Close	Flats	219.80	224.20	22.42	33.63	280.25	5	56.05	1.17	280 37 to 45 Rothsay Close
New Sinfon	Rothsay Close / Sinclair Close	Flats	729.81	744.41	74.44	111.66	930.51	17	54.74	1.14	931 28 to 34, 37 to 55 and 61 to 65 Sinclair Close
New Sinfon	Glengarry Way	Sheltered	2,667.77	2,721.12	272.11	408.17	3,401.40	32	106.29	2.21	3401
New Sinfon	Inverary Close	Sheltered	1,542.61	1,573.46	157.35	236.02	1,966.82	29	67.82	1.41	1967
New Sinfon	Kestrel House	Sheltered	934.82	953.52	95.35	143.03	1,191.90	24	49.66	1.03	1192
New Sinfon	Sinfon Moor Bird Estate	Sheltered	1,633.69	1,666.37	166.64	249.96	2,082.96	26	80.11	1.67	2083 Lapwing Close
Osmaston	Marlborough Road Flats	Flats	152.57	155.62	15.56	23.34	194.52	2	97.26	2.03	195 29 Campbell and 220 Marlborough Road#
Osmaston	Whitney Close / Abingdon Street	Flats	1,841.07	1,877.89	187.79	281.68	2,347.36	26	90.28	1.88	2347
Spondon	Potter Street Housing	Flats	726.63	741.16	74.12	111.17	926.45	14	66.17	1.38	926
Spondon	Arnhem Terrace	Flats	984.18	1,003.87	100.39	150.58	1,254.83	14	89.63	1.87	1255
Spondon	Church Street Housing	Flats	3,737.94	3,812.70	381.27	571.91	4,765.88	32	148.93	3.10	4766
Spondon	Spondon Area Housing	Flats	0.00	0.00	0.00	0.00	0.00	0			0 Derbyshire Blocks OMIT (4417.2)
Spondon	Beresford Drive / 22-36 Ladybower Road	Sheltered	4,678.72	4,772.29	477.23	715.84	5,965.37	22	271.15	5.65	5965
Spondon	Asterdale View	Sheltered	415.57	423.88	42.39	63.58	529.85	12	44.15	0.92	530
Spondon	Dovedale Road (2,16,5-15)	Sheltered	1,318.06	1,344.42	134.44	201.66	1,680.52	7	240.07	5.00	1681
Spondon	Spondon Area Housing	Sheltered	3,885.08	3,962.78	396.28	594.42	4,953.48	25	198.14	4.13	4953 Craddock Avenue Bungalows
Stockbrook St	Bateman St phases1,2&3	Flats	7,096.36	7,238.29	723.83	1,085.74	9,047.86	137	66.04	1.38	9048 Oriol Ct / Bloomfield Cl / Osmaston Rd 133-219
Stockbrook St	Boyer Street	Flats	1,622.91	1,655.36	165.54	248.30	2,069.20	32	64.66	1.35	2069

Area	Name	Type	Total Contractor cost 2009/10	Estimated Contractor Cost Flats & Sheltered 2010/11	Bad Debt & Void Provision	Management & Admin charge	Total Estimated Annual Cost 2010/11	No. of homes	Annual Cost per Home 2010/11	Weekly Cost per Home	Proposed new name for reference
				2%	10%	15%					
Stockbrook St	Leonard Street	Flats	4,558.53	4,649.70	464.97	697.46	5,812.13	67	86.75	1.81	5812 Leonard Walk / Alder Walk / Leonard Close (Omit Grove House)
Stockbrook St	Oakvale House	Flats	2,584.74	2,636.43	263.64	395.46	3,295.54	23	143.28	2.99	3296
Stockbrook St	Parliament Street Housing	Flats	2,749.25	2,804.23	280.42	420.63	3,505.29	68	76.56	1.60	5206 Parliament Street / Churchside Walk
Stockbrook St	Parliament Street Housing	Flats	1,334.09	1,360.77	136.08	204.12	1,700.97		76.56	1.60	0 Edensor Square / Churchside Walk
Stockbrook St	Abbey Street South	Flats	2,548.07	2,599.03	259.90	389.85	3,248.78	32	101.52	2.12	3249 157 to 175 Abbey Street and Abbots Barn Close
Stockbrook St	Abbey Street South	Flats	2,158.62	2,201.80	220.18	330.27	2,752.24	28	98.29	2.05	2752 84 to 158 Gerard Street / Grey Street / Webster Street
Stockbrook St	Albany Road Area	Flats	4,090.03	4,171.83	417.18	625.77	5,214.78	56	97.19	2.02	5442 California Gardens
Stockbrook St	Albany Road Area	Flats	178.57	182.14	18.21	27.32	227.68		97.19	2.02	0 California Gardens added MFP
Stockbrook St	Freehold Street	Flats	3,618.49	3,690.86	369.09	553.63	4,613.57	36	128.15	2.67	4614 Freehold Street / Melandra Court
Stockbrook St	Moss Street	Flats	395.97	403.89	40.39	60.58	504.86	6	84.14	1.75	505
Stockbrook St	Roe Walk North	Flats	4,012.14	4,092.39	409.24	613.86	5,115.48	36	142.10	2.96	5115 Richmond Road / Peterhouse Terrace / Cambridge Street
Stockbrook St	Roe Walk South	Flats	4,297.74	4,383.70	438.37	657.55	5,479.62	36	152.21	3.17	5480 Yates Street / Roe Walk
Stockbrook St	Woods Lane / Abbey Street	Flats	2,715.03	2,769.33	276.93	415.40	3,461.67	48	72.12	1.50	3462 Arbor Close / Woods Lane / Stockbrook Street / Abbey Street
Stockbrook St	Castle House	Flats	827.69	844.24	84.42	126.64	1,055.30	24	43.97	0.92	1055
Stockbrook St	Abbey Street North	Flats	415.36	423.67	42.37	63.55	529.59	40	13.24	0.28	530 Gerrard Street / Crompton Street
Stockbrook St	Exeter House	Flats	599.48	611.47	61.15	91.72	764.34	45	16.99	0.35	764
Stockbrook St	Hill View House / Wilson Street	Flats	56.55	57.68	5.77	8.65	72.10	15	4.81	0.10	72
Stockbrook St	Little City	Flats	2,948.40	3,007.37	300.74	451.10	3,759.21	60	62.65	1.31	3759 Burton Road / Eldon Sterndale and Swinscoe Houses
Stockbrook St	Green Hill flats	Flats	99.23	101.21	10.12	15.18	126.52	5	25.30	0.53	127
Stockbrook St	Morleston Street	Flats	3,206.26	3,270.39	327.04	490.56	4,087.98	73	56.00	1.17	4088 Rauche Court and Lambe Court
Stockbrook St	Parliament Street Housing	Flats	2,091.57	2,133.40	213.34	320.01	2,666.75	21	126.99	2.65	2667 Summerbrook Court / Stockbrook Street
Stockbrook St	Rykneld Housing	Flats	10,181.64	10,385.27	1,038.53	1,557.79	12,981.59	119	109.09	2.27	12982 St Clares, St Davids and St Swithins (Rykneld)
Stockbrook St	Northumberland Street	Flats	2,989.69	3,049.48	304.95	457.42	3,811.85	30	127.06	2.65	3812
Stockbrook St	Eley Street Housing	Sheltered	3,196.57	3,260.50	326.05	489.07	4,075.62	68	59.94	1.25	4076
Stockbrook St	Freehold Street	Sheltered	2,963.98	3,023.26	302.33	453.49	3,779.08	42	168.83	3.52	7091 Parliament Close/ Ramshaw Way
Stockbrook St	Freehold Street	Sheltered	2,597.52	2,649.48	264.95	397.42	3,311.84		168.83	3.52	0 Freehold Street / Churchside Walk /
Stockbrook St	Shaftesbury Street	Sheltered	5,133.38	5,236.05	523.60	785.41	6,545.06	66	99.17	2.07	6545 Douglas Street / Alexandra Gardens / Tintagel Close / Arthur Court
Sussex Circus	Birchover Rise	Flats	1,162.51	1,185.76	118.58	177.86	1,482.20	24	61.76	1.29	1482
Sussex Circus	Field Lane Chaddesden	Flats	590.27	602.08	60.21	90.31	752.60	8	94.07	1.96	753
Sussex Circus	Field Lane	Flats	439.63	448.43	44.84	67.26	560.53	12	46.71	0.97	561 Leesbrook House
Sussex Circus	Shirley Road / Youlgreave Close	Flats	739.01	753.79	75.38	113.07	942.23	18	52.35	1.09	942
Sussex Circus	Selkirk/ Lanark/ Cardigan St	Sheltered	2,584.73	2,636.42	263.64	395.46	3,295.53	12	274.63	5.72	3296
Sussex Circus	Berkshire Street OAP Bungalows	Sheltered	501.65	511.69	51.17	76.75	639.61	2	209.51	4.36	419
Sussex Circus	Denbigh Street OAP Bungalows	Sheltered	3,606.38	3,678.50	367.85	551.78	4,598.13	23	209.51	4.36	4819
Sussex Circus	Stratford Road / Coniston Cres / Morpet	Sheltered	4,638.87	4,731.65	473.17	709.75	5,914.56	35	168.99	3.52	5915
Sussex Circus	Coniston Crescent	Sheltered	999.45	1,019.43	101.94	152.92	1,274.29	35	36.41	0.76	1274
Sussex Circus	Max Road OAP Bungalows	Sheltered	6,700.38	6,834.39	683.44	1,025.16	8,542.98	31	275.58	5.74	8543
Sussex Circus	Roxburgh Ave/ Renfrew St OAP Bungalows	Sheltered	2,127.53	2,170.08	217.01	325.51	2,712.60	17	159.56	3.32	2713
Sussex Circus	Winchester Cres / Ringwood Close	Sheltered	1,454.41	1,483.50	148.35	222.52	1,854.37	32	57.95	1.21	1854
Sussex Circus	Buckingham Avenue Housing	Sheltered	2,529.93	2,580.53	258.05	387.08	3,225.67	19	169.77	3.54	3226
Sussex Circus	Hollington Close	Sheltered	1,013.27	1,033.54	103.35	155.03	1,291.92	4	322.98	6.73	1292
Sussex Circus	Breadsall Hilltop & Priory Estates	Sheltered	2,104.21	2,146.29	214.63	321.94	2,682.87	12	223.57	4.66	2683 Alison Close
Sussex Circus	Wood Road Chad	Sheltered	2,224.29	2,268.78	226.88	340.32	2,835.97	20	141.80	2.95	2836
			468,726.63	478,101.17	47,810.12	71,715.17	597,626	5,589			597626
											597626
											0.84 rent reduction per week

