

 the low tax borough	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>3 MARCH 2014</b>
<b>RIGHT TO BUY PART</b>	
<b>Report of the Cabinet Member for Housing - Councillor Andrew Johnson</b>	
<b>Open Report</b>	
<b>Classification:</b> For Decision	
<b>Key Decision:</b> Yes	
<b>Wards Affected:</b> (All Wards.)	
<b>Accountable Executive Director:</b> Melbourne Barrett, Executive Director, Housing and Regeneration	
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## 1. EXECUTIVE SUMMARY

- 1.1. The central theme of the Council's housing policy is to promote and increase home-ownership in the borough. In October 2012, the new Housing Strategy for Hammersmith & Fulham, "Building a Housing Ladder of Opportunity," set out the different ways in which the Council aimed to do this, including increasing discounted market sale opportunities in new developments, delivering new homes through its local housing development programme and promoting the reinvigorated Right to Buy.
- 1.2. The economic success of Hammersmith & Fulham as a place in turn creates challenges in seeking to increase owner-occupation. Hammersmith & Fulham has the 3rd highest residential values for a local authority area in the country. For residents on modest or low incomes, it can be difficult to take the first step on to the home-ownership ladder and this applies also to many existing Council tenants. Although the Government has very substantially increased the maximum discount available under the Right to Buy, even at £100,000 the level of prices and the transaction costs involved in purchase, mean that exercising this statutory right is beyond many tenants in Hammersmith & Fulham. In this sense, tenants in this borough are at a severe disadvantage compared to those in other parts of the country. In 2013/14, it is unlikely that more than a quarter of 1% of tenants will exercise the Right to Buy.

- 1.3. The Council has already taken steps to increase the flexibility with which it can use its assets through the introduction of flexible, fixed-term tenancies for new tenants. This means that when those tenancies are coming to an end, the conversation with the tenant can include opportunities for a move into home-ownership as one of the options under discussion. However, in tandem, further measures are required to help tenants to be able to take a first step on the ladder.
- 1.4. This report follows from the report previously considered in October 2013, which introduced the Right to Buy Part (RTB Part) as an innovative scheme to assist Council tenants into owner occupation. This report proposes the conduct of a pilot scheme of up to 30 sales, based on a minimum 15% shared ownership, to test the feasibility of the proposal with tenants.
- 1.5. We can progress this scheme. CLG have confirmed their view to the Executive Director, Housing and Regeneration that it is within our General Consent to award shared ownership leases under the Scheme at a minimum level of 15% of the equity of the property.
- 1.6. The second part of the October report covered the further innovation of the Tenant Reward and Purchase Scheme. The required further report in this matter will be brought to a future meeting, enabling the priority work for the RTB Part Pilot to be launched at the earliest opportunity.

## **2. RECOMMENDATIONS**

- 2.1. That approval be given to launch a RTB Part Scheme Pilot as set out in section 5 of the report, and with consideration to the implications detailed in the subsequent sections.
- 2.2. That a further report be brought before Cabinet to consider the findings from the RTB Part Pilot and consider its wider implementation.

## **3. REASONS FOR DECISION**

- 3.1. The report invites members to give approval for the undertaking of work on the detailed implementation of the scheme, including consultation with residents and launching a pilot of the scheme.

## **4. INTRODUCTION AND BACKGROUND**

- 4.1. In October 2012 Cabinet approved "Building a Housing Ladder of Opportunity", a new Housing Strategy for the borough. A cross-cutting theme of the Council's approach is to increase home-ownership. It aims to do this in a number of direct ways, such as promoting the reinvigorated Right to Buy,

increasing discounted market sale opportunities in new housing developments and delivering new homes through its local housing development programme, underpinned by the HRA Asset Management Plan.

