

Committee(s): Housing Management & Almshouses Sub-Committee	Dated: 17 April 2024
Subject: CoL Almshouses Revenue & Capital Budgets 2023/24 and 2024/25	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1,2,3,4,12.
Does this proposal require extra revenue and/or capital spending?	N
Report of: The Chamberlain and The Director of Community and Children’s Services	For Information
Report author: Yosef Demissie, Senior Finance Officer, Chamberlain’s Department	

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 2024/25.
2. The overall budget position is summarised below: -

Table 1: Overall Position	Original Budget 2023/24 £,000	Original Budget 2024/25 £'000	Movement 2023/24 to 2024/25 £'000
Income	382	420	38
Expenditure	(303)	(372)	(69)
Surplus on income and expenditure account	79	48	(31)
Actual/Estimated Reserve brought forward	2,833	3,120	287
Reserve carried forward	2,912	3,168	256

3. Overall, the 2024/25 budget indicates a surplus on income and expenditure of £48,000, a decrease of £31,000 compared with the Original Budget for 2023/24.
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 2024/25 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 2023/24 and 2024/25

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. There is an increase in Rental and Service charges income in 2024-25 compared to 2023-24. The capped rental increases has been estimated in these figures will now rise to 7.7% given latest government guidance.
10. There is an increase in Council tax cost due to high number of voids.

Table 2

Actual 2022/23 £'000	City of London Almshouses Trust	Original Budget 2023/24 £'000	Latest Budget 2023/24 £'000	Original Budget 2024/25 £'000	Movement 2023/24 to 2024/25 £'000	Paragraph Ref
	Expenditure					
(111)	Employees	(115)	(129)	(129)	(14)	11
(85)	Repairs and maintenance	(96)	(125)	(125)	(29)	Annex A1
(6)	Energy Costs	(4)	(4)	(4)	0	
(7)	Rents	(8)	(8)	(8)	0	
(25)	Council Tax	(11)	(22)	(22)	(11)	10
0	Water	(1)	(1)	(1)	0	
(4)	Cleaning and Domestic Supplies	(5)	(5)	(5)	0	
(9)	Grounds Maintenance Costs	(9)	(9)	(9)	0	
(136)	Total Premises Related Expenses	(134)	(174)	(174)	(40)	
(1)	Equipment, Furniture and Materials	(2)	(2)	(2)	0	
(5)	Communications and Computing	(13)	(16)	(13)	0	
(27)	Fees and Services	(7)	(13)	(13)	(6)	
(3)	Contributions to Provisions	0	0	0	0	
(0)	Clothes, Uniform & Laundry	(1)	(1)	(1)	0	
(3)	Hospitality	(2)	(2)	(2)	0	
(39)	Total Supplies and Services	(25)	(34)	(31)	(6)	
(33)	Recharges for Support Services	(23)	(32)	(32)	(9)	
(6)	Transfer Payments	(6)	(6)	(6)	0	
(4)	Transport	0	(1)	0	0	
(329)	Total Expenditure	(303)	(376)	(372)	(69)	
	Income					
(2)	Commission/Royalties	0	0	0	0	
201	Rental income	249	255	275	26	9
72	Service Charges	89	97	105	16	9
37	Investment Income	44	40	40	(4)	
308	Total Income	382	392	420	38	
(21)	Net Surplus/ (Deficit)	79	16	48	(31)	
	Reserves	-				
3,241	Balance Brought Forward	2,833	3,202	3,120	287	
(21)	Income and Expenditure Account	79	16	48	(31)	(as above)
0	Capital Refurbishment works	0	(86)	0	0	13
(18)	Increase/Decrease in Market Value of Investments	0	(12)	0	0	
3,202	Balance Carried Forward	2,912	3,120	3,168	256	

Manpower Statement

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

Table 3

	Original Budget 2023/24		Original Budget 2024/25	
	Manpower Full-Time Equivalent	Estimated Cost £'000	Manpower Full-Time Equivalent	Estimated Cost £'000
Housing Management	0.53	(28)	0.53	(32)
Matrons - Employees	0.95	(54)	0.95	(59)
Gardener	0.80	(33)	0.80	(38)
Total Employee Costs	2.28	(115)	2.28	(129)

Investments

12. The Trust holds 86,077 units in the Corporation's Charities Pool with a market value as at 30 September 2023 of £767,376 (unit price £8.915). The distribution rate for the first six months of 2023/24 was 2.15%. 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 1.83% for 2023-24 and 1.83% for 2024-25 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

Service	Project	Exp. Pre 01/04/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Later Years £'000	Total £'000
	<u>Authority to start work</u>						
Almshouses Trust	Refurbishment Works	655	86	-	-	-	741
TOTAL Almshouses Trust		655	86	-	-	-	741

14. The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes are to be presented to the Court of Common Council for formal approval in March 2024.

15. All costs are being funded from the Trust reserves.

Background Papers:

Estimate Working Papers Chamberlain's

Contact:

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Annex A1

REPAIRS, MAINTENANCE AND IMPROVEMENTS		Original Budget 2023/24 £'000	Latest Budget 2023/24 £'000	Original Budget 2024/25 £'000
<u>Breakdown and Emergency Repairs</u>				
Building	E	(40)	(92)	(92)
Electrical	E	(8)	(8)	(8)
Breakdown Heating and Ventilating	E	(5)	(10)	(10)
Breakdown Rech Insurance Claim	E	(6)	(1)	(1)
		(59)	(111)	(111)
<u>Contract Servicing</u>				
Electrical	E	(5)	(2)	(2)
Heating & Ventilating	E	(10)	(7)	(7)
		(15)	(9)	(9)
<u>Cyclical Works</u>				
Asbestos Data	E	(2)	0	0
Electrical Testing	E	0	(2)	(2)
Water Supply Works	E	(5)	(1)	(1)
Redecorations Works	A	(5)	0	0
Portable Appliance Testing	E	(1)	(1)	(1)
		(13)	(4)	(4)
<u>Projects</u>				
Brickwork and Concrete Repairs	E	(6)	(1)	(1)
Tree Maintenance and Pruning	A	(1)	0	0
Asbestos Management	A	(2)	0	0
		(9)	(1)	(1)
Total Repairs, Maintenance, and Improvements		(96)	(125)	(125)

Key: E = Essential A= Advisable D= Desirable