Summary of Alarm Service Charges :

	Number of properties	Weekly basic costs 2009/10	RPIX Assumed 01.04.10	Forecast Weekly basic costs 2010/11	Bad Debt Provision	Management and Admin charge	Proposed Service Charges 2010/11	Forecast Income 2010/11
					10%	15%		
Smoke alarms - Multiple Alarms	8,066	0.85		0.85	0.08	0.13	1.06	409,773
Smoke alarms - Single Alarms	4,819	0.56		0.56	0.06	0.08	0.70	161,717
Total Income	12,885					48 weeks	0.87	571,489
	13656					52 weeks	0.80	571,489

Summary of Domestic Energy/Water on Cat2 Sheltered Schemes											Appendix 3	
	Total No. Of units	No. of Units by property type		Actual Weekly Charge 2009/10	Forecast Income 2009/10	Proposed Weekly Utility Charge	Proposed Income 2010/11	Proposed Weekly Increase 2010/11	Weekly charge % increase from 2009/10	DCC Propose d	%	Proposed Income 2010/11
Kestrel House		24	1 bed flat	£14.63	#####	£17.23	£19,849.18	£2.60	17.8%	£16.09	10%	#####
Rebecca House	26	19	Bedsit	£9.99	£9,110.88	£11.49	£10,482.25	£1.50	15.1%	£10.99	10%	#####
		5	1 bed flat	£12.49	£2,997.60	£14.17	£3,401.62	£1.68	13.5%	£13.74	10%	£3,297.36
		1	2 bed flat	£14.95	£717.60	£19.16	£919.50	£4.21	28.1%	£16.45	10%	£789.36
		1	3 bed HSD Water Only	£4.60	£220.80	£4.63	£222.21	£0.03	0.6%	£4.63	1%	£222.21
Whitecross House	26	7	Bedsit	£11.71	£3,934.56	£13.45	£4,518.38	£1.74	14.8%	£12.88	10%	£4,328.02
		15	1 bed flat	£14.63	#####	£18.89	£13,604.29	£4.26	29.2%	£16.09	10%	#####
		3	2 bed flat	£17.49	£2,518.56	£28.34	£4,081.29	£10.85	62.0%	£19.24	10%	£2,770.42
		1	3 bed HSD	£19.39	£930.72	£40.57	£1,947.18	£21.18	109.2%	£21.33	10%	£1,023.79
Total Income					#####	£59,025.90				#####		

Average rent

	2009/10 £/week (52)	2010/11 £/week (52)	change £/week (52)	change %	Comments
Actual average rent	59.28				actual rent now is 0.75% less (44p)
Formula rent	66.95	66.35	-0.60	-0.9	Fall in Formula RPI -1.4% + 0.5%
shortfall	7.67				
shortfall %	11.5				
Limit rent (old policy)		62.53	3.25	5.5	
Rent cap		60.75	1.47	2.5	rent cap for average rent @ 2.5%
shortfall		5.60			
shortfall %		8.4			

Illustrations:

Example 1

Average rent - no grounds maintenance charge, one alarm

Basis - notional unpooling in 2009/10, **all tenants get reduction**

Rent	59.28			
less				
service charge unpooling	<u>-1.64</u>			
	57.64	60.13		
add smoke alarm (1)		<u>0.70</u>		
		60.83	1.55	2.6 CAPPED at 60.75
add multiple alarms		<u>1.06</u>		
		61.19	1.91	3.2 CAPPED at 60.75
add grounds charge		varies		still capped at 60.75

Example 2

Average rent - no grounds maintenance charge, one alarm

Basis - unpooling in 2010/11, **all tenants get reduction**

Rent	59.28	61.22	1.94	3.3 straight increase
unpooling		<u>-1.64</u>		
		59.58		
add smoke alarm (1)		<u>0.70</u>		
		60.28	1.00	1.7 47p short of cap
add multiple alarms		<u>1.06</u>		
		60.64	1.36	2.3 11p short of cap
add grounds charge		varies		

Notional rents are lower - larger increases to come later, less compensation from government but rent below the cap where no grounds charge.

Longer term - rents plus service charges will be higher by amount of service charge and increase funds