



Department for
Communities and
Local Government

Calculating Allowances for Tenant Management Organisations

Part 4

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Introduction

This guidance is given by the Secretary of State under regulation 18 of the Housing (Right to Manage) Regulations 2012 (SI No. 1821) which provides that any person exercising functions under those Regulations shall act in accordance with any guidance given by the Secretary of State.

This guidance sets out the way that allowances must be calculated for Tenant Management Organisations that are exercising the Right to Manage.

Self financing for Tenant Management Organisations

The only exception to this is where the council and the Tenant Management Organisation have agreed that the Tenant Management Organisation will be self financing. In this case the Tenant Management Organisation and the council will negotiate and agree an arrangement that reflects the council's own model of self financing i.e. the Tenant Management Organisation will retain the rental and service charge income and will also finance its proportion of the council's capital debt. The Tenant Management Organisation will need to make provision to purchase or pay for services provided by the council.

Section A

Methodology

1. Calculation of allowances

The calculation of allowances must be based on the council's own level of expenditure on providing the services to the Tenant Management Organisation properties that the Tenant Management Organisation will provide.

Where a periodic review of allowances is being carried out for an operational Tenant Management Organisation, the same methodology shall be used, but the cost base must be established from properties remaining within the council's management. See item 3 – Periodic Reviews.

The checklist at Annex A shall be used and if necessary adapted to reflect local circumstances and arrangements. The accompanying notes 1 to 7 will assist the calculation of allowances. The checklist sets out the potential functions that a Tenant Management Organisation can carry out under the terms of the management agreement. The council should insert the appropriate level of allowance based on the relevant number of dwellings for each of those functions and supply the relevant background information and calculations to indicate how these figures have been arrived at. The allowance must be calculated in accordance with the guidance unless both the Tenant Management Organisation and the council agree an alternative arrangement.

The Tenant Management Organisation allowances should be based on the council's:

- actual* expenditure in the case of the supervision and management and the running costs (*see notes 1, 5 and 6*)
- historic expenditure in the case of responsive repairs and planned maintenance (*see note 2*)

*actual expenditure shall be calculated with reference to the latest available audited accounts uplifted by inflation to bring them up to current day levels or the current annual budgets. In the case of supervision of a major works contract (Chapter 2, option 6B), the allowance should be based on the council's costs (internal or external) in managing a similar major works contract.

The exceptions to this are:

- a) exceptional repairs (examples listed below) where the council and Tenant Management Organisation need to negotiate an appropriate figure (see note 2a);
 - i) *Repairs to the structure of the dwelling or block of dwellings where the cost of rectifying a single defect exceeds an agreed amount.*
 - ii) *Repairs to void dwellings where the cost exceeds an agreed amount*
Where the council retains responsibility for these functions, the full cost of the repair should be met by the council

iii) *One-off replacement of items such as: Central heating boilers, Removal of asbestos, Gas fires, Lifts, CCTV equipment, Communal refuse bins, Repairs to disabled adaptations, One-off re-wiring of whole or part of dwelling or communal areas. This list is not exhaustive. There may be other exceptional repairs which relate to the Tenant Management Organisation area which are not reflected in the historic costs.*

b) major works including programmed repairs, lifecycle replacements and improvements which are likely to be carried out as a major works contract, where the council and Tenant Management Organisation need to negotiate an appropriate figure. This will be based on projected costs which are reflected in the council's business plan (see *note 3 and 4*);

c) committee administration, training and tenant communication (i.e. **not** office running costs such as rent, business rates, utilities or management costs), where there will be a flat rate payment of £5,000 plus £10 per dwelling (including long leases served by the Tenant Management Organisation). This amount should be increased annually in line with increases applied to the remainder of the allowances.

Voids and bad debt percentage amount

If the Tenant Management Organisation proposes to manage void properties and collect rent from tenants (Chapter 3, Option 10C of the management agreement), the council will calculate the voids percentage amount on the basis of its own provision within its accounts for loss of rental income from void properties or its actual losses in the most recent financial year. The council will also calculate the bad debt percentage on the basis of its own provision within its accounts for writing off bad debts on rents due or its actual write offs on rent due in the most recent financial year.

If the Tenant Management Organisation proposes to manage void properties and but not to collect rents and has chosen Chapter 3 clause 10B of the management agreement, the council will calculate the Void Losses budget using the same method as set out in the paragraph above.

2. Adjusting allowances annually

Allowances should be set, wherever possible, for a 3 to 5 year period but adjusted annually by increasing or decreasing the overall allowances by the same proportion as the council's own overall Housing Revenue Account expenditure (excluding any new build costs).. This should reflect inflation, increases and changes in costs, and increases in income from rents and service charges. The council and the Tenant Management Organisation may agree to use a different mutually agreed index such as inflation or annual uplifts to provider or Arms Length Management Organisation fees or allowances.

