



Board of Directors

Wednesday 12 May 2010 at 12 noon

To be held at Keelman Homes, Keelman House, Fifth Avenue
Business Park, Fifth Avenue, Team Valley Trading Estate,
Gateshead

Agenda

Item	Business
1.	Apologies for Absence
2.	Appointment of Chair
3.	Declarations of Interest
4.	Notes of Meeting of Keelman Homes held on 21 January 2010 (Pages 2-6) Attached
5.	Matters Arising
6.	Appointment of Directors (Pages 7-8) Report of Company Secretary
7.	Rent and Service Charge Setting Policy and Rents (Pages 9-22) Report of TGHC Director of Finance
8.	Kibblesworth Update Presentation by Peter Smith, TGHC New Build and Regeneration Manager on progress to date
9.	Date and Time of Next Meeting Thursday 8 July 2010 at the conclusion of the TGHC Board Meeting
10.	Exclusion of the Press and Public

Contact: Stuart Gibson Tel: (0191) 433 5308 Date: 5 May 2010



(Company number: 06972673)

Minutes of meeting of the Board of Directors held at Keelman House, Team Valley, Fifth Avenue, Gateshead on Thursday 21 January 2010 at 12.30pm

Present:

Directors

Richard Armitage
Paul Foy
Peter Mole

Ordinary Trustee

Brian Kelly

In attendance:

Jon Mallen-Beadle (Company Secretary)
Bill Fullen (Chief Executive, The Gateshead Housing Company)
Stuart Gibson (Company Administrator, The Gateshead Housing Company)

Also present:

Linda Hitman

19 CHAIR

RESOLVED – That Bill Fullen be elected as Chair of this meeting and he accordingly took the Chair.

20 MINUTES

The minutes of the Board Meeting of Keelman Homes held on 12 November 2009 were approved as a correct record.

21 APPOINTMENT OF DIRECTOR

The Board considered a report proposing the appointment of Linda Hitman as a director of the company. This director would be known as an "Ordinary Trustee" and in accordance with the company's Articles of Association would be appointed by the Board to fill a casual vacancy until the company's next Annual General Meeting.

Should the Board appoint Linda Hitman, there would be a further two ordinary trustee vacancies. Consideration was given to arrangements for filling these vacancies.

- RESOLVED – (i) That Linda Hitman be appointed as an Ordinary Trustee with immediate effect and in accordance with the company's Articles of Association be appointed to fill a casual vacancy until the company's next Annual General Meeting.
- (ii) That the Company Secretary be instructed to file notification of the appointment of the new company director on Form 288a with the Registrar of Companies.
- (iii) That arrangements be made for advertising the remaining two ordinary trustee vacancies.

22 CONFIRMATION OF CHARITABLE STATUS

The Board was informed that Keelman Homes has received confirmation of Charitable Status from the Charity Commission and been entered in the Register of Charities with effect from 16 December 2009.

RESOLVED – That the information be noted.

23 MANAGEMENT AGREEMENT BETWEEN THE GATESHEAD HOUSING COMPANY AND KEELMAN HOMES AND PERFORMANCE GUARANTEE

The Board has approved the development of 94 affordable homes in Kibblesworth.

Keelman Homes now need to appoint a company to provide Housing Management Services on their behalf. The terms and conditions of the Homes & Communities Agency (HCA) Grant Agreement state that this has to be in place 15 days before start on site.

A number of options were considered before deciding to recommend a management agreement with The Gateshead Housing Company (TGHC). These included Keelman Homes directly managing the properties and procuring another landlord to manage the properties on their behalf.

The third option is to appoint TGHC. This has a number of benefits including efficiencies of scale as TGHC is already providing this service to the existing tenants in Kibblesworth and the ability of TGHC to charge their services at a marginal cost. It is proposed to charge £200 per property.

The appointment of TGHC would also ensure that existing and future tenants of Keelman Homes receive a level of service that is identical to the current levels of service they receive.

In addition to this, TGHC meet all the criterion set out by the HCA to enter into a management agreement with Keelman Homes and have recently been assessed by the Audit Commission as providing excellent services with excellent prospects for improvement.

A copy of the management agreement was submitted.

The HCA has requested that TGHC as the parent body provides a performance guarantee. This is to ensure that should Keelman Homes be unable to complete the development at Kibblesworth then TGHC would step in to complete. A similar performance guarantee exists between TGHC and Gateshead Council.

The guarantee had to be submitted to the HCA in early January 2010 and following consultation with the Chair of TGHC Board, the guarantee was submitted.

- RESOLVED – (i) That the management agreement to allow TGHC to manage the homes on behalf of Keelman Homes be approved, subject to an amendment to paragraph 5.2 to state that the Management Fee for the company's services under this Agreement shall be **£200** per property per annum.
- (ii) That the submission of a performance guarantee from TGHC to the HCA be noted.

(Note: Bill Fullen, Richard Armitage, Paul Foy and Peter Mole being the Chief Executive and Board Members of TGHC, declared an interest in this issue and took no part in the discussion or voting thereon).

24 TENANCY MATTERS

There are various tenancy related agreements and policies that have to be in place before the Keelman Homes can start building new properties.

The following agreements and policies were submitted: -

- Tenancy Agreement
- Keelman Homes Lettings Policy
- Nomination Rights Agreement
- Rent Setting Policy.

These documents need to be sent to the Homes and Communities Agency (HCA) as part of the grant agreement submission. It is proposed that the Company Secretary be given delegated authority to

make any minor amendments to the documents following HCA feedback.

In addition, a Briefing Note on Right to Acquire was submitted.

The Rent Setting Policy has financial implications in relation to the income to be received by the company. The rents have been set initially at a level that will ensure Keelman Homes can cover the costs of the loan and also to ensure that these are not substantially higher than current rents paid for similar properties in the Gateshead area.

- RESOLVED –
- (i) That the agreements and policies be approved.
 - (ii) That the Company Secretary be authorised to make any minor amendments to the documents following feedback from the Homes and Communities Agency.
 - (iii) That the briefing note on Right to Acquire be noted.

25 OPERATIONAL RISK REGISTER

Operational risks are risks encountered by managers and employees during the daily course of their work. An Operational Risk Register needs to be developed to mitigate all potential risks during the development of new properties.

A proposed Operational Risk Register for New Build was submitted. The risks are prioritised based on likelihood and impact (or severity) both before and after appropriate control measures have been put in place and based on a traffic lighting system.

Risk Owners should periodically review risks and control measures to ensure changing circumstances do not alter the risk priorities. Factors which affect the likelihood and impact of a risk may change, as may the suitability of the measures applied to control the risk. It is proposed that the risk register be reviewed and monitored quarterly by the Company Administrator. Updates will then be presented to the Board for approval.

- RESOLVED –
- (i) That the New Build Operational Risk Register be approved.
 - (ii) That the Risk Register be reviewed and monitored quarterly by the Company Administrator and updates be presented to the Board for approval.

26 DATE AND TIME OF NEXT MEETING

The next meeting of the Board of Keelman Homes will be held on Wednesday 17 January 2010 at the conclusion of TGHC Board Meeting.

27 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED – That the press and public be excluded from the meeting during consideration of the remaining business.



Title: Appointment of Directors

Report of: Company Secretary

Purpose of Report

1. To approve the appointments of Hannah Hoskins and Anne Connolly as directors of the company.

Background

2. Richard Armitage, Peter Mole and Paul Foy were appointed as the first directors of the company.
3. Brian Kelly and Linda Hitman were appointed as directors of the company at the Board Meetings held on 9 September 2009 and 21 January 2010 respectively.
4. It is proposed that Hannah Hoskins and Anne Connolly be appointed as members of Keelman Homes with immediate effect.
5. These directors would be known as an "Ordinary Trustee" and in accordance with the Company's Articles of Association would be appointed by the Board to fill a casual vacancy until the company's next Annual General Meeting (Article 4.6).
6. Should the Board appoint Hannah Hoskins and Anne Connolly, there would be no further vacancies on the Board.

Impact on tenants

7. Having an effective Board can ensure that services delivered to tenants are responsive to their needs.

Risk Management Implications

8. An effective Board should have a full composition of directors.

Financial Implications

9. There are no financial implications directly arising from this report.

Equality and Diversity Implications

10. There are no equality and diversity implications directly arising from this report.

Value for Money implications

11. There are no value for money implications arising from this report.

Health Implications

12. There are no direct health implications arising from this report although the successful implementation of the recommendations would have a positive impact on the health and well being of Gateshead residents.

