



07 March 2024

INFORMATION REQUEST REFERENCE 24-009

Thank you for your information request, received on 21 February 2024. You asked the London Legacy Development Corporation (Legacy Corporation) to provide the following information under the Freedom of Information Act 2000 (FOIA):

“Can you please show me how the fixed estate charge was initially calculated before residents started paying, and how is it calculated for subsequent year?”

On purchasing my property in 2021 my lease states £1,159 and in year 2023/24 it is £1,554

- “Base Queen Elizabeth Fixed Estate Charge” £1,159.00
- “Base Index Value” Is as defined in and ascertained in accordance with the Head Lease
- “Building” The block of flats of which the Property forms part (including the curtilage thereof) being the whole of the property demised by the Head Lease and all buildings and other structures thereon (and any structures incidental to the user thereof) including glass and frames of windows and any Service Installations now or hereafter constructed thereon and is for indication only shown edged green on Plan 1
- “Chobham Manor” means the development being undertaken by the Company at the Queen Elizabeth Park and known as Chobham Manor and is for indicative purposes only shown edged red on Plan 2

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Using the B of E monetary inflation calculator, I have calculated the below results

Property type	2020/ 21	2021/ 22	2022/ 23	2023/ 24
Leasehold 3 bed Band D	£1159	£1264	£1374	£1366 (CURRENT fec £1554)

<https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>

What considerations are made for this charge and who is responsible for the calculated amount provided to residents.

Please show workings for all property types and council bands but completing the below table or similar, apologies if I have missed any detail.

[Blank table removed from the request]

Please also note that the deputy mayors report states freezing the RPI for 2024/25 due to cost of living."

I can confirm that the Legacy Corporation holds information which falls within the scope of your request. The information relevant to your request is below and our response follows your order:

Q1. Can you please show me how the fixed estate charge was initially calculated before residents stated paying, and how is it calculated for subsequent year?

The Fixed Estate Charge (the charge) is a fixed, index-linked charge levied on residential and commercial occupiers of the Legacy Corporation land established in 2016 by the then Mayor of London, under a Mayoral Direction, to contribute towards the management and maintenance of the Park, including parklands, footpaths, cycle ways, bridges and waterways, and venues that make up Queen Elizabeth Olympic Park (Park). It is a contribution and not directly linked to the cost of estate services.

The structure of the charge varies according to the contractual arrangements in place across different zones of the Park. The rate of the charge varies in accordance with the permitted use for each property (i.e. commercial, community or residential). The rates are set out in the legal paperwork linked to each property.

The table below shows the rates applicable to the different uses.

Use	Fixed Estate Charge base rate
Commercial and University	£1.50 per sq. foot p.a.
Private <u>housing</u> (including PRS units), State Schools, Civic, Community and Culture Amenities	£1.00 per sq. foot p.a.
Affordable housing	£0.50 per sq. foot p.a.

In order to understand the indexation calculation for each year, you will need to contact the organisation that invoices you. At Chobham Manor, it is L&Q. Please note the charge is calculated using the Retail Prices Index (RPI).

Q2. What considerations are made for this charge and who is responsible for the calculated amount provided to residents.

The charges were derived having sought advice and undertaken benchmarking and were approved by both the Legacy Corporation's Investment Committee and Board in 2014.

The Legacy Corporation levy the charge on the developer. The management company, appointed by the developer, then onward apportion the charge to residents and commercial occupiers.

At Chobham Manor, L&Q are the management company and are responsible for the calculated amounts provided to residents.

Q3. Please also note that the deputy mayors report states freezing the RPI for 2024/25 due to cost of living

The Mayoral Review made a recommendation to consider whether a temporary cap on the rate of inflation should be applied to the charge. The Review stated that *“any such cap would require additional funding to be identified in order that LLDC’s budget would balance”* and that a cap *“would need to be considered in the context of Greater London Authority (GLA) budget-setting in future financial years”*.

A cap was considered as part of the budgeting processes for the 2023/24 and 2024/25 financial years but given the pressures on the budget and the competing calls for funding, the decision was taken by the GLA to not apply a cap for these years.

If you are unhappy with our response to your request and wish to make a request for an internal review of our response, you should write to:

Deputy Chief Executive
London Legacy Development Corporation
Level 9
5 Endeavour Square
Stratford
E20 1JN

Email: FOI@londonlegacy.co.uk

Please note: requests for internal reviews received more than forty working days after the initial response will not be handled.

If you are not content with the outcome of the internal review, you may appeal directly to the Information Commissioner at the address given below. You should do this within two months of our final decision. There is no charge for making an appeal.

Further information on the Freedom of Information Act 2000 is available from the Information Commissioner’s Office:

Wycliffe House
Water Lane
Wilmslow
SK9 5AF

Telephone 08456 30 60 60 or 01625 54 57 45

Website www.ico.gov.uk

Yours sincerely

FOI / EIR Co-ordinator
London Legacy Development Corporation