

Committee:	Date:	Item no.
Housing Management & Almshouses Sub-Committee	21 January 2019	
Community and Children's Services Committee	8 February 2019	

Subject: City of London Almshouses Revenue and Capital Budgets 2018/19 and 2019/20	Public
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Report of: The Chamberlain and The Director of Community and Children's Services	For Decision
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Summary

1. This report is the annual submission of the City of London Almshouses revenue budgets overseen by your Committee. In particular it seeks approval for the revenue budget for 2019/20.
2. The overall budget position is summarised below: -

Table 1: Overall Position	Original Budget 2018/19 £'000	Original Budget 2019/20 £'000	Movement 2018/19 to 2019/20 £'000
Income	365	332	(33)
Expenditure	(300)	(318)	(18)
Surplus on income and expenditure account	65	14	(51)
Increase/Decrease in market value of investments	0	0	0
Actual/Estimated Reserve brought forward	1,684	3,016	1,332
Reserve carried forward	1,749	3,030	1,281

3. Overall, the 2019/20 budget indicates a surplus on income and expenditure of £14,000, a decrease of £51,000 compared with the Original Budget for 2018/19.
4. The reserve is both a contingency against unforeseen expenditure and a provision for the financing of future expenditure.

Recommendations

5. The Committee is requested to:
 - Review the 2019/20 revenue budget to ensure that it reflects the Committee's objectives.

Main Report

Management of the City of London Almshouses

6. In accordance with existing practice, the management costs of Property Services provided by the Community and Children's Services Department are excluded. However, the budgets for the Almshouses do include the costs of Support Services provided by the City of London Corporation's central departments and the Community and Children's Services Department.

Proposed Budget Position 2018/19 and 2019/20

7. The detailed budgets and reserves are set out in Table 2.
8. Expenditure and adverse variances are presented in brackets. Only significant variances (generally those greater than £10,000) have been commented on in the following paragraphs.
9. The increase in the opening reserves of £1,332,000 between the 2018-19 & 2019-20 original budget relates to the change in Accounting treatment of the Social Housing Grant of £1.3 million which is now recognized as Restricted fund.
10. A decrease of £26,000 in Income Contributions and Service Charges, is the tenant rental income mainly resulting from the 1% annual rent reduction.

Table 2

Actual 2017/18 £'000	City of London Almshouses Trust	Original Budget 2018/19 £'000	Latest Budget 2018/19 £'000	Original Budget 2019/20 £'000	Movemen t 2018/19 to 2019/20 £'000	Paragra ph Ref
	Expenditure					
(99)	Employees	(106)	(102)	(101)	5	
(132)	Repairs and maintenance	(115)	(115)	(115)	0	Annex A1
(4)	Energy Costs	(6)	(6)	(6)	0	
(7)	Rents	(8)	(8)	(8)	0	
(9)	Council Tax	(7)	(7)	(7)	0	
(7)	Water	(7)	(8)	(8)	(1)	
(9)	Cleaning and Domestic Supplies	(8)	(9)	(9)	(1)	
(5)	Grounds Maintenance Costs	(9)	(9)	(9)	0	
(173)	Total Premises Related Expenses	(160)	(162)	(162)	(2)	
(9)	Equipment, Furniture and Materials	(5)	(5)	(5)	0	
(7)	Communications and Computing	(7)	(7)	(8)	(1)	
(2)	Fees and Services	(1)	(1)	(1)	0	
(1)	Advertising	(1)	(1)	(1)	0	
(0)	Clothes, Uniform & Laundry	(1)	(1)	(1)	0	
(3)	Hospitality	(2)	(2)	(2)	0	
(22)	Total Supplies and Services	(17)	(17)	(18)	(1)	
(23)	Recharges for Support Services	(13)	(27)	(27)	(14)	
(10)	Transfer Payments	0	(6)	(6)	(6)	
(1)	Capital Charges	(4)	(4)	(4)	0	
(328)	Total Expenditure	(300)	(318)	(318)	(18)	
	Income					
288	Rent and Service Charges	315	289	289	(26)	10, Annex A3
42	Investment Income	50	43	43	(7)	
330	Total Income	365	332	332	(33)	
2	Net Surplus/ (Deficit)	65	14	14	(51)	
	Reserves	-				
2,959	Balance Brought Forward	1,684	2,972	3,016	1,332	
2	Income and Expenditure Account	65	14	14	(51)	
11	Increase/Decrease in Market Value of Investments	0	30	0	0	
2,972		1,749	3,016	3,030	1,281	

Manpower Statement

11. Analysis of the movement in manpower and related staff costs are shown in table 3 below.

Table 3

	Original Budget 2018/19		Original Budget 2019/20	
	Manpower Full-Time Equivalent	Estimated Cost £'000	Manpower Full-Time Equivalent	Estimated Cost £'000
Housing Management	0.60	(29)	0.53	(26)
Matrons - Employees	1.05	(50)	0.95	(47)
Gardener	0.8	(27)	0.8	(28)
Total Employee Costs	2.45	(106)	2.28	(101)