Consultation carried out

13. It was not necessary to carry out any consultation when compiling this report.

Recommendations

14. It is recommended that
- (i) Hannah Hoskins and Anne Connolly be appointed as Ordinary Trustees with immediate effect and in accordance with the company's Articles of Association be appointed to fill casual vacancies until the company's next Annual General Meeting.
 - (ii) the Company Secretary be instructed to file notification of the appointment of the new company director on form 288a with the Registrar of Companies.



Report to Board of Directors

12 May 2010

Title: Rent and Service Charge Setting Policy and Rents

Report of: TGHC Director of Finance

Purpose of Report

1. To seek approval of the updated rent and service charge setting policy and to approve the rents and service charges for 2010/11.

Background

2. The rent setting policy was approved by the Board of Directors at a meeting on 21 January 2010. Following this meeting it was discovered that there would also potentially be service charges which would be charged on some of the properties owned by Keelman Homes, therefore, it was decided to update the rent setting policy to include the information in relation to service charges so that the information was all available in one document.

Rent and Service Charge Setting Policy

3. The following changes have been made to the rent setting policy to ensure that it incorporates the service charges. The updated policy is included in Appendix 1: -
 - Name was changed to Rent and Service Charge Setting Policy
 - Point 2.2 was included to detail the scope of the service charge setting
 - Section 5 was included – the Principles of the Service Charge Setting Policy
 - Point 6.4 was added which details that service charges will be based on actual charges
 - Section 7.3 was added which was information on the setting of intermediate rents
 - Section 8 details the Methods for Calculating Service Charges
 - Section 12 details the Review of Service Charges
 - Throughout the document references are made to both rents and service charges.

Rents and Service Charges

4. The rent and service charge setting policy has been used to set the rents and any service charges attached to the properties within Kibblesworth. These have been calculated as follows:-

- Rents have been calculated by using the formula within the policy, these rents have been calculated for 2010/11 (Appendix 2)
- Intermediate rents have been calculated based on 80% market rent for a 2-bed property with an uplift per bedroom based on the policy (Appendix 3)
- Service Charges have been calculated for both the General Needs Bungalows and the Wheelchair Access Bungalow (Appendix 4)

Impact on Tenants

5. The impact on tenants is in relation to the rents and service charges which will be charged which are detailed within the Appendices. We have ensured that the social rents are in line with the Government set target rents.
6. The policy details the reviews in relation to the rents and service charges and also provides tenants with the means to appeal any decisions made in relation to their rents and service charges.

Risk Management Implications

7. The risks associated with the setting of rents and service charges are included within the risk register for the new build project. The Rent and Service Charge Setting Policy will ensure that rents are set at a level to reduce the risks associated with setting incorrect rents.

Financial Implications

8. The Rent and Service Charge Setting Policy has financial implications in relation to the income to be received by Keelman Homes – the rents have been set initially at a level that will ensure we can cover the costs of the loan and also to ensure that these are not substantially higher than current rents paid for similar properties in the Gateshead area.

Health Implications

9. There are no direct health implications arising from this report although the successful implementation of the recommendations would have a positive impact on the health and well being of Gateshead residents.

Value for Money Implications

10. There are no Value for Money implications within these agreements and policies for Keelman Homes.

Equality and Diversity Implications

11. There are no equality and diversity implications with this report.

Consultation Carried Out

12. No consultation has been carried out with this policy

Recommendations

13. The Board is recommended to
 - (i) approve the updates to the Rent and Service Charge Setting Policy in Appendix 1 to this report;
 - (ii) approve the initial rent, intermediate rent and service charges to be implemented in 2010/11 as detailed in Appendix 2 to 4 to this report.



Rent & Service Charge Setting Policy

1. Background

- 1.1. Keelman Homes have developed a rent and service charge setting policy which will assist in setting the rents and service charges in both new build properties which are carried out by the Company, and also for other properties which are owned and managed by Keelman Homes which fall outside of the HRA.
- 1.2. HRA Properties will still follow the Council's rent and service charge setting policy.

2. Scope of the Policy

- 2.1. The policy will set out the methods used in calculating rents for residential properties owned by Keelman Homes. It will include details of the initial rent calculation and how this will be increased annually.
- 2.2. The policy will also set out the methods for calculating the service charge for properties where additional services are provided. It will also set out details of how this charge will be increased.
- 2.3. The policy will comply with the Financial Regulations of Keelman Homes.
- 2.4. The policy seeks to ensure that rent and service charge setting does not discriminate between residents on any grounds and in particular race, gender, sexual orientation, ethnic origin, religious belief, disability/illness or age.

3. Objectives

- 3.1. Keelman Homes are committed to providing social housing at an affordable and fair rent.
- 3.2. Keelman Homes provides rented stock for which rents have been set by following the principles of Council owned rent setting.

4. Principles of the Rent Setting Policy

- 4.1. The overall aim of the policy is to provide a fair and affordable method of calculating rents which ensures that rents charged are sufficient to provide an efficient and effective housing service.
- 4.2. Objectives:
 - 4.2.1. To provide a method of calculating rent which is consistent for all properties owned by Keelman Homes.
 - 4.2.2. To ensure that the rents charged reflect the amenities of the property.
 - 4.2.3. To ensure that the method of calculation of the rents is transparent and can be easily understood.
 - 4.2.4. To ensure that the rents are set at a level which is sufficient to provide quality services that offer value for money.

4.3. Principles:

- 4.3.1. Keelman Homes will ensure that the policy complies with and reflects the legal framework and good practice.
- 4.3.2. Rents will be reviewed on an annual basis when the annual increase is applied.
- 4.3.3. The rent reviews will be implemented via The Gateshead Housing Company ICT which will ensure that letters and communication with customers meets any statutory obligations for implementing rent increases.
- 4.3.4. Keelman Homes will ensure that communication with tenants will be in plain language and will be easily understood.
- 4.3.5. Training will be provided to all employees to ensure that they are aware of their roles.

5. Principles of the Service Charge Setting Policy

5.1. The overall aim of the policy is to ensure that service charges are set based on the actual costs of the services which provided which are not covered by the rental income.

5.2. Objectives:

- 5.2.1. To ensure that service charges are based on the actual costs of the services provided.
- 5.2.2. To ensure that the service charges reflect the costs of the replacement items if necessary as well as the annual servicing/maintenance costs.
- 5.2.3. To ensure that the method of calculation of the service charges is transparent and can be easily understood.

5.3. Principles:

- 5.3.1. Keelman Homes will ensure that the policy complies with and reflects the legal framework and good practice.
- 5.3.2. Service charges will be reviewed on an annual basis when any annual increase required is applied to ensure that the service charges cover actual costs only.
- 5.3.3. The service charge reviews will be implemented via The Gateshead Housing Company ICT which will ensure that letters and communication with customers meets any statutory obligations for implementing rent increases.
- 5.3.4. Keelman Homes will ensure that communication with tenants will be in plain language and will be easily understood.

5.3.5. Training will be provided to all employees to ensure that they are aware of their roles.

6. Legal and Good Practice Framework

6.1. Keelman Homes will ensure that the Policy complies with current legislation and promotes good practice.

6.2. Keelman Homes will set rents that take account of affordability, the costs of managing and maintaining houses, comparability with other social landlords in the area, and that enable Keelman Homes to service loans and fulfil contractual obligations.

6.3. Keelman Homes will adopt a fair system for apportioning rents between individual properties.

6.4. Keelman Homes will ensure that service charges are set to ensure that they only cover actual costs incurred in delivering the service.

7. Method for Calculating Rent

7.1. New Build Property

7.1.1. Keelman Homes have implemented a system for calculating rent which is similar to the Council's rent setting. However, the rent is weighted dependent on a number of factors.

7.1.2. The following calculation is used in setting the initial rent:

70% (Property Weighting x National Average Rent x Relative County Earnings)

$$30 \% \frac{\text{Individual Value of Property}}{\text{Average Value of Property}} \times \text{National Average Rent}$$

Individual Property Value = Build Cost of the property.

Average Value of Property = Overall build cost of the project divided by number of properties.

National Average Rent = Average rent as per April 2000 inflated to current values.

Relative County Earnings = Borough of Gateshead Earnings relative to the Average Country's Earnings.

Property Weighting = as per the following calculation.

Property Weighting is calculated based on a 2 bed semi detached property, with garden, shed, off street parking and built to Code 4 level. Shown as Band 1 below.

