

<b>Committee:</b>	<b>Date:</b>
Housing Management & Almshouses Sub Committee	30 January 2014
<b>Subject:</b>	<b>Public</b>
City of London Almshouses Revenue Budgets 2013/14 and 2014/15	
<b>Report of:</b>	<b>For Decision</b>
The Chamberlain and The Director of Community and Children's Services	

### 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 2014/15.
2. The overall budget position is summarised below:-

Table 1 : Overall Position	Latest Budget 2013/14 £000	Original Budget 2014/15 £000	Movement 2013-14 to 2014-15 £'000
Income	(362)	(372)	(10)
Expenditure	340	398	58
Surplus on income and expenditure account	(22)	26	48
Increase in market value of investments	(43)	-	43
Actual/Estimated Reserve brought forward	(1,249)	(1,314)	(65)
Reserve carried forward	(1,314)	(1,288)	26

3. Overall, the 2014/15 budget indicates a deficit of £26,000, a decrease of £48,000 compared with the Latest Budget for 2012/13. The main reason for this decrease is an increase in repairs and maintenance projects.
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 2014/15 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 budgets exclude the costs of services provided by the City of London Corporation's central departments, namely financial, legal and secretarial. The costs of technical services provided by the Community and Children's Services Department are also excluded. These costs are borne directly by the City of London Corporation's City's Cash (estimated to be £9,000 in 2013/14 and £9,000 in 2014/15). However, the budgets for the Almshouses do include the costs of other housing management services provided by the Community and Children's Services Department.

### **Proposed Budget Position 2013/14 and 2014/15**

7. The detailed budgets and reserves are set out in table 2 on the next page.
8. Income and favourable variances are presented in brackets. Only significant variances (generally those greater than £10,000) have been commented on in the following paragraphs.
9. In response to consultation with residents the Sheltered Housing Manager has postponed the garden works to the next financial year. This will allow time to complete other projects: re-surfacing the internal roads and pathways on the estate, installing security measures such as an electronic gate and low level lighting. As these are at an early stage, no firm estimates for these works are available, and therefore, have not been included within these budgets. These will be the subject of future reports once the costing and assessment of the works have been carried out.
10. Members will be aware that the Housing Service is committed to promoting energy conservation and to reducing heating bills wherever possible. With this in mind, we will be investigating the viability of installing double glazing to the Almshouses in the coming year and will bring a proposal to The Housing Management & Almshouses Sub-Committee when we have an estimate of costs.

Table 2

Actual 2012-13 £'000	City of London Almshouses Trust	Latest Budget 2013-14 £'000	Original Budget 2014-15 £'000	Movement 2013-14 to 2014-15 £'000	Paragraph Ref
	<b>Expenditure</b>				
<b>102</b>	<b>Employees</b>	<b>88</b>	<b>97</b>	<b>9</b>	
147	Repairs and maintenance	187	232	45	13
2	Energy Costs	3	3	0	
13	Rents	15	16	1	
2	Council Tax	3	3	0	
6	Water	6	7	1	
5	Cleaning and Domestic Supplies	6	6	0	
2	Premises Insurance	3	3	0	
<b>177</b>	<b>Total Premises Related Expenses</b>	<b>223</b>	<b>270</b>	<b>47</b>	
5	Equipment, Furniture and Materials	3	3	0	
6	Communications and Computing	7	7	0	
7	Fees and Services	1	1	0	
2	Hospitality	2	2	0	
<b>20</b>	<b>Total Supplies and Services</b>	<b>13</b>	<b>13</b>	<b>0</b>	
	<b>Community and Children's Services Dept. Recharges</b>	<b>3</b>	<b>4</b>	<b>1</b>	
<b>12</b>	<b>Capital Charges</b>	<b>13</b>	<b>14</b>	<b>1</b>	
<b>313</b>	<b>Total Expenditure</b>	<b>340</b>	<b>398</b>	<b>58</b>	
	<b>Income</b>				
(308)	Contributions and Service Charges	(318)	(328)	(10)	
(33)	Investment Income	(44)	(44)	0	15
<b>(341)</b>	<b>Total Income</b>	<b>(362)</b>	<b>(372)</b>	<b>(10)</b>	
<b>(28)</b>	<b>Net (Surplus)/Deficit</b>	<b>(22)</b>	<b>26</b>	<b>48</b>	