The Tenant Management Organisation's allowances should then be reduced or increased pro rata by any Right to Buy sales, voluntary disposals and demolitions or acquisitions affecting the dwellings under Tenant Management Organisation management.

If the Tenant Management Organisation takes over additional functions during the financial year the allowances should be adjusted accordingly by reference to the council's own costs for providing the service.

Giving the Tenant Management Organisation notice

The council must give the Tenant Management Organisation at least three months notice of any change in the amount of the allowance for the following financial year and agree a procedure and timetable for implementing any change. The timetable should allow a sufficient period for negotiation with the Tenant Management Organisation on the proposed change and for agreement to be reached on how it will be implemented.

3. Periodic review of allowances

It will be open to either a council or Tenant Management Organisation to seek a review of allowances where either the council's costs have reduced or increased significantly for a similar mix of dwellings or a Tenant Management Organisation's costs have increased significantly. However Tenant Management Organisations should note that in seeking a review the calculation will be based on the council's costs as described below. A periodic review should not take place more frequently than once every three years unless both parties agree otherwise.

In carrying out a periodic review, the same methodology is to be used as set out in item 1, but necessarily the cost base must be established from properties remaining within the council's management or that of its Arms Length Management Organisation. A comparator area should be identified and agreed with the Tenant Management Organisation. This may be a similar block or estate, or an area or a borough wide comparator area.

4. Variations in the allowances

Where there is a variation in the allowances of 5% or more as a result of an annual or periodic review, this should be phased in over three years or a shorter period where the Tenant Management Organisation and council can agree.

5. Leaseholder Allowance

The initial allowances for the Tenant Management organisation will include an amount for services to be provided to leaseholders based on the council's costs for providing services to leaseholders calculated in accordance with this guidance. All or part of the leaseholder allowance will form the basis of the estimate of leaseholders' service charges as determined by the lease agreement between the council and the leaseholder.

The leaseholder allowance will vary from year to year according to the Tenant Management Organisation's annual estimate of expenditure on leasehold properties and it will be adjusted annually for the Tenant Management Organisation's actual expenditure for the previous financial year. This is unlikely to be available before quarter 3 or 4 of the financial year when the adjustment should be made.

After the initial year of operation, allowances will be calculated as follows:

a) For Tenant Management Organisations that have opted to collect service charges and pay over to the council; and for Tenant Management Organisations that do not collect service charges but provide services to Leaseholders.

The council will pay the Tenant Management Organisation an allowance based on the Tenant Management Organisation's estimated annual budget for the forthcoming financial year. This will be paid in instalments with the Tenant Management Organisations allowances in accordance with Chapter 5 clause 2 of the Management Agreement. This amount will be adjusted annually to reflect the Tenant Management Organisation's actual expenditure on services to leaseholders in the previous financial year as set out in the Tenant Management Organisations' audited accounts.

b) For Tenant Management Organisations collecting and retaining service charges.

The council shall advance the Tenant Management Organisation such amount as is deemed necessary for the Tenant Management Organisation to provide such services to leaseholders as required by the Management Agreement, until such time as it collects the service charges due from leaseholders in accordance with local leases. This advance should be repaid to the council by the Tenant Management Organisation when it is financially able to do so – in instalments, if necessary – and by local agreement.

6. Where an Arms Length Management Organisation provides the service

Where an Arms Length Management Organisation is providing the service, the allowances should be calculated in the same way as if the council is providing the service but necessarily the Arms Length Management Organisation's staffing costs and any relevant contract costs will need to form the basis of the calculation. Relevant managed budgets (such as council repair or service contracts) will also need to be included in the calculation.

7. Providing information

a) Exploring the Options 2

The council should provide the tenants' group with an estimate of indicative allowances to enable them to decide if it is financially viable to pursue setting up a Tenant Management Organisation. The number of properties and specifically the number of leasehold properties in the property will have an effect on the viability of a Tenant Management Organisation. The developing Tenant Management Organisation tenants' group will need to make an informed decision on whether to proceed with serving the Right to Manage notice.

b) Feasibility Development Stage

The council should supply the developing Tenant Management Organisation and its professional advisors with detailed financial information early in this stage to enable them to make an informed choice on the options in the Modular Management Agreement during the negotiation with the council. The council should use the worksheets provided in this guide adapted if necessary to reflect local circumstances. The council should provide all of

the relevant background information and data to support the figures included in the worksheets. Negotiations should be carried in an open and transparent manner.

Worksheets

The checklist at Annex A is an aid to calculating the allowances and should be adapted to suit local circumstances. The checklists for each chapter enable all parties to identify the budget costs of each of the functions. The staffing checklist will enable the Tenant Management Organisation to look at how the management and administrative functions relate to the staffing levels.

The guiding principle is that, if a Tenant Management Organisation is to carry out a particular function, then an allowance should be identified for that function.