Factors	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Variations +/-
External								
Front garden	X	X	X	X	X	X		
Back garden	X	X	X	X	X	X		
Shared garden							X	
Car port								+0.025
Off street parking within curtilage	X	X	X	X	X	X		
Shared parking only							X	
Shed/storage	X	X	X	X	X	X		
Property Type								
House detached								+0.025
House semi detached	X	X	X	X				
House terraced								-0.025
Bungalow detached								+0.025
Bungalow semi detached					X	X		
Bungalow terraced								-0.025
Flat							X	
Property Size								
1 bedroom								-0.025
2 bedroom	X				X		X	
3 bedroom		X				X		
4 bedroom			X					
5 bedroom				X				
Rooms								
Kitchen	X	X	X	X	X	X	X	
Kitchen/dining room								-0.025
Lounge	X	X	X	X	X	X	X	
Lounge/dining room								-0.025
Dining room	X	X	X	X	X	X	X	
Bathroom/wc	X	X	X	X	X	X	X	
Additional room/ living space excluding hall								+0.025
Property Features								
Lifetime Homes	X	X	X	X	X	X	X	
Wheelchair standard								+0.025
Code 3 sustainable								-0.025
Code 4 sustainable	X	X	X	X	X	X	X	

Weighting 1.00 1.05 1.10 1.15 0.95 1.00 0.90

Any changes to the standard are changed by a 0.025 variation which will amend the weighting of the property and therefore, impact the rent paid.

7.2. Other Miscellaneous Properties

7.2.1. The following calculation is used in setting the initial rent:

70% (Property Weighting x National Average Rent x Relative County Earnings)

$$30 \% \frac{\text{Individual Value of Property}}{\text{Average Value of Property}} \times \text{National Average Rent}$$

Individual Property Value = District Valuers Valuation.

Average Value of Property = Average Borough of Gateshead Valuation of Properties.

National Average Rent = Average rent as per April 2000 inflated to current values.

Relative County Earnings = Borough of Gateshead Earnings relative to the Average Country's Earnings.

Property Weighting = as per the following calculation.

Property Weighting is calculated based on a 2 bed semi detached property, with garden, shed, off street parking and built to Code 4 level. Shown as Band 1 in the above table.

Any changes to the standard are changed by a 0.025 variation which will amend the weighting of the property and therefore, impact the rent paid.

7.3. New Build Property – Intermediate Rent

7.3.1. Intermediate rent is for those properties designated as properties to enable first time buyers to get on the housing ladder.

7.3.2. The intermediate rent charged is often approximately 80% of the market rent and individuals renting the property should use the additional 20% to save for a deposit to potentially purchase the property.

7.3.3. Keelman Homes will base the intermediate rent setting structure on 80% of the average market value of rent in the area for a 2 bed property. For each additional bedroom a property has the intermediate rent will be uplifted by £20 per bedroom. For example a 3 bedroom property will be equal to 80% of the market rent for a 2 bedroom property plus £20.

7.3.4. Intermediate rent tenancies will be let on an Assured Shorthold Tenancy basis.

8. Method for Calculating Service Charges

8.1. Service Charges will be set based on the actual costs incurred in relation to the services being provided to the tenants.

8.2. Initial service charges will be set based on estimated costs of providing the service or actual costs if known.

8.3. The service charges will be reviewed on an annual basis to ensure that the charges collected relate directly to actual costs incurred.

8.4. An example of the type of calculation used in the calculation of service charges is provided below:-

Scheme Name						
Total number of properties						
Service Provided	Cost to install	Depreciation period	Depreciation cost per year	Annual servicing costs (£)	Total annual service charge	Individual service charge per tenant over 52 weeks
	(£)	(number of years)	(£)		(£ depreciation + annual servicing)	
Warden Call Hardware						
Warden Call Repairs						
Warden Call Service						
Total						

9. Changes to Attributes

9.1. Keelman Homes will review the rent of a property following a change to any of the attributes used in the calculation of the rent.

9.2. Any resulting increase in rent will be effective from the first Monday in April following the date of change, subject to the first rental period as detailed below. Keelman Homes will provide 28 days written notice of any increase in rent.