- 4.2. At the same time, the Housing Strategy made provision for the introduction of a new Scheme of Allocation and fixed-term tenancies for new tenants in Council homes, also approved by Cabinet in October 2012 and implemented in March and April of 2013. These innovative measures have given a greater priority in the allocation of social housing to residents who are working or otherwise making a community contribution, created incentives for tenants to manage their tenancy well and established a system in which the discussion with tenants about the possible renewal of their tenancy will include the potential to move into home-ownership. Indeed, one specific provision of the Scheme of Allocation is to grant fixed-term tenancies within areas covered by a Local Lettings Plan to residents who wish to use this time to save for a move into full or shared home-ownership.
- 4.3. High house prices in the Borough act as an obstacle to many tenants who would wish to move into owner-occupation. Hammersmith and Fulham is the third most expensive borough in England and property prices have risen steadily over the last decade. In the year to December 2013 house prices in Hammersmith & Fulham rose faster than anywhere else in the country. The current Right to Buy discount of up to £100,000 is still not sufficient to support many Council tenants' home ownership aspirations especially in more expensive parts of the borough. Where tenants wish to move from their Council home into owner-occupation, they have difficulty in finding sums for a deposit and transaction costs.
- 4.4. At the meeting of Cabinet in October 2013 agreement was made to progress with the innovative proposed RTB Part scheme. This report responds to the recommendations from that meeting concerning the RTB Part by bringing proposals for piloting as a step in implementation of the scheme.

## **5. PROPOSALS**

- 5.1 The proposed offer under the RTB Part scheme will be:
  - 5.1.1 An option for qualifying residents to purchase a minimum share of 15% of their home supported by the granting of a proportional share of the eligible Right to Buy discount.
  - 5.1.2 The established Shared Ownership tenure model will be the basis for RTB Part with the granting of a Shared Ownership Lease being the outcome for tenants joining the scheme. This includes the right to Staircase (*the purchasing of a further share of the property in addition to the initial share purchased*). The pre-existing restrictions relating to the property being the resident's primary home and other such sub-

letting allowance and restriction will continue as part of the Shared Ownership Lease, until the property is 100% owned by the lessee (i.e. all remaining shares in the property have been purchased).

- 5.1.3 The administration of Staircasing will follow the conventional Shared Ownership practice, with only the treatment of the RTB Part discount as a variance. The discount is subject to clawback as with the Right to Buy. Subsequent Staircased portions of discount will be subject to a new clawback period that includes any existing discount that still has clawback liability at the time of staircasing. This ensures maximum value and equitability compared with the full right to buy whilst protecting the financial investment by the authority. Once staircasing reaches 100% the property sale will be as with the Right to Buy.
- 5.1.4 When tenants apply to take advantage of the scheme the Council will seek to assist tenants to protect their interests through offering appropriate advice. This would preclude making recommendations, but would include such guidance for obtaining legal advice, fully considering the financial implications, and the responsibilities of ownership including that failure to meet the mortgage or rent could lead to the loss of their home.
- 5.2. A pilot of the scheme will commence with an invitation to apply. Expressions of interest will be sought following approval of this proposal. Consultation with residents, including those who have recently applied for the Right to Buy and withdrawn, and other tenants who potentially would find the scheme beneficial, has been undertaken. The findings from this will assist in launching the pilot, and will form part of the pilot findings reporting as further consultation will continue as part of the pilot.
- 5.3. The opportunity to take part in the pilot scheme will be open to all tenants except where there are major works already identified, including regeneration areas such as Earls Court.
- 5.4. The pilot will require sufficient time to offer enough data and learning so the required findings ensure the success of the full scheme. Interim reporting will be enabled by ongoing pilot monitoring. The target outcome from the pilot will be up to 30 completions.
- 5.5. Our discretionary power allows for the selection of eligibility criteria for this scheme that differ from the existing RTB. This allows us to anticipate future changes and introduce them straight away in this scheme. Thus the qualifying length of tenancy for a tenant to take part in RTB Part will be 3-years.
- 5.6 In keeping with the policy direction of the Council eligibility for RTB Part will also include possessing a good tenancy record.

- 5.7 As part of the full scheme there may be need to include upper income levels as part of the eligibility. The existing Discounted Market Sale criteria of household income of £66,000 relating to up to 2-bedroom and £80,000 for a 3-bedroom or larger home will therefore apply to this pilot scheme.
- 5.8 The financial terms of the RTB Part scheme Pilot remains as detailed in October, such that rents will be fixed at a level that does not disadvantage the HRA. The shared owner will also need to pay their mortgage liability, and a proportion of the Leaseholder Service Charge comparable with the proportion of property owned, and the same proportion of major works costs will also be paid by the shared owner.
- 5.9 LBHF retains the discretion to buy-back the part purchased property, thus there is no right to buy back, it is an option at the discretion of the authority. The shared owner may sell (assign) their lease, in which case priority will be given to residents from the Home Buy Register, whom the authority will nominate. The RTB Part discount will be repaid according to existing RTB rules, with no further RTB eligibility as part of the resale or subsequent sales of the property concerned. (This may not preclude other home ownership incentives thus being applied for by the candidate buyer.)
- 5.10 In the event of a mortgage repossession the lender would be able to exercise their normal rights if the authority agrees to the lender selling, or the authority exercises its discretion to buy back.
- 5.11 In the event of rent repossession the authority will take the most financially prudent action that impacts the authority least.