Table 2 continued

Actual 2012-13 £'000	City of London Almshouses Trust	Latest Budget 2013-14 £'000	Original Budget 2014-15 £'000	Movement 2013-14 to 2014-15 £'000	Paragraph Ref
	<b><u>Reserves</u></b>				
(1,099)	Balance Brought Forward	(1,249)	(1,314)	(65)	
(28)	Income and Expenditure Account	(22)	26	48	
(122)	Increase in Market Value of Investments	(43)	0	43	
(1,249)		(1,314)	(1,288)	26	

11. Overall there is a decrease in reserves of £26,000.

12. This is due to the effect of the annual contribution and service charge increase.

13. Details of repairs, maintenance and improvements are set out in Annex B.

### **Manpower Statement**

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

Table 3

	Latest Budget 2013/14		Original Budget 2014/15	
	Manpower Full-Time Equivalent	Estimated Cost £'000	Manpower Full-Time Equivalent	Estimated Cost £'000
Housing Management	0.30	17	0.30	15
Matrons - Employees	1.38	51	1.54	57
Gardener	0.80	20	1.00	25
<b>Total Employee Costs</b>	<b>2.48</b>	<b>88</b>	<b>2.84</b>	<b>97</b>

## **Investments**

15. The Trust holds 135,697 units in the Corporation's Charities Pool with a market value as at 30 September 2013 of £1,024,512. The distribution rate for the first six months of 2013/14 was 4.3%. 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 1.50% per annum. Interest is credited annually based on the Trust's average cash balance.

### **Background Papers:**

Estimate Working Papers                      Chamberlain's

### **Contact:**

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**ANNEX A 1**

<b>REPAIRS, MAINTENANCE AND IMPROVEMENTS</b>		<b>B Latest Budget 2013/14 £'000</b>	<b>C Original Budget 2014/15 £'000</b>	<b>Increase/ (Decrease) Column C/B %</b>
<u>Breakdown and Emergency Repairs</u>				
Building	E	44	45	
Electrical	E	8	8	
		-----	-----	
		52	53	0
		-----	-----	
<u>Contract Servicing</u>				
Building	E	5	5	
Electrical	E	10	10	
		-----	-----	
		15	15	0
		-----	-----	
<u>Cyclical Works</u>				
Disabled adaptations	E	6	6	
Internal decorations	A	5	5	
Upkeep of grounds	E	4	4	
		-----	-----	
		15	15	0
		-----	-----	
<u>Projects</u>				
Tree pruning contingency	E	7	7	
External repairs & redecoration	E	5	5	
Replace warden call out system and CCTV	E	50	0	
Asbestos Management	E	5	5	
Feasibility study to investigate developing land between Rogers and Rogers	A	3	0	
Five year electrical test and inspections	E	5	5	
Landscaping	D	0	25	
Damp at Rogers	E	30	50	
Staff Flat conversion	D	0	52	
		-----	-----	
		105	149	42
		-----	-----	
<b>Total Repairs, Maintenance and Improvements</b>		<b>187</b>	<b>232</b>	<b>24</b>

Key: E = Essential    A = Advisable    D = Desirable

## Annex A2

### 2014/15 REPAIRS, MAINTENANCE AND IMPROVEMENTS - EXPLANATION OF WORKS

#### Breakdown and Emergency Repairs

##### Building - £45,000

Responsive repairs currently undertaken by Linbrook Services Ltd

##### Electrical - £8,000

Responsive repairs currently undertaken by Linbrook Services Ltd

#### Contract Servicing

##### Building - £5,000

Servicing and Maintenance of Gas Appliances: The current contractor is Carillion - Planned Maintenance Engineering operating under a partnering agreement.

Fire extinguishers: The current contractor is L.W. Safety Ltd. The contract is market tested annually.

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

##### Electrical - £10,000

Fire Alarms and Warden Call Systems: The current contractor is Beacon Alarms and the contract is market tested periodically. Also included is the rental of a British Telecom line in respect of the fire alarm system.



Cyclical Works

Disabled Adaptations - £6,000

Provision for adaptations to the properties when required.

Internal Decorations - £5,000

Provision for internal decoration of properties when required.

Upkeep of Grounds - £4,000

This is for the general maintenance of the grounds and includes provision for repairs and maintenance of boundary walls and paths. Contractors vary depending on the type and extent of works.