

<b>Committee:</b>	<b>Date:</b>
Housing Management & Almshouses Sub Committee	12 January 2015
<b>Subject:</b>	<b>Public</b>
City of London Almshouses Revenue Budgets 2014/15 and 2015/16	
<b>Report of:</b>	<b>For Decision</b>
The Chamberlain and The Director of Community & 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 2015/16.

2. The overall budget position is summarised below:-

Table 1 : Overall Position	Latest Budget 2014/15 £'000	Original Budget 2015/16 £'000	Movement 2014/15 to 2015/16 £'000
Income	(373)	(372)	1
Expenditure	289	291	2
Surplus on income and expenditure account	(84)	(81)	3
Increase in market value of investments	(23)	(23)	0
Actual/Estimated Reserve brought forward	(1,483)	(1,590)	(107)
Reserve carried forward	(1,590)	(1,694)	(104)

3. Overall, the 2015/16 budget indicates a surplus of £81,000, a reduction of £3,000 compared with the Latest Budget for 2014/15. The main reason for this change is an increase in staffing costs.

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 2015/16 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 2014/15 and 2015/16**

7. The detailed budgets and reserves are set out in Table 2.
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. Officers previously reported deterioration in the roadway on the estate, as well as a proposal to improve the lighting for residents' safety and security at the same time as repairs could be effected.
10. Due to the remedial work at the Rogers Cottages and the communal hall project, the survey was delayed.
11. The quotes have now been received for the installation of lighting around the inner path of the garden and remedial works on the road. The total cost of improving lighting and repairing the roads will be £54k. This has been incorporated into the budget for 2015/16.

**Table 2**

Actual 2013/14 £'000	City of London Almshouses Trust	Latest Budget 2014/15 £'000	Original Budget 2015/16 £'000	Movement 2014/15 to 2015/16 £'000	Paragraph Ref
	<b>Expenditure</b>				
<b>63</b>	<b>Employees</b>	<b>65</b>	<b>67</b>	<b>2</b>	
57	Repairs and maintenance	148	148	0	14
3	Energy Costs	3	3	0	
8	Rents	8	8	0	
3	Council Tax	3	3	0	
7	Water	7	7	0	
5	Cleaning and Domestic Supplies	6	6	0	
(1)	Grounds Maintenance Costs	9	9	0	
<b>82</b>	<b>Total Premises Related Expenses</b>	<b>184</b>	<b>184</b>	<b>0</b>	
2	Equipment, Furniture and Materials	2	2	0	
6	Communications and Computing	7	7	0	
13	Fees and Services	0	0	0	
0	Advertising	1	1	0	
2	Hospitality	4	4	0	
<b>23</b>	<b>Total Supplies and Services</b>	<b>14</b>	<b>14</b>	<b>0</b>	
<b>13</b>	<b>Recharges for Support Services</b>	<b>15</b>	<b>15</b>	<b>0</b>	
<b>4</b>	<b>Capital Charges</b>	<b>11</b>	<b>11</b>	<b>0</b>	
<b>185</b>	<b>Total Expenditure</b>	<b>289</b>	<b>291</b>	<b>2</b>	
	<b>Income</b>				
(313)	Contributions and Service Charges	(335)	(347)	(12)	13
(43)	Investment Income	(38)	(25)	13	16
<b>(356)</b>	<b>Total Income</b>	<b>(373)</b>	<b>(372)</b>	<b>1</b>	
<b>(171)</b>	<b>Net (Surplus)/Deficit</b>	<b>(84)</b>	<b>(81)</b>	<b>3</b>	
	<b>Reserves</b>				
(1,249)	Balance Brought Forward	(1,483)	(1,590)	(107)	
(171)	Income and Expenditure Account	(84)	(81)	3	
(63)	Transfers and Increase in Market Value of Investments	(23)	(23)	0	
(1,483)		(1,590)	(1,694)	(104)	

12. Overall there is an increase in reserves of £104,000.

13. The contribution and service charge budgets have been increased using the same percentage increases which have been applied to the Housing Revenue Account rent income.

14. Details of repairs, maintenance and improvements are set out in Annex A.

## Manpower Statement

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

Table 3

	Latest Budget 2014/15		Original Budget 2015/16	
	Manpower Full-Time Equivalent	Estimated Cost £'000	Manpower Full-Time Equivalent	Estimated Cