

Cost: Costs marked * are likely to be split between the HRA and the General Fund in the ratio 86.7% HRA: 13.3% General Fund. This is based on the area of land held within the general fund, that is the 39 freeholder properties, Gibbs Green School and Farm Lane	Illustrative costs at current values if all Leaseholders / Freeholders are bought back £	Illustrative costs at current values if only non resident leaseholders / Freeholders are bought back £	Potentially funded on an interim basis by CapCo if the Council took up their offer (section 7.11)	Indicative Capital¹ / Revenue split²	Period incurred over (estimated)
Buying back leaseholder and freeholder properties	52,033,000	15,034,000	X	Capital	2012 through to date of last land transfer to CapCo, likely to be front loaded
Homeloss for Leaseholders and Freeholders	5,203,300	1,127,550	X	Capital	2012 through to date of last land transfer to CapCo, likely to be front loaded
Homeloss for tenants (includes 58 RSL tenants)	2,768,300	2,768,300		Capital	Trigger Date through to date of last land transfer
Disturbance for Leaseholder / Freeholders	1,231,957	389,039	X	Capital	2012 through to date of last land transfer to CapCo, likely to be front loaded
Disturbance for tenants	1,313,446	1,313,446		Capital	Trigger Date through to date of last land transfer
Interest Costs	19,510,171	2,549,069		Revenue	2012 to when net cash flow becomes positive
SDLT on leasehold properties (buybacks and new properties)	24,103,139	22,687,973		Capital	2012 through to date of last land transfer to CapCo, likely to be front loaded
Adaptations ³	90,098	131,984		Capital	Trigger Date through to date of last land transfer
Tenants Improvements	265,500	324,000		Capital	Trigger Date through to date of last land transfer
Loss of Parking and garages ⁴	370,000	545,000			

¹ Capital includes items that can be offset as a cost of disposal, capital revenue split is subject to final review.

² The precise split will depend on the detailed nature of the expenditure and the detailed regulations in place at the time it is incurred

³ Net of £100k contribution from CapCo

⁴ Net of £140k contribution from CapCo

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Security	5,310,000	3,510,000		Revenue	2012 through to date of last land transfer to CapCo.
Early Redemption Costs	171,000	54,000	X	Capital	2012 through to date of last land transfer to CapCo, likely to be front loaded
Project Team Costs over 14 years *	7,374,464	7,374,484		Capital	2012 through to date of last land transfer to CapCo, will be subject to a biannual review, estimate assumes a full team of nine staff ⁵ for 14 years and half team for 4 years
Estimated costs of cap on service charges for leaseholders	N/A, all bought out	368,900		Revenue	5 years from land transfer for Leaseholders,
Estimated costs to signing the CLSA (excludes officer time) *	1,750,000	1,750,000		Capital: currently deferred cost of disposal (subject to auditor confirmation)	2009-2012
Ongoing Legal work on managing CLSA	2,123,222	2,123,222		Capital or Revenue depending on	2012-2030

⁵ Comprising a Head of Area Regeneration/Project Director, Project Office/Project Manager, Re- housing Offer, Housing Officer, Principal Finance Officer, Buy Backs Officer, Re-housing Officer, Principal Legal Officer, Communications Officer

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				the nature of the work	
Legal challenges	4,000,000	4,000,000		Capital or revenue depending on nature of challenge	2012-2015
CPO Inquiries	500,000	500,000		Capital	2012-2015
CPO Referencer	150,000	150,000		Capital	2012-2015
CPO Lawyer	100,000	100,000		Capital	2012-2015
Third Party Rights	2,000,000	2,000,000		Capital	2012-2015
Consents Legal advice	50,000	50,000		Capital	2012-2015
Stopping Up Inquiries	200,000	200,000		Capital	2012-2015
Damages	10,000,000	10,000,000		Revenue	2015-2030
Certifying assets in Guarantor	250,000	250,000		Capital	2012 through to date of last land transfer to CapCo.
Decent Homes Compensation (all leaseholder buybacks)	238,896	238,896		Capital or revenue depending on nature of challenge	2012-2030
School Re-provision	12,000,000	12,000,000		Capital	2012
Contingency	8,051,377	7,914,470		Capital or Revenue	2012-2035

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				depending on the nature of the work	
Total	161,157,870	99,454,333			

Note the income to fund these costs comes from both the £105m received and from the sale of properties that replace the buy backs. If all leaseholders were bought back the Council would have 171 new higher value properties available to sell, if only the non residents were bought back the Council would have 54 new higher value properties available to sell. None of these sales would reduce the number of social for rent properties on the estates. The sensitivity of cash flows to house price inflation is shown in paragraph 10.11.5 of the main report.