If the Council proposes to use a method of calculation that does not conform to this guidance for any elements of the allowance (e.g. the council agrees to pay the Tenant Management Organisation's actual office and insurance costs), this is acceptable provided the Tenant Management Organisation agrees and such agreement is documented.

Notes

1. Insurance

Where the Tenant Management Organisation takes on responsibility for insurance, then the allowance should be based their share of the council's insurance costs for all of the relevant headings which are relevant to the Tenant Management Organisation. This is likely to include public liability, employer's liability, and contents insurance as a minimum. This should be calculated on the basis of the proportion of the relevant number of dwellings managed by the Tenant Management Organisation.

2. Responsive repairs and maintenance and works to void properties

The allowances for responsive repairs and planned maintenance are based on historical council expenditure for the relevant dwellings. This is calculated by taking the annual expenditure for the previous five years, uplifting the annual amounts to current day levels (by applying relevant inflation). The highest and lowest annual figures should then be removed and an average taken of the remaining three years to arrive at the allowance.

2a Exceptional repairs/high cost voids

With large Tenant Management Organisations the allowance for exceptional repairs/high cost voids may be calculated using historical figures. This will be less satisfactory for smaller Tenant Management Organisations under 300 properties where exceptional repairs/high cost voids can have a more significant impact on the Tenant Management Organisations budget. In addition, there may be exceptional repair issues for all Tenant Management Organisations that have arisen that will not have been taken into account in the expenditure for previous years. In this situation an annual estimate of those repair costs should be calculated and included in the allowances.

Most councils should have computer-based repairs systems that record historic repair costs and job details for each dwelling and for communal areas. This should make the calculation of allowances relatively straightforward. In the exceptional circumstances where this is not the case, then paper records should still be kept and these should be used.

3. Cyclical maintenance and programmed servicing

Allowances for programmed cyclical repairs or servicing should be calculated by determining the programme cycle (e.g. external redecoration every 5 years, gas appliance inspection and servicing annually, water testing annually, play equipment inspection annually) and estimating the cost of carrying out the work for the relevant dwellings. The annual allowance should then be the cost divided by the number of years in the cycle.

4. Major works

Allowances for programmed major works, lifecycle replacements and improvements (e.g. window replacement and installation of central heating) should be based on an estimate of the cost of the work as reflected in the council's business plan and/or the capital programme. The Tenant Management Organisation and the council may agree that the annual allowance should be calculated by the total cost divided by the programme period agreed between the Tenant Management Organisation and the council. Alternatively the allowance may be paid in the year that the works become due.

In the case of supervision of a major works contract (Chapter 2, option 6B), the allowance should be based on the council's costs (in-house or external) in managing a similar major works contract.

5. Estate Services

Most estate services will be provided on a contract basis with a clearly defined schedule of programmed works. The allowance should be calculated using the cost of the programmed work plus the historic costs of additional one-off orders. If estate services are provided through direct labour (e.g. caretaking and cleaning), the allowance should be calculated by using the relevant staff salaries and on-costs (including employers national insurance, pension contributions, training and development and accommodation costs).

6. Management costs and overheads

Allowances for these services (managing responsive repairs, contracts and estate services, rents and leaseholder service charges, tenancy management) should be based on the actual cost of providing them to the relevant dwellings. The actual cost of each function should take the following into account either in allowances identified for each function or as a separate budget head i.e. office, staffing and overheads budgets:

a) Direct costs of providing the service:

- The cost of staff and/or contractors directly providing that service at the local level
- Where relevant, the running cost of the local housing office accommodation – heat, light, cleaning, security etc.
- The cost of stationery and other consumable materials used by the staff for the running of the service

b) Departmental overheads – either in-house or provided by contract:

- The cost of staff supporting that service – e.g. departmental rent accounting, service development, contract letting and management, customer service, quality assurance, technical staff, allocations staff

- The cost of departmental administration and finance staff
- The cost of departmental personnel staff
- The cost of middle and senior management

c) Departmental overheads – other costs:

- Recruitment costs
- Office running costs for the above
- Cost of stationery and other consumable material for the above
- Running costs of computer systems and computer support staff and/or contractors – repairs, housing management, financial and other systems

d) Other overheads – either in house or provided by contract:

- The cost of financial control, audit, accounting and payments service
- Cost of central personnel service
- Cost of legal service
- Cost of payroll service
- Cost of technical service
- Cost of central computer support services

The proportion of these costs that will form the allowances will be based on the relevant number of dwellings and the scope of the services taken on by the Tenant Management Organisation. The council's Chief Finance Officer should have systems in place for apportioning these costs.

Housing Management Contractors/Providers

Where all or part of a service is provided by a contractor, the annual allowance should be calculated by taking into account:

- the relevant elements of the contract cost for the provision of the management service for the relevant dwellings
- the cost of commissioning the contract
- the cost of managing and monitoring the contract
- plus other 'in-house' costs associated running the relevant services

7. Non housing services

The method of calculating allowances for non-housing services is a matter for negotiation between the council and the Tenant Management Organisation.

Section B

Start up costs for Tenant Management Organisations

The Right to Manage regulations require the local authority to provide support and assistance to developing Tenant Management Organisations. This chapter provides more information about what is involved.

In making a determination under regulation 12 of the Housing (Right to Manage) (England) Regulations 2012, a local housing authority shall have regard to the following guidance on resources and assistance to help the Tenant Management Organisation become operational.

Following a successful ballot, the Tenant Management Organisation will need resources and assistance from the council to become operational. This should cover three key elements - people, premises and information systems - all of which are essential for successful start-up:

People - the council should provide funding and support to enable the Tenant Management Organisation to recruit an office manager up to 4 months before it is due to go live, including:

- funding to enable the Tenant Management Organisation to advertise for the post, in line with the council's own recruitment arrangements;
- advice and assistance requested by the Tenant Management Organisation in recruiting and selecting staff,
- training or support to enable Tenant Management Organisation staff to operate the council's information/ computer systems.

Premises - the council should provide fully furnished and equipped premises for the Tenant Management Organisation, including:

- suitable local office premises to enable the Tenant Management Organisation to carry out its functions. Precise requirements will be dependent upon the Tenant Management Organisation's staffing requirements and should be agreed between the council and Tenant Management Organisation, but might typically comprise suitably sized committee room; general office/s to accommodate staff, equipment and files; an interview room; reception area; and kitchen area;
- suitable office equipment for the number of staff and working volunteers, including furniture, photocopier, telephones, and service supplies.
- essential tools and equipment for directly employed staff such as cleaners/handypersons.

In providing these, the council must comply with Equalities and Disability legislation.

Information systems - the Tenant Management Organisation will require finance, housing management and maintenance information systems, possibly as part of an integrated system. The council should ensure that computer and paper based information systems are available to the Tenant Management Organisation at the required time, so that:

- if the Tenant Management Organisation opts to have its own stand alone systems, the council should make available resources for the Tenant Management Organisation to purchase the hardware and appropriate software, and make arrangements to transfer information to these systems before the Tenant Management Organisation goes live. The Council should also provide access to relevant areas of the Council's intranet system;
- if the Tenant Management Organisation opts to use the council's systems, the council should provide an adequate number of connected terminals and ensure the Tenant Management Organisation has access to the relevant areas of the system before it goes live. The Council will still need to provide the Tenant Management Organisation with an Information Technology facility for tasks such as financial management/ accountancy;

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|--|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |
| Chapter 1: Insurance cover | | | | | | | |
| INSURANCE cover for: | | | | | | | |
| i) Damage to the structure of the property | | | | | | | |
| ii) Claims by third parties arising out of risks in or on the property | | | | | | | |
| iii) Claims by employees of the council working in or on the property | | | | | | | |
| iv) The loss through fire or theft of property belonging to the Council | | | | | | | |
| v) Other risks (specify) | | | | | | | |
| INSURANCE cover for: | | | | | | | |
| vi) Claims by third parties | | | | | | | |
| vii) Claims by the Tenant Management Organisation staff | | | | | | | |
| viii) The dishonesty of the Tenant Management Organisation 's staff or the Tenant Management Organisation's officers | | | | | | | |
| ix) The loss through fire or theft of Tenant Management Organisation property | | | | | | | |
| x) Other risks (specify) | | | | | | | |
| TOTAL TENANT MANAGEMENT ORGANISATION ALLOWANCE – CHAPTER 1 INSURANCE | £ | | | | | £ | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|--|---------------------------|------------------------|------------------|---|---|---|---|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |
| Chapter 2: Responsive repairs and maintenance of tenanted properties and routine re-let of empty properties | | | | | | | Insert any value limitation on Tenant Management Organisation responsibility works. The council will meet the full cost of repairs or works that are over this limit. |
| Chapter 2: Routine repairs | | | | | | | Note 2 |
| i) Routine repairs and maintenance to the interior and exterior of occupied dwellings (main building trades) | | | | | | | |
| ii) Routine repairs and maintenance to the interior and exterior of common parts of flats and maisonettes (main building trades) | | | | | | | |
| iii) Routine electrical repairs to occupied dwellings | | | | | | | |
| iv) Routine electrical repairs to communal areas | | | | | | | |
| v) Routine responsive repairs to gas appliances | | | | | | | |
| vi) Routine responsive repairs to lifts | | | | | | | |
| vii) Routine responsive repairs to controlled door entry systems | | | | | | | |
| viii) Routine responsive repairs to communal TV aerial systems | | | | | | | |
| ix) Routine responsive repairs to CCTV systems | | | | | | | |
| x) Routine responsive repairs to warden call system | | | | | | | |
| xi) Routine repairs and maintenance to the interior and exterior of void dwellings | | | | | | | |
| xii) Decoration allowance for void properties | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|--|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |

| | | | | | | | |
|---|--|--|--|--|--|--|--|
| xiii) Security Boarding of empty dwellings awaiting reletting | | | | | | | |
| xiv) Out of hours emergency repairs | | | | | | | |
| xv) Garage repairs - day to day | | | | | | | |
| Sub total | | | | | | | |

| Chapter 2: Other repairs | | | | | | | Note 2 & 3 |
|--|--|--|--|--|--|--|-----------------------|
| i) Routine repairs to district or group heating systems | | | | | | | |
| ii) Exceptional repairs to district or group heating systems | | | | | | | |
| iii) Programmed repairs and servicing to district or group heating systems | | | | | | | |
| iv) Pest control - Disinfection and Disinfestation | | | | | | | |
| Sub total | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|---------------------------------|--------------------|-----------------|-----------|--|--|--|---|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |

| One-off replacement of: specify | | | | | | | Note 2a |
|---|--|--|--|--|--|--|---------|
| i) central heating boilers | | | | | | | |
| ii) gas fires | | | | | | | |
| iii) Lifts | | | | | | | |
| iv) CCTV equipment | | | | | | | |
| v) communal refuse bins | | | | | | | |
| vi) Removal of asbestos | | | | | | | |
| vii) Repairs to disabled adaptations | | | | | | | |
| viii) one-off rewiring of part or whole of dwelling or communal areas | | | | | | | |
| ix) Other please specify | | | | | | | |
| Sub total | | | | | | | |

| Chapter 2: Programmed repairs | | | | | | | Note 3 |
|--|--|--|--|--|--|--|--------|
| i) Programmed external decoration | | | | | | | |
| ii) Programmed decoration of internal communal areas | | | | | | | |
| iii) Programmed associated works - prepaint works | | | | | | | |
| Programmed replacement of: | | | | | | | |
| iv) roofs | | | | | | | |
| v) windows | | | | | | | |
| vi) kitchen units | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|---|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |
| vii) bathrooms and WC fittings | | | | | | | |
| viii) gas fires | | | | | | | |
| ix) central heating boilers | | | | | | | |
| x) CCTV systems | | | | | | | |
| xi) other specify: | | | | | | | |
| xii) Programmed servicing and safety inspection of gas appliances | | | | | | | |
| xiii) Programmed inspection and repairs to/replacement of fire safety equipment | | | | | | | |
| xiv) Programmed inspection and repairs to lightning conductors | | | | | | | |
| xv) Testing and treating communal water tanks | | | | | | | |
| xvi) Lift inspection and follow-up repair works | | | | | | | |
| other programmed replacement work/ servicing/inspections: specify | | | | | | | |
| Improvement/Modernisation works | | | | | | | Note 4 |
| xvii) Full or partial modernisation of dwellings | | | | | | | |
| xviii) Improvements to internal and external communal areas of blocks of flats | | | | | | | |
| xix) Installation of central heating and/or insulation | | | | | | | |
| Sub total | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|--|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |
| Chapter 2: Estate Services | | | | | | | Note 5 |
| i) Programmed grounds maintenance -grass cutting/ litter picking/ cutting back of planting | | | | | | | |
| ii) One-off grounds maintenance orders | | | | | | | |
| iii) Closed Circuit Television monitoring | | | | | | | |
| iv) Programmed repairs to play equipment | | | | | | | |
| v) Replacement of play equipment | | | | | | | |
| vi) Providing a caretaking service to blocks - non staffing costs | | | | | | | |
| vii) Providing a caretaking service to estates - non staffing costs | | | | | | | |
| viii) Electricity supply to blocks | | | | | | | |
| ix) Electricity supply to estates | | | | | | | |
| x) Water supply to communal areas | | | | | | | |
| xi) Gas supply to communal areas (district or group heating systems) | | | | | | | |
| xii) Block Cleaning | | | | | | | |
| xiii) Estates Cleaning inc unadopted highways, footpaths and hard surfaces | | | | | | | |
| xiv) Window cleaning | | | | | | | |
| xv) Abandoned Vehicle Removal | | | | | | | |
| xvi) Parking enforcement | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|--|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |
| xvii) Repairs to unadopted estate lighting (if not included in Repairs & Management) | | | | | | | |
| xviii) Providing a concierge service | | | | | | | |
| xix) Other please specify | | | | | | | |
| Sub total | | | | | | | |

