

**Notes from an Urgent, Informal Meeting of the Barbican Residential Committee
(BRC)**

Budget Reports (Revenue, Capital and Service Charges)

29th January 2024 at 9.15 am via Teams and in CR3 at Guildhall

Present:

Mark Wheatly – Chair of the BRC
Anne Corbett – Deputy Chair of the BRC
Sandra Jenner – Chair of the RCC
Jim Durcan – Deputy Chair of the RCC
Alderman Christopher Makin – Deputy Chair of the RCC
Adam Hogg – Chair of the Barbican Association
Alderman Susan Pearson – BRC Member (non-resident)
Steve Goodman – BRC Member (resident)
Helen – BRC Member (resident)
Ruby Sayed – BRC Co-opted Member (Chair of Community and Children’s Services)
Judith Finlay – Executive Director, Community and Children’s Services (CCS)
Pam Wharfe – Interim Assistant Housing Director, CCS
Mark Jarvis – Chamberlains
Anne Mason – Revenue Services Manager, CCS
Julie Mayer – Town Clerks.

1. Chair’s opening comments

The Chair welcomed everyone present and watching the You Tube stream to this urgent, informal meeting of the Barbican Residential Committee (BRC). The Chair advised that, whilst this was an informal meeting, it was being live streamed in order for the discussions about two distinct but related matters of the budget to be as transparent as possible.

Members were reminded of the issues raised about the budget reports at the Special Meeting of the RCC on 17th January 2024. The minutes from this meeting, recording these points, had been published in draft on the City Corporation’s Committee page at the following link:

<https://democracy.cityoflondon.gov.uk/ieListDocuments.aspx?CId=188&MId=24483&Ver=4>

At the BRC meeting on 22nd January, there were a number of technical issues and the Committee agreed that the decisions should be taken under delegated authority by the Town Clerk, in consultation with the Chair and Deputy Chair, who would then exercise their discretion and courtesy to consult the Residents Consultation Committee (RCC). The Chair also asked to supplement the process with today’s urgent, informal meeting of the BRC. This proposal would also align

with the reporting timescales for the City of London Corporation's obligations in terms of setting its Budget for 2024/25.

Whilst this suggestion was welcomed, concerns were raised at both the BRC and RCC Meetings about the budget papers being late this year. The Chamberlain explained that this had been due to delays with information about recharges. The Chair asked for assurance of better planning in the future. Some further narratives on the budget reports were provided to Members before the BRC meeting on 22nd January and, whilst they were helpful, Members felt that they were still not strong enough and their concerns about the timing, format and monitoring of the budget reports remained.

2. Introduction from the Chamberlain

The Chamberlain framed the budget process, noting that the Local Authority's 'City Fund' must set a budget every financial year-end (i.e. by 31st March). Directors need to keep within this 'budget envelope' and the outturn reports show how Directors have performed against their budgets. This enables the organisation to allocate resources in a responsible way across all of its functions and services.

The Non-Service charge budget report includes the City's assets and there is a net outgoing to the City Corporation's City Fund. The Service Charge budget report also has to show a zero position. The service charge statement, circulated to residents in April each year, is more accurate than this report, noting that the final figures might change. A Member commented on the perception in that overspends are not a problem for the City of London Corporation, as they are transferred to service charge payers. The Chair advised that there would be a 'lessons learnt and principles' section at the end of this meeting, in the spirit of the Barbican Estate Office's Transformation Programme.

3. Revenue and Capital Budgets - Latest Approved Budget 2023/24 and Original 2024/25 Excluding dwellings service charge income and expenditure

- a. The Chair of the RCC was invited to comment, noting that residents pay a high percentage of the car park attendants' costs. The RCC have been able to comment via the Car Park Charges Working Party but feel that the finances are not as clear as they might be. If some of the income were to be included in this budget, then it might be clearer.
- b. A Member agreed that both of the reports need a lot more transparency, noting that the additional information provided for the BRC (referred to above) is a good step change in terms of building trust between Leaseholders and the City of London Corporation. Leaseholders need to be able to make informed decisions in terms of what they would like to see change. The Chamberlain agreed to work more closely with SCWP throughout the year, with deep dives if necessary, to ensure wider appreciation of the process.

