

and outcomes are often uncertain. Nonetheless, the Trust's only protection is in the courts and experience shows that the more the Trust hesitates in seeking legal redress, the more people take advantage by illegal behaviour. Therefore the costs of litigation must be balanced against the consequences to the Suburb of avoiding it.

All the Trustees' decisions are based on careful legal advice. In any one critical case, should the Trust lose, its ability to protect the Suburb would be seriously impaired. Success means that costs can be at least partly recovered, discourages future attempts to challenge the Trust, and minimises future legal costs.

Space for staff to work

An important element in the increase in expenditure estimated for 2008/9 is an increase in the costs of staff and accommodation.

The work load on the staff has increased to a level which now cannot be indefinitely sustained. The Trust proposes, therefore, to take on one more full time member of staff. This, along with the need to improve the quality and security of the storage for Trust records and provide a meeting room for residents to view plans, means more office space is needed. Such space can be found in the Trust offices by using space currently let as a flat.

The Management Charge for 2008/9 includes the half year costs for the additional space and running costs. This will constitute a larger part of the Management Charge in 2009/10 and, at 2008 prices, represents an increase in the cost of the operation of the Management Charge of £11 in a full year.



Trust staff in the office

Trustees are convinced that these changes are the minimum necessary for the efficient and adequate provision of services by the Trust.

The Management Charge in future

Since 2006/7 the billed charge has been based on an estimate of prospective expenditure, which is necessarily uncertain. A number of factors contribute to the difficulty of forecasting costs.

The Trust is a small organisation with expenditure for the Scheme of Management in 2007/8 of just over £400,000. This is only the third year in which the Trust has drawn up a budget; the Trust's estimating abilities, while much improved, can be expected to improve further.

Bearing these uncertainties in mind, the Trust Council's overall assessment must take into account the fact that the Trust deals with matters affecting about 5,000 premises and much other property. Further, the pursuit of the Trust Council's duty to do all things possible to preserve the Suburb's

character must be cost-effective; but frugality must not prevent achievement of its goals. A failure to provide the resources required will mean the decline of the Trust and the loss of the Suburb's character. In the light of these considerations the Council believes the long-run charge to be between £80 to £140 at 2008 prices.

Progressive or regressive?

There is an application before the courts to relate the Management Charge to the value of the individual premises on which it is levied. The Trust has adopted a position of neutrality to avoid opposing any one section of Charge payers in a matter that has no direct financial consequence for the Trust.

At the same time the Trust is concerned to ensure that it does not inhibit debate about the issue. Is a flat rate (regressive) charge fairer than a banded (progressive) charge? It may be that the present application will be inconclusive. If so, the Trust may consider applying to the LVT for a ruling as to which of the two ways of charging is more equitable.