| Chapter 2: Management of repairs and maintenance | | | | | | | Note 6 |
|--|--|--|--|--|--|--|---------------|
| i) Receiving and recording repairs | | | | | | | |
| ii) Pre and post inspection of routine repairs | | | | | | | |
| iii) Managing programmed repairs | | | | | | | |
| iv) Preparation of specifications for exceptional and programmed repairs | | | | | | | |
| v) Preparation of specification for improvements and modernisation | | | | | | | |
| vi) Letting contracts for: | | | | | | | |
| a) Routine repairs/ Estate Services | | | | | | | |
| b) Exceptional repairs | | | | | | | |
| c) Programmed repairs | | | | | | | |
| d) Estate services | | | | | | | |
| e) Improvements and modernisation | | | | | | | |
| vii) Arranging payments to contractors | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|---|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |
| viii) Legal costs for gas servicing | | | | | | | |
| ix) Legal costs for disrepair and compensation payments | | | | | | | |
| x) Supervision of major works (clause 6B) | | | | | | | |
| Sub total | | | | | | | |
| TOTAL TENANT MANAGEMENT ORGANISATION ALLOWANCE – CHAPTER 2 REPAIRS | £ | | | | | £ | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|--|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |
| Chapter 3: Rents collection and arrears control | | | | | | | Note 6 |
| i) Collection of rents and service charges from tenants | | | | | | | |
| ii) Collection of rents and service charges from former tenants | | | | | | | |
| iii) Collection of miscellaneous debts from tenants | | | | | | | |
| iv) Collection of other charges. Specify: Garages, sheds etc | | | | | | | |
| v) Control of rent and service charge arrears | | | | | | | |
| a) Option C: up to passing serious cases to Council | | | | | | | |
| b) Option D: up to and including requesting council to seek possession and providing evidence file | | | | | | | |
| c) Option E: taking full responsibility | | | | | | | |
| vi) Notification of rents and service charges | | | | | | | |
| vii) Legal costs for possessions | | | | | | | |
| Sub total | | | | | | | |
| TOTAL TENANT MANAGEMENT ORGANISATION ALLOWANCE – CHAPTER 3 RENTS | £ | | | | | £ | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|---------------------------------|--------------------|-----------------|-----------|--|--|--|---|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |

| | |
|---------------------------------------|--------------------|
| Chapter 4: Leaseholder Charges | Paragraph 5 |
|---------------------------------------|--------------------|

| Chapter 4: Leaseholder Service Charges | | | | | | | |
|--|--|--|--|--|--|--|--|
| i) Setting Service Charges | | | | | | | |
| ii) Billing Service Charges | | | | | | | |
| iii) Service Charge Collection | | | | | | | |
| iv) Service Charge Arrears Collection | | | | | | | |
| v) Billing and collecting ground rent | | | | | | | |
| vi) Serving section 20 notices | | | | | | | |
| viii) Compliance with lease covenants | | | | | | | |
| ix) major works billing and collection etc | | | | | | | |
| Sub total | | | | | | | |

| Chapter 4: Breakdown of Leaseholder Service Charges | | | | | | | |
|---|--|--|--|--|--|--|--|
| i) Concierge | | | | | | | |
| ii) Caretaking | | | | | | | |
| iii) Estate cleaning | | | | | | | |
| iv) Block cleaning | | | | | | | |
| v) General communal repairs | | | | | | | |
| vi) Door entry systems | | | | | | | |
| vii) Closed Circuit Television | | | | | | | |
| viii) Lifts | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|---|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |
| ix) Communal TV aerial | | | | | | | |
| x) Grounds maintenance | | | | | | | |
| xi) Estate Lighting | | | | | | | |
| x) Communal heating and hot water | | | | | | | |
| xi) Pest control | | | | | | | |
| xii) Window cleaning | | | | | | | |
| xiii) Insurance | | | | | | | |
| xiv) Others specify | | | | | | | |
| xv)**% management charge | | | | | | | Service charges management fee estimates date/origin |
| Sub total | | | | | | | |
| TOTAL TENANT MANAGEMENT ORGANISATION ALLOWANCE - CHAPTER 4 LEASEHOLDER CHARGES | £ | | | | | £ | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|---|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |
| Chapter 5: Finance | | | | | | | |
| i) Audit | | | | | | | |
| ii) Financial control and accounting | | | | | | | |
| iii) Financial reporting | | | | | | | |
| iv) Banking | | | | | | | |
| v) Finance Support and administration | | | | | | | |
| vi) Others specify e.g. cashiers where relevant | | | | | | | |
| TOTAL TENANT MANAGEMENT ORGANISATION ALLOWANCE - CHAPTER 5 FINANCE | £ | | | | | £ | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|--|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |

| | |
|--------------------------------------|---------------|
| Chapter 6: Tenancy Management | Note 6 |
|--------------------------------------|---------------|