10. Initial Rental Period

10.1. The first rent charged on an assured tenancy must be in place for a minimum of 12 months and this cannot be changed during this time. Any changes in rent will be effected on the first Monday in April following this 12 month period.

11. Review of Rent Levels

11.1. Keelman Homes will consider the effect on tenants of any differences in rent levels between existing rents and those calculated under the policy.

11.2. Keelman Homes will review its rents annually as part of the budget process. As part of this review process, tenants will be consulted in any proposed rent increases.

11.3. It is expected that any increases in rent will not be more than 1% above inflation each year.

11.4. At least 28 days written notice will be given to tenants in the event of any rent increase.

12. Review of Service Charges

- 12.1. Keelman Homes will set service charges based on estimated costs for the year, or actual costs where known.
- 12.2. These estimated costs will be reviewed throughout the year in relation to actual costs incurred and at the year end any additional charges or refunds will be made to ensure that service charges collected cover actual costs incurred.
- 12.3. Service charges in the next year will be based on the actual costs incurred in the prior year and any additional estimates required.

13. Collection of Rent and Service Charges

- 13.1. Keelman Homes will collect rent and service charges over a 50 week period, allowing for two rent free weeks annually. These will be set at the weeks over the Christmas and New Year seasonal period.
- 13.2. Rent and service charges will initially be calculated at 52 weeks and then reallocated to detail the rent and service charges to be paid over 50 weeks to enable the two free weeks to be implemented.
- 13.3. The 50 week rent and service charges will be communicated to tenants in their rent and service charge letter annually.

14. Review of Decisions and Complaints

- 14.1. Keelman Homes will introduce a review process for tenants who are not satisfied with the way their rent has been calculated.
- 14.2. Tenants will have the opportunity to request a review of their rent within 28 days from their rent being set.
- 14.3. Keelman Homes will also provide details of actual costs incurred to ensure that service charges can be scrutinised by tenants if required.

15. Performance Monitoring

- 15.1. Keelman Homes will monitor rent levels and rental income generated under this policy.
- 15.2. Keelman Homes will monitor the following:
 - The levels of requests for review of rent
 - The impact of rent increases on the Allocations Policy
 - The service charges to ensure they are in line with actual costs incurred.
- 15.3. Reports will be submitted to Keelman Homes Board as part of the budget setting and monitoring process.

Kibblesworth Rent Calculation

The following formula has been used to calculate the rents to be set for the Kibblesworth properties:

<i>Example Calculation:</i>	
Individual Property Value	£40,854
Individual Value to Average Scheme Value	0.7
Weighting	0.925
National Average Rent	75.35
Relative County Manual Earnings	0.97
2009/10 Rent	£63.70

Therefore, the rents have been set as follows for the varying types of properties:

Property Type	52 weeks
2 bed	£65.73
3 bed	£69.29
3 bed corner house	£70.57
4 bed	£76.52
5 bed	£80.28
2 bed bungalow	£63.70
2 bed wheelchair bungalow	£66.27

Kibblesworth Intermediate Rent Calculation

The intermediate rents have been calculated at 80% of the 2-bed average market rent and then plus £20 per bedroom over a 2 bed property.

Rents have been calculated as follows:

Market rent for a 2 bed property = £105

Therefore, 80% of this = £84

Rents are as follows:

Property Type	52 weeks
2 bed	£84.00
3 bed	£104.00
4 bed	£124.00
5 bed	£144.00

Kibblesworth Service Charge Calculation

Service charges have been calculated for the General Needs Bungalows and the Wheelchair Access Bungalows separately.

The General Needs Bungalows will include additional services in relation to warden call. The Wheelchair Access Bungalows will include additional services in relation to warden call and additional kitchen equipment provided.

The estimated service charges for these bungalows have been calculated as follows over a 52 week period:

General Needs Bungalows:

Revenue (scheme name)	<i>Kibblesworth</i>	
Total number of properties	14	
Item		
Warden Call Hardware	£	0.77
Warden Call Repairs	£	0.44
Warden Call Service	£	0.95
Total	£	2.16

Wheelchair Bungalows:

Revenue (scheme name)	<i>Kibblesworth</i>	
Total number of properties	4	
Item		
Cookers	£	2.16
Warden Call Hardware	£	0.77
Warden Call Repairs	£	0.38
Warden Call Service	£	0.95
Total	£	4.27