- c. There was a further comment about confusion as to how income is applied to the rest of the service and the impact on service charges. The Chamberlain explained how City of London Corporation net expenditure and income is used to offset this, as is the case with profits on the baggage stores.
- d. The Revenues Manager explained that income in respect of the railway line is a small, historic budget relating to this area of land, noting that all residential rents come into the Landlord budget. The 'trade centre' is a commercial area close by the high walk and is accounted for separately.

The Chair thanked the residents for their comments and officers for their explanations, which were very helpful in building confidence and trust going forward.

4. Service Charge Expenditure and Income Account - Latest Approved Budget 2023/24 and Original Budget 2024/25

- a) The Chair of the RCC was invited to comment, noting the views of residents and the RCC in that a budget should provide the best possible forecast. The RCC have been asking about overheads and recharges for a number of years but they remain unsatisfied at the lack of commentary and justification. The Chair accepted that even if a situation is fluid, trust and confidence is eroded if transparency is lacking.
- b) The Revenues Manager advised that the budget is set with the best information available at that point in time. The budget is scrutinised further in the Spring and, as with last year, the Leaseholder Service Charge Working Party is engaged. The main reasons for increases are salary and energy costs and repairs and maintenance charges, which tend to be fluid. The Chair noted that the budget setting timetable coincides with a period of uncertainty and items beyond the City Corporation's control but the engagement and communications could be better. The Chair of the RCC felt that, previously, the engagement sessions with the Working Party had not improved the quality of information provided.
- c) The Revenues Manager agreed to improve the information in time for the March RCC. The Chair of the RCC welcomed this, noting that a root and branch review in terms of how service charges budgets are compiled, justified and monitored is required. It was also noted that the new Assistant Director of the Barbican Estate Office will be engaged and residents welcomed the imminent audit of service charges by an external company. The Interim Assistant Director had agreed to set up a subset of the Service Charges Working Party, in order to agree a format, noting the historic dissatisfaction. The RCC Chair welcomed this, in a measured approach, to ensure it is fit for the future. The Chair of the RCC agreed to email those present in terms of any further 'lessons learnt'.

- d) It was noted that 'Authority to the Chamberlain' is too wide a scope in the current circumstances. The Chamberlain advised that this is a standard phase in budget reports but it could be removed, as this is a service charge report. If there are any further issues, then they would come back to the RCC for consultation and the BRC for decision.
- e) In a concluding comment, the RCC Chair stressed that, if the timescale had not been so tight in terms of the City of London Corporation's budget setting timetable, there might have been a push back on some items. However, residents will be pragmatic and are prepared to recommend that the report be agreed, on the understanding of the wider transformation programme, audits and approach to service charges are taken forward.

5. Closing comments and lessons learnt – RCC Chair.

- a) Reporting schedule to improve next year, to give more room for manoeuvre.
- b) Residents' expectations for a transparent and realistic budget production are clear and they feel it should be bottom up and not top down. The Interim AD agreed that a zero based exercise should be done frequently, even if not annually.
- c) Once we have a transparent budget that everyone is content with, then we will have a tool for the future, which will facilitate the correct level of probity by residents and challenge by the BRC.
- d) The Chamberlain agreed with the above comments and advised that the Chair of Finance is driving more transparent budget setting.
- e) In closing the Chair thanked everyone for a helpful meeting in moving forward a challenging in the spirit of the transformation programme. The RCC chair thanked the Chair of the BRC for the opportunity to participate in this meeting.
- f) It was noted that both of the above reports would now go forward to the Town Clerk under delegated Authority, in consultation with the Chair and Deputy Chair of the BRC.

The meeting ended at 10.20 am.