## **6. ADVANTAGES**

- 6.1 The RTB Part Scheme proposal supports the Council's Housing Strategy of Building a Housing Ladder of Opportunity.
- 6.2 There are a number of other specific reasons to consider the introduction of the scheme;
- To give tenants a greater stake in their homes and neighbourhood and to encourage them to contribute to the improvement of both;
  - To spread the ownership of assets more widely within the community;
  - To bring the Right to Buy within the reach of more tenants;
  - To give tenants an incentive to save;

- To provide additional capital receipts for LBHF, allowing for additional investment in new homes or existing estates or for the repayment of debt;
- To promote more mixed communities and estates;
- To provide more opportunities for tenants at the end of their fixed term tenancy;

6.3 By piloting the scheme we can ensure that advantages are optimised, and any unexpected disadvantages can be considered and mitigated against.

## 7. OPTIONS AND ANALYSIS OF OPTIONS

- 7.1. Existing shared ownership models for Council tenants, such as Social HomeBuy, have seen very limited take up in various Local Authorities over recent years. This is attributed to several factors including rent increases on unsold equity as local authorities opt to use open market rental levels rather than varying the existing social rent element.
- 7.2. The RTB Part product will operate differently. It is proposed that rental charge will be similar to the current social rent level. Additionally, the mortgage required will be smaller as the share sold (15%) will be less than that of the Social HomeBuy model of 25%. Further, the contribution towards major works and the service charges will be in proportion to the share sold.
- 7.3. The Council already places considerable emphasis on promoting home-ownership in new developments. However, additional measures are required to make home-ownership affordable for people in the borough on low or modest incomes and in particular for Council tenants.
- 7.4. When considering new innovations our options need to be under the General Housing Consents 2013 (Housing Act 1985.) The grant of a shared ownership lease is included with the General Consent and also disposal at a discount up to the amount that could be given under the RTB pro rata. This is under the guidance that on the purchase of 100% of the property, the tenant would not have received a discount that is more than a RTB purchaser would have received
- 7.5. In determining the minimum size of purchased share for RTB Part particular consideration of both justification and purpose was given. Proportions below 15% were excluded on the grounds of value and manageability as a product. Too small a stake in a property is not attractive to a potential purchaser, and offers too little financial benefit to the Council in the immediate term. Proportions of 25% and above still offer affordability barriers to for our tenants. Thus 15% is considered the optimal entry level for this form of Shared Ownership so long as lenders also find this attractive. For the pilot therefore

15% minimum share will apply, though this does not prohibit tenants with the means to secure the required funds from purchasing a share larger than this as their initial share in their property.

- 7.6. Consideration has been given to the qualifying criteria for the scheme. As this is a discretionary action by the Council there is no absolute precedent to follow. It is considered prudent however to mirror eligibility criteria already in use by the Council. Firstly, such criteria have already been assessed as fair and proportionate for the schemes to which they apply. Secondly, proceeding in this way avoids the requirement for new ICT systems, or significant development of existing systems. Thus existing Right to Buy and Homebuy qualifications will form the basis of those for this scheme, although we can reduce the qualifying tenancy period from five to three years. The pilot will offer us information to be conclusive about scheme eligibility criteria.

## **8. CONSULTATION**

- 8.1. It also proposed to inform the conduct of the pilot and the implementation of the scheme through the direct consultation and the use of focus groups with residents, including those who have recently applied for the Right to Buy and withdrawn, and other tenants who potentially would find the scheme beneficial, has been undertaken.
- 8.2. Consultation has been undertaken with key stakeholders within LBHF to ensure that relevant expertise has input into the formulation of the scheme, and this will continue to ensure that the full learning from the pilot contributes to a robust implementation of the scheme.
- 8.3. Consultation is also ongoing with key external stakeholders, such as the Council for Mortgage Lenders, with the aim to optimising the potential outcome arising from scheme implementation.

