



The Secretary,
Sovereign Harbour Trust,
Wallside House,
12, Mount Ephraim Road,
Tunbridge Wells, Kent
TN1 1EE

1st March 2011

Dear Mr. Leney

Clarification on the Operation of the Sovereign Harbour (Sea Defences) CIC

SHRA is concerned over the large increase in administrative charges (including governance costs) corresponding to the change of the Sovereign Harbour Trust from a charitable trust to a Community Interest Company. We wish to seek clarification on these charges and related issues.

We have had questions from residents about this and note that the 300% increase in these charges, that we first saw in the year ending 30th September 2009 continues to be promulgated in the year ending 30th September 2010. This is more than 20% of the costs levied on each residence on the Harbour and is clearly a penalty arising from the decision of SHT to move to a CIC. No benefits arise for residents out of this change, just an increased liability.

We would be grateful if you could therefore supply the following information, which we don't believe would compromise any commercial or confidential considerations.

- i. A breakdown of the administrative costs before and after the change to the CIC, so that we may better understand the detail of the services that are being provided.
- ii. Noting your work to review the number of properties who should be paying the Rent Charge, and also, from your accounts, that 3051 of them are subject to just the Marina Charge, what are the total number of properties on the Harbour, i.e. the number that incur the SW Charge?
- iii. What liabilities are there on residents should a failure occur in the walls of the Harbour or the lock gates, possibly resulting in flooding, and what limits are there to this liability? We assume that insurance is in place to address this, but would appreciate a clear statement on these issues and how any liabilities on residents are being limited.

We would appreciate an early response to alleviate residents' concerns.

Yours sincerely,

Mrs. J. Weeks
Chairman, SHRA

Sovereign Harbour Residents Association

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