

61462 Mixed Tenure Improvement Service - Project Management Fee

A full itemised breakdown of the costs and activities that make up the 20% project management fee charged to co-owners in mixed-tenure buildings under the Mixed Tenure Improvement Service. I am seeking to understand what specific staff time, overhead, administrative, or other costs this percentage is intended to recover.

Please see attached document for breakdown of tasks and hours.

These tasks are spread across various members of the team at the appropriate officer's hourly cost. The fees also include costs associated with all appointed external consultant costs, including physical building surveys and survey report writing, drone surveys, structural engineer costs, energy evaluation post works and building warrant fee costs.

Any written policy, guidance, methodology, or cost model used by the Council to calculate or justify the 20% rate, including any documents showing how the figure was arrived at or reviewed.

The management fee is reviewed each year as part of the budget setting process. A review of the tasks undertaken and hours spent by each job role are taken into consideration at this time. The management fee is dependent on the value of the work in each block. The fee is based on the preparation, time, resources and tasks required to carry out the repair project from beginning to end.

Whether the 20% fee has changed since the Mixed Tenure Improvement Service was introduced, and if so, the previous rate(s) and the dates on which any changes took effect.

The MTIS Pilot was set at 20%. The management fee is a percentage additional to the contractor's cost. This is calculated based on the hours spent on tasks for a typical block, in recognition of economies of scale achieved on larger blocks. A sliding scale was introduced after the MTIS pilot, as below:

Block value	Management Fee charged
Block works value of up to £250k	20%
Block works value over £250k up to £500k	15%
Block works value over £500k up to £750k	10%
Block works value over £750k	5%

Any comparison or benchmarking exercise carried out by the Council to assess whether the 20% rate represents value for money or reflects market rates for equivalent services.

Benchmarking was carried out with other local authorities and reported to committee; the results were that there was no useful comparator for this exercise.

The 20% fee is noted at point 6.2, within the 'assumption table' and in Appendix 2 in the report to the Finance & Resources Committee on 03/03/22. This also shows the financial model (cost neutral due to the fee).

Whether the fee is applied to the gross contract cost or another base figure, and whether VAT, statutory fees, or other charges are excluded before or after the percentage is applied.

The project management fee is applied to the final contractor's costs before VAT is added. The fees also include costs associated with all appointed external consultant costs, including physical building surveys and survey report writing, drone surveys, structural engineer costs, energy evaluation post works and building warrant fee costs.

If any of this information is held in the form of a charging schedule, cost recovery model, committee report, or officer delegated decision, please include those documents.

The Council's [fees and charge rates](#) are available on our website, along with the rates agreed at the [Finance and Resource Committee](#) and [Budget meetings](#) of February 2026.