## **9. EQUALITY IMPLICATIONS**

- 9.1. It was not previously anticipated that an Equality Impact Assessment is required. The proposals in the report aim to broaden the number of council tenants who are able to access home-ownership or part home-ownership and, in effect, to lower the level of household income or of assets required to access home-ownership or part home-ownership. This will have a positive impact on protected groups (as defined within the Equality Act 2010) and especially those members of such groups earning lower incomes. However, there will be regular monitoring of the RTB Part Scheme as to their impact on protected groups (including at least gender, race, disability and age) as part of the pilot exercise, and this will establish whether further work is required in this area.

9.2. Implications verified/completed by: Carly Fry, Opportunities Officer, 020 8753 3430)

## **10. LEGAL IMPLICATIONS**

10.1. The Director of Law comments that as previously reported in relation to RTB Part, under General Housing Consents 2013, the Council has the power to grant a shared ownership lease and discount the premium payable. (*This is set out in paragraph A3.5.1 (a), (b) and (c)*). Under the General Consent the grant of a shared ownership lease is included and also disposal at a discount up to the amount that could be given under the RTB pro rata - the idea being that on the purchase of 100% of the property, the tenant would not have received a discount that is more than a RTB purchaser would have received.

10.2. The CLG clarifies that the RTB legislation sets out, in the main, the tenant's rights regarding the qualifying period and the maximum discount. These are the matters that the local authority must comply with. If the authority wishes to give a greater discount than the amount they are entitled to then they are able to do so (up to the maximum cash cap) but the sale would be under section 32 Housing Act 1985 and where the disposal is not covered by the General Consent, they will need to seek specific consent from the Secretary of State. At present the General Consent provides for discounts which are referenced to the RTB amounts.

10.3. Also, CLG have given its view that a minimum 15% share can be given under the General Housing Consents.

10.4. The definition contained in the General Housing Consents 2013 does not specify a percentage although previous provision had been that consent would be required for shares below 25%. However, consent will be required if the price of the share sold – after discount – is below the cost floor of that property. However, the proposal does not aim to make sales that are below the cost floor of the property.

10.5. The final proposals following the pilot will be reviewed to ensure that they fall within the General Consent.

10.6. Implications verified/completed by: David Walker, Principal Solicitor (Property), 020 8753 5517)

## **11. FINANCIAL AND RESOURCES IMPLICATIONS**

11.1. These remain as previously set out in the October 2013 report.



11.2. Some detailed illustrations of the potential financial effects of RTB Part were set out as in the report to Cabinet in October. There are no changes to these illustrations which are included again as Appendix 1 to this report.

11.3. There are a number of different elements to the financial consideration of the scheme:

- for the purchaser, their regular outgoings of rent and service charges as a tenant will be replaced by mortgage costs on the bought share (15%), service charges relating to the bought share and a rental and tenant service charges payment on the unbought share. The difference between the two will be a material consideration for the purchaser;
- the purchaser would have to contribute towards the cost of major works;
- for the Council, rent income will fall but so would some costs, e.g. on day to day repairs, as a part-owner would take greater responsibility for day-to-day repairs within their demise;
- the financial modelling undertaken takes account of the reduction in both rental income and in expenditure associated with managing and maintaining these properties thereby ensuring that the calculations supporting the Right to Buy Part proposal protect the Housing Revenue Account (HRA) from any potential revenue loss;
- should the volume of part disposals exceed 50 per annum, additional resource (consisting of 0.5 of a post at SO2 grade) of £20k will be required for a specialised post within Leasehold Services to manage the additional complexity and support required to successfully deliver the scheme;
- additional support would also be a requirement in Legal Services to deal with the increased case load.
- the purchaser would benefit from a discount equivalent to the maximum discount under Right to Buy (£100k in London boroughs) in proportion to the share purchased. A 15% bought share would therefore attract a £15k discount on the purchase cost.

11.3 In addition, the Council would receive a capital receipt from disposal of the bought share. The Department for Communities & Local Government have confirmed that purchases of 15% of a dwelling by tenants, even with a discount, are exempt from pooling and not captured by the Right to Buy receipts retention agreement<sup>1</sup>.

11.4 Therefore, the Council would be free to use the receipt for affordable housing or regeneration purposes, or for repayment of debt. The potential for debt repayment is limited due to the fixed term nature of the Council's

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<sup>1</sup> On 26<sup>th</sup> June 2012, the Council entered into this agreement, which ensures that part of the receipt on every additional home sold under the Right To Buy (RTB) is retained by the Council and used to fund, on a one for one basis, a new replacement home for affordable rent.

HRA debt. The income that could be earned from investing the cash receipts on the money market is also limited due to the low rate available (for 2012/13 the average rate on short term investments was 0.90% and is expected to fall further in 2013/14).

- 11.5 If the funds were to be used for uses other than those outlined above, then the Council's HRA Capital Financing Requirement (CFR) will reduce by the level of the receipt used, with an equal increase in the General Fund CFR.
- 11.6 It is expected that if buyers that purchase a 15% equity share were to staircase up over time to own more than 50% of the market value, then in some circumstances the receipt would start to be treated as a Right to Buy purchase. Officers are currently seeking further guidance from CLG.
- 11.7 Appendix 1 shows how the Right to Buy Part scheme might work for different sizes of property and in different parts of the Borough . The key assumptions are;
- a 15% bought share;
  - the rental element determined so as to ensure no net revenue loss to the HRA. The rental charge could be moved upwards further to a maximum of 3% of the market value of the unbought share.
- 11.8. On these assumptions the Appendix shows the income required to buy for different sizes of property and in different areas;

Bedroom Size	Postcode	Income Required
1 Bed	SW6	£26,595
	W12	£18,627
2 Bed	SW6	£35,170
	W12	£21,727
3 Bed	SW6	£36,605
	W12	£24,657

- 11.9 Implications verified/completed by: Danny Rochford, Head of Finance, 020 8753 4023)

## 12. RISK MANAGEMENT

- 12.1. The previously reported risks remain. However some update is required of changes since those matters were considered, and of course, onward risk management will form part of the pilot scheme and subsequent implementation.
- a) *The level of interest amongst residents.* There is some evidence that in authorities which have made available a Social HomeBuy product (minimum share 25%) take up has been limited. In the case of the

scheme proposed in this report, the minimum share would be lower (15%) and consideration would be given to the availability of mortgage finance and the possibility of buy-back (see below.) The introduction of fixed-term tenancies may also have an impact on take-up. This report proposes undertaking consultation and focus group work amongst tenants as part of the pilot scheme in order to gauge reaction to the scheme. Whilst it remains unclear what the level of interest or demand will be for RTB Part, it should be noted that CLG continue to enhance the Right to Buy, which can only increase tenant interest.

- b) *Potential Financial loss to the Housing Revenue Account.* RTB Part would change the financial transactions to and from the HRA in respect of the property sold. The financial illustrations provided in the report ensure that there is no net revenue loss to the HRA as a result of a sale.
- c) *Refusal of consent by the Secretary of State.* The CLG have issued their view, such that consent would not be required. Our continued liaison mitigates this risk.
- d) *Liability of residents for major works costs.* The Council is currently updating payment arrangements and options for leaseholders receiving notification of major work costs. It will be necessary to ensure that applicants receive proper advice on this issue at the time of purchase. Where major works are foreseen a RTB Part purchase will not be permitted.
- e) *The availability of mortgage finance.* The ability to attract mortgage finance for a 25% minimum part-share has been an issue in some authorities which have attempted to market a Social Home Buy product. A 15% minimum part-share may therefore also be an issue.
  - The pilot scheme will test whether lenders are attracted by the LBHF scheme and whether any particular aspects present problems. Officers will continue to discuss with major lenders any obstacles they perceive to their participation. The Council of Mortgage Lenders recognise that there is currently a challenging market and that care and attention to the presentation of RTB Part to the lending community will be required to assist them to participate in the pilot scheme.
  - In implementing the scheme, the Council will wish to include a provision for first refusal on resale of the bought share and consideration of the possibility of buy-backs as an option. This in turn may impact on and influence the stance of lenders in considering mortgage applications by making them feel more assured over risks and the value of their capital investment in the scheme.

- Officers continue to investigate products which allow for purchase of an increasing share of a property based on a monthly residence fee, avoiding the need for a deposit or a mortgage.

### **13. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

13.1. There are no procurement or IT Strategy implications of the report.

### **LOCAL GOVERNMENT ACT 2000**

#### **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	None		

#### **LIST OF APPENDICES:**

**Appendix 1: Right to Buy Part Financial Modelling**

## APPENDIX 1

### Right to Buy Part; Financial Modelling

#### Section A: Assumptions

This shared ownership model assumes the following:

1. Share for sale is 15%, with 85% unsold equity
2. The 85% unsold equity carries a rental charge
3. Rental charge on unsold equity (85%) will be the minimum rent required to ensure no net revenue loss to the HRA .
4. Discount on 15% share will be £15,000. This is a proportionate percentage of RTB discount (15% of £100,000)
5. Leasehold Service Charges are proportionate to the share sold (15% of average annual figure for that type of property)

#### *Methodology*

To assess the impact of sales we used the average of two properties of the same size properties in each of W12 and SW6.

The properties used are a mixture of estate and street properties.

#### *Adjustments*

- The rent to be charged on the unsold equity is adjusted to be as close as possible to the rent required to ensure no net revenue loss to the HRA.
- Service charges were also adjusted to be as close as possible to the proportionate share sold (15% of total value)

#### *Affordability*

Affordability for clients has been calculated in the same way as the Council calculates the affordability of properties in section 106 agreements.

#### Section B: Example of 1 Bed in SW6

##### *Assumptions on full property value*

- Average 1Bed Price in SW6: £292,500
- Average Annual leasehold Service Charge for 1Bed in SW6: £517
- Average annual requirement for the HRA: £5,026
- Average Debt associated with 1Bed property in SW6: £18,986

##### *Monthly Outgoings for Resident*

- Existing Rent (pcm) £427.58

• Mortgage Cost (pcm) to service 15% equity loan	£160.50
• Service Charge (pcm)	£6.50
• Rent (pcm) on balance of 85% owned by LBHF	£412.33
• Monthly outgoings	£579.33

In this example, monthly outgoings are increased from £427.58 to £579.33 in exchange for the purchase of a 15% share. Residents would also be liable for a proportion of the costs of any major works arising on the property. This reinforces the importance of the careful selection of properties for the initial piloting of the scheme.

#### *Capital Position*

• Average Receipt (from 15% equity sale taking account of proportionate share of discount)	£28,875
• Average Debt	£18,986
• Surplus	£9,889

#### *Revenue Effect of Debt Repayment*

- If the capital receipt was used to repay the average debt associated with the property, the annual saving in servicing the debt would be **£2,459**.

#### *Affordability*

- Using the affordability calculator applied by the Council to determine the affordability of shared ownership in Hammersmith & Fulham, the annual household income required would be **£24,792**.

### **Section C; Illustrations for Different Properties**

The table below sets out a number of illustrations of Right to Buy Part in SW6 and W12 at a 15% share. They take an average of such properties.

### Illustrations of Right to Buy Part for Different Bedroom Sizes (15% Share)

Property Type	1 Bed		2 Bed		3 Bed	
	SW6	W12	SW6	W12	SW6	W12
<i>Property Data (Avge)</i>						
Full Market Value	£292,500	£159,000	£345,000	£187,500	£382,500	£237,500
Service Charge (pa)	£517	£771	£751	£981	£933	£1,076
HRA Income Requirement (pa)	£5,812	£4,749	£7,671	£5,341	£7,716	£5,705
<i>Resident Outgoings (Monthly)(Avge)</i>						
Existing Rent (inc Service charges) <sup>2</sup>	£484.33	£395.75	£639.25	£445.08	£643.00	£475.42
Mortgage Costs	160.50	£49.19	£204.27	£72.95	£235.53	£114.64
Service Charge	£6.50	£9.75	£9.50	£12.50	£12.00	£13.50
Rent (inc Service charges)	£453.54	£375.69	£606.86	£421.51	£606.58	£447.18
Total Outgoings	£620.54	£434.63	£820.63	£506.96	£854.11	£575.32
<i>Capital Position (Avge)</i>						
Capital Receipt	£28,875	£8,850	£36,750	£13,125	£42,375	£20,625
<i>Affordability</i>						
Household Income Required	£26,595	£18,627	£35,170	£21,727	£36,605	£24,657

<sup>2</sup> for some residents, the rent may be lower due to rent levels not yet having converged with formula rents