| Chapter 6: Tenancy Management | | | | | | | |
|--|--|--|--|--|--|--|--|
| i) Clause 2 Introductory meeting /accompanied viewings | | | | | | | |
| ii) Clause 3B : Tenant Management Organisation considers applicants nominated by the Council | | | | | | | |
| iii) Clause 3C: Tenant Management Organisation considers applicants in accordance with Local Lettings Policy | | | | | | | |
| iv) Clause 3 Administration of grant of tenancies | | | | | | | |
| v) Tenancy audits/visits/checks | | | | | | | |
| vi) Clause 4 Administration of transfers | | | | | | | |
| vii) Clause 5 Tenant Management Organisation monitors introductory tenancies | | | | | | | |
| viii) Clause 6 Varying terms of the tenancy | | | | | | | |
| ix) Clause 7 Management of the breaches of tenancy | | | | | | | |
| x) Clause 8 Anti-Social Behaviour and Harassment | | | | | | | |
| xi) Clause 9 Dealing with residents' disputes | | | | | | | |
| xii) Clause 10 Dealing with unlawful occupation | | | | | | | |
| xiii) Clause 11 Management of void dwellings | | | | | | | |
| xiv) Clause 12 Administration of the Right to Exchange | | | | | | | |
| xv) Clause 13 Right to assign | | | | | | | |
| xvi) Clause 14 Dealing with applications to sublet | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|--|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |
| xvii) Clause 15 Succession | | | | | | | |
| xviii) Clause 16 Giving consent | | | | | | | |
| xix) Clause 17 Dealing with Right to Buy applications | | | | | | | |
| xx) Clause 18 Enquiries before exchange of contracts on property sales | | | | | | | |
| xxi) Legal costs for tenancy management | | | | | | | |
| xxii) Other: Publication of Tenant Handbook | | | | | | | |
| Sub Total | | | | | | | |
| Chapter 6: Other services | | | | | | | |
| i) specify - Removal Services | | | | | | | Costs for assisting tenants to move when appropriate |
| ii) specify: Animal warden service | | | | | | | Costs identified for animal warden service. |
| iii) specify- dwelling clearance and storage | | | | | | | Costs for clearing dwellings (abandoned, deceased) and storage of goods |
| Sub Total | | | | | | | |
| TOTAL TENANT MANAGEMENT ORGANISATION ALLOWANCE - CHAPTER 6 TENANCY MANAGEMENT | £ | | | | | £ | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|---------------------------------|--------------------|-----------------|-----------|--|--|--|---|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |

| Chapter 7: Staffing | | | | | | | Note 6 |
|--|--|--|--|--|--|--|--|
| Chapter 7: Breakdown of staffing | | | | | | | (inc National Insurance, pension contributions, overtime identified) |
| i) Manager | | | | | | | |
| ii) Housing officers | | | | | | | |
| iii) Office administration, reception, support | | | | | | | |
| iv) Finance services | | | | | | | |
| v) Other housing services | | | | | | | |
| vi) Temporary/Agency staff | | | | | | | |
| vii) Training | | | | | | | |
| viii) Other specify: Ex Gratia Payments | | | | | | | |
| Sub total | | | | | | | |

| Chapter 7: Technical Staff | | | | | | | |
|---|--|--|--|--|--|--|--|
| Involved in: | | | | | | | |
| i) Responsive repairs and maintenance | | | | | | | |
| ii) Void properties | | | | | | | |
| iii) Programmed and exceptional repairs | | | | | | | |
| v) Emergency out of house repairs | | | | | | | |
| vi) Improvement and modernisation works | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|--|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| vii) Management support and administration | | | | | | | |
| viii) Temporary and agency staff | | | | | | | |
| ix) Call Centre | | | | | | | |
| x) Others please specify: | | | | | | | |
| Sub total | | | | | | | |

| Chapter 7: Estate Services Staff | | | | | | | |
|--|--|--|--|--|--|--|--|
| i) Grounds maintenance staff | | | | | | | |
| ii) Play equipment inspection, repair and maintenance | | | | | | | |
| iii) Concierge service - permanent and temporary staff | | | | | | | |
| iv) Caretaking service for blocks | | | | | | | |
| iv) Caretaking service for estates | | | | | | | |
| v) Estate Services monitoring staff | | | | | | | |
| vii) Cleaning of block | | | | | | | |
| vii) Cleaning of estate | | | | | | | |
| viii) Temporary and agency staff | | | | | | | |
| ix) Others please specify: | | | | | | | |
| Sub total | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|---------------------------------|--------------------|-----------------|-----------|--|--|--|---|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |

| Chapter 7: Indirect employee costs | | | | | | | |
|--|---|--|--|--|--|---|--|
| i) Recruitment | | | | | | | |
| ii) Uniforms and protective clothing | | | | | | | |
| iii) Training and staff development | | | | | | | |
| iv) Personnel / Human Recourses | | | | | | | |
| v) Payroll | | | | | | | |
| vi) Others specify ex gratia payments | | | | | | | |
| vii) Others specify: VDU Eye Tests, Health and Safety | | | | | | | |
| viii) Others: special benefit packages | | | | | | | |
| Sub total | | | | | | | |
| TOTAL TENANT MANAGEMENT ORGANISATION ALLOWANCE - CHAPTER 7 STAFFING | £ | | | | | £ | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|---------------------------------|--------------------|-----------------|-----------|--|--|--|---|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |

WORKSHEET: OFFICE COSTS

WORKSHEET: Office Costs

| | | | | | | | |
|-------------------------------|--|--|--|--|--|--|--|
| i) Rent | | | | | | | |
| ii) Business rates | | | | | | | |
| iii) Water and sewerage rates | | | | | | | |
| iv) Building insurance | | | | | | | |
| v) Gas | | | | | | | |
| vi) Electricity | | | | | | | |
| Sub total | | | | | | | |

WORKSHEET: Fixtures & fittings

| | | | | | | | |
|------------------|--|--|--|--|--|--|--|
| i) Purchase | | | | | | | |
| ii) Repair | | | | | | | |
| Sub total | | | | | | | |

WORKSHEET: Security

| | | | | | | | |
|-------------------------------|--|--|--|--|--|--|--|
| i) Security Contract | | | | | | | |
| ii) Alarms system maintenance | | | | | | | |
| iii) Cash collection contract | | | | | | | |
| Sub total | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|---------------------------------|--------------------|-----------------|-----------|--|--|--|---|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |

| WORKSHEET: Office Cleaning | | | | | | | |
|--|--|--|--|--|--|--|--|
| i) Office cleaning | | | | | | | |
| ii) Cleaning materials | | | | | | | |
| iii) Domestic supplies for office | | | | | | | |
| iv) Hygiene supplies contract/supplies | | | | | | | |
| Sub total | | | | | | | |

| WORKSHEET: Transport | | | | | | | |
|---|--|--|--|--|--|--|--|
| i) Hire/leasing/purchase of vehicles | | | | | | | |
| ii) Vehicle maintenance costs - specify (fuel, insurance, road tax) | | | | | | | |
| iii) Essential car users allowance | | | | | | | |
| iv) Casual car users allowance | | | | | | | |
| v) Bus and train fares | | | | | | | |
| vi) taxis and cabs | | | | | | | |
| vii) Couriers | | | | | | | |
| Sub total | | | | | | | |

| WORKSHEET: Office Supplies and Services | | | | | | | |
|---|--|--|--|--|--|--|--|
| i) Equipment and furniture: | | | | | | | |
| a) Purchase | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|--|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |
| b) Repair | | | | | | | |
| c) Stationery | | | | | | | |
| d) Books and periodicals | | | | | | | |
| e) Subscriptions | | | | | | | |
| f) Postage | | | | | | | |
| ii) Telephones | | | | | | | |
| a) Landline rentals and call charges | | | | | | | |
| b) Mobiles - rentals and call charges | | | | | | | |
| iii) Hospitality/entertaining | | | | | | | |
| iv) Translation services | | | | | | | |
| v) Mediation services | | | | | | | |
| vi) Others specify: | | | | | | | |
| Sub total | | | | | | | |

| WORKSHEET: Information Technology | | | | | | | |
|--|--|--|--|--|--|--|--|
| i) Computer equipment | | | | | | | |
| a) Purchase/lease | | | | | | | |
| b) Repair | | | | | | | |
| ii) Computer software | | | | | | | |
| a) Purchases and licenses | | | | | | | |

| Tenant Management Organisation: | | | | | | | Explanatory notes |
|--|---------------------------|------------------------|------------------|---|---|---|--|
| | Costs Council Area | Number of Units | Unit Cost | Applicable to Tenant Management Organisation Y/N | Number of relevant Tenant Management Organisation properties | Tenant Management Organisation allowance | Include explanation of relevant number of council properties and relevant number of Tenant Management Organisation properties |
| b) Maintenance/help desk and upgrades | | | | | | | |
| iii) Photocopier/purchase/leasing and supplies | | | | | | | |
| iv) Printing costs | | | | | | | |
| v) Fax machines | | | | | | | |
| a) Purchase/leasing | | | | | | | |
| b) Maintenance agreements | | | | | | | |
| vi) Others specify: IT staffing | | | | | | | |
| Sub total | | | | | | | |
| TOTAL TENANT MANAGEMENT ORGANISATION ALLOWANCE – OFFICE COSTS | £ | | | | | £ | |

| WORKSHEET: Tenant Management Organisation Costs | | | | | | | |
|---|---|--|--|--|--|---|--|
| i) Committee and communication allowance | | | | | | | |
| a) £5,000 plus £10 per tenant and leasehold dwelling | | | | | | | |
| b) Annual increases | | | | | | | |
| TOTAL TENANT MANAGEMENT ORGANISATION ALLOWANCE – Committee & Communication | £ | | | | | £ | |

| TENANT MANAGEMENT ORGANISATION ALLOWANCE CALCULATION | | | YEAR | |
|---|---|--|-------------|---|
| TOTAL COSTS COUNCIL AREA | £ | TOTAL TENANT MANAGEMENT ORGANISATION ALLOWANCES | £ | Equals sum of chapters 1 to 7, Tenant Management Organisation Office costs and Committee and communication allowances |