

**Appendix 1  
Financial Analysis**

**i) Latest estimated budget at Evaluation Stage (May 2010)**

The latest estimated budget for the project is broken down as follows:

				£	£	£	£
A	Estimated cost for the project Essential Works						
		Works					
			HRA	2,399,693			
			Leaseholders' contributions	1,491,307			
						<b>3,891,000</b>	
		Fees and staff costs					
			HRA	479,815			
			Leaseholders' contributions	298,185			
					<b>778,000</b>		
			<b>TOTAL</b>				<b>4,669,000</b>
B	Essential cyclical external repairs & redecoration						
		Works					
			HRA	111,011			
			Leaseholders' contributions	68,989			
						<b>180,000</b>	
		Fees and staff costs					
			HRA	12,335			
			Leaseholders' contributions	7,665			
					<b>20,000</b>		
			<b>TOTAL</b>				<b>200,000</b>
			<b>TOTAL APPROVED BUDGET</b>				<b>4,869,000</b>

ii) **Fees & Staff Costs: Difference in latest estimated budget at Evaluation Stage with current approved tendered fees and estimated other costs**

	<b>Essential Works - Capital</b>					<b>External redecoration - Revenue</b>	
	<b>JRA Ltd.</b>	<b>Sweett</b>	<b>Other fees</b>	<b>Staff costs</b>	<b>Contingency</b>	<b>Staff costs</b>	<b>TOTAL</b>
<b>Evaluation report</b>	459,000	97,000	17,000	134,000	71,000	20,000	798,000
<b>Current estimate (this report)</b>	425,925	45,400	17,000	154,000	Nil	20,000	662,325

### iii) Total Estimated Cost

The proposed Works estimate following detailed design analysis by the design team and cost consultants is set out below along with a comparison of the original breakdown as reported in the May 2010 Evaluation Report:

	City of London Estimate January 2009	City of London Estimate February 2010	Sweett cost plan no.3 November 2012
	£	£	£
Estimated cost for the project			
<b>All works</b>			
Curtain walling replacement	1,500,000	1,500,000	2,467,000
Replacement of internal spandrel walls	85,000	85,000	Included
Replace windows to N & S elevations	40,000	40,000	150,000
Works to windows, bathrooms & kitchens	500,000	0	0
Upgrade balcony doors & fanlights	140,000	83,000	290,000
Floor edge structural strengthening	720,000	720,000	350,000
Roof works	0	0	73,000
Concrete repairs	15,000	0	210,000
Concrete redecoration	35,000	0	See below*
Other external redecorations	20,000	0	See below*
Wall insulation & render to N&S elevations	180,000	0	0
Cleaning and maintenance equipment	300,000	0	150,000
Temporary screens to internal	80,000	80,000	88,000
Scaffolding / access	260,000	260,000	410,000
Asbestos removal	120,000	120,000	138,000
Disturbance	120,000	120,000	230,000
Opening up, site investigations, mock ups	0	55,000	60,000
Preliminaries	645,000	474,000	729,000
Contingency	240,000	354,000	n/a
TOTAL : Capital	5,000,000	3,891,000	5,345,000
TOTAL : Revenue	0	180,000	180,000
*Essential cyclical external repairs & redecoration			
<b>TOTAL</b>	<b>5,000,000</b>	<b>4,071,000</b>	<b>5,525,000</b>
<b>Fees &amp; staff costs</b>			
		798,000	662,325
<b>TOTALS</b>		<b>4,869,000</b>	<b>6,187,325</b>

**iv) Total Movement**

Reasons together with cost movement for increase in budget from February 2010 estimate can be summarised as follows:

Works	Additional Cost (£)
Provision of curtain walling and floor strengthening that minimises resident disruption and meets the requirements of Planning and Listed Building Consent.	353,000
Replacement of windows to the North and South elevations including making good to the structure.	110,000
Replacement of existing timber balcony doors	119,200
Roof level interface repairs	73,000
Concrete repairs & associated redecoration	210,000
Roof cradle for cleaning and maintenance	150,000
Access to the block (access scaffold only)	106,000
Internal protection and making good to dwellings following the replacement curtain walling works	110,000
Contractor's preliminaries	222,800
<b>Total Movement between February 2010 and Sweett cost plan no. 3 November 2012</b>	<b>1,454,000</b>

**v) Anticipated phasing of cash flow expenditure**

	April 2012 – March 2013	April 2013 – March 2014	April 2014 – March 2015	April 2015 – March 2016		
% works complete	0%	5%	70%	25%	100%	
	0	276,250	3,867,500	1,381,250	£5,525,000	5,525,000
% fees expended	45%	30%	20%	5%	100%	
JRA	191,666	127,777	85,185	21,297	£425,925	471,325
% fees expended	30%	25%	35%	10%		
Sweett Group	13,620	11,350	15,890	4,540	£45,400	
% fees expended	70%	30%	0	0	100%	
Other fees (Planning, Building Control)	11,900	5,100	0	0	£17,000	17,000
% Staff costs	30%	30%	30%	10%	100%	
City Surveyors	34,500	34,500	34,500	11,500	£115,000	174,000
Community and Children's Services	17,700	17,700	17,700	5,900	£59,000	
<b>TOTAL</b>					<b>£6,187,325</b>	

### vi) Revised Long Leaseholder Contributions

	Total costs (works plus fees and staff costs)	Total HRA contribution	Total long lessees contribution	Contribution per long lessee
Long leaseholder contributions at Evaluation Report stage	£4,869,000	£3,002,854	£1,866,146	£40,569
Proposed long leaseholder contributions	£6,187,325	£3,815,904	£2,371,421	£51,552