Investments

12. The Trust holds 135,697 units in the Corporation's Charities Pool with a market value as at 30 September 2018 of £ 1,225,344. The distribution rate for the first six months of 2018/19 was 3.4%. Cash is held by the Chamberlain on behalf of the Trust and is invested with other City of London funds on the London Money Markets. In this way, the Trust benefits from the higher interest rates that the City of London can obtain. The budget assumes interest on cash balances of 0.521% for 2018-19 and 0.521% for 2019-20 onwards. Interest is credited annually based on the Trust's average cash balance.

Draft Capital and Supplementary Revenue Budgets

13. The latest estimated costs for the Committee's draft capital and supplementary revenue projects are summarised in the Table 4 below.

Table 4

Project	Exp. Pre 01/04/18 £'000	2018/19 £'000	2019/20 £'000	Later Years £'000	Total £'000
<u>Pre-implementation</u> City of London Almshouses East Lodge Refurbishment Works	0	31			31
TOTAL CoL ALMSHOUSES	0	31	0	0	31

14. Pre-implementation costs comprise consultancy fees to identify the refurbishment works required. The implementation phase will be subject to further approvals and funding from the CoL Almshouses Trust.

15. The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2019.

Background Papers:

Estimate Working Papers Chamberlain's

Contact:

Contact Officers:

Chamberlain's Department –

Goshe Munir Tel: 020 7332 1571 / Goshe.Munir@cityoflondon.gov.uk

Community and Children's Services Department –

Paul Murtagh Tel: 020 7332 3015 / Paul.Murtagh@cityoflondon.gov.uk

Annex A1

REPAIRS, MAINTENANCE AND IMPROVEMENTS		Original Budget 2018/19 £'000	Latest Budget 2018/19 £'000	Original Budget 2019/20 £'000
<u>Breakdown and Emergency Repairs</u>				
Building	E	(67)	(67)	(67)
Electrical	E	(9)	(9)	(9)
Breakdown Heating and Ventilating	E	(7)	(7)	(7)
Breakdown Rech Insurance Claim	E	(3)	(3)	(3)
		(86)	(86)	(86)
<u>Contract Servicing</u>				
Building	E	(2)	(2)	(2)
Electrical	E	(3)	(3)	(3)
Heating & Ventilating	E	(8)	(8)	(8)
		(13)	(13)	(13)
<u>Cyclical Works</u>				
Asbestos Data	E	(2)	(2)	(2)
Adaptations for the Disabled	E	(7)	(7)	(7)
Redecorations Works	A	(5)	(5)	(5)
		(14)	(14)	(14)
<u>Projects</u>				
Asbestos Management	A	(2)	(2)	(2)
		(2)	(2)	(2)
Total Repairs, Maintenance and Improvements		(115)	(115)	(115)

Key: E = Essential A = Advisable D = Desirable

2019/20 REPAIRS, MAINTENANCE AND IMPROVEMENTS -
EXPLANATION OF WORKS

Breakdown and Emergency Repairs

Building - £67,000

Responsive repairs currently undertaken by Wates Living Space.

Electrical - £9,000

Responsive repairs currently undertaken by Wates Living Space.

Heating and Ventilating - £7,000

Rechargeable Insurance Claim - £3,000

Contract Servicing

Building - £2,000

Servicing and Maintenance of building related components. Currently undertaken by Wates Living Space.

Fire extinguishers: The current contractor is Allied Protection.

Chlorination of water tanks: The current contractor is Hertel UK. The contract is market tested annually.

Electrical - £3,000

Fire Alarms and Warden Call Systems: The current contractor is Allied Protection. Also included is the rental of a British Telecom line in respect of the fire alarm system

Heating & Ventilating - £8,000

Servicing and Maintenance of Gas Appliances: The current contractor is TSG Building Services PLC.

Cyclical Works

Asbestos Data - £2,000

Inspection /removal of asbestos. Current contractor Eton Environmental.

Adaptations for the Disabled - £7,000

Works to properties to accommodate those with a disability. Currently provided by GB Adaptions.

Redecorations Works - £5,000

Various redecoration works – contractor to be determined.

Projects

Asbestos Data - £2,000

Inspection /removal of asbestos. Current contractor Eton Environmental.

Annex A3Rent and Service Charges

Subjective Description	2017-18 Actual (£,000)	2018-19 OR CU (£,000)	2018-19 Revised (£,000)	2019-20 OR BK (£,000)
Rent	222	245	219	219
Service Charges on account	66	70	70	70
Total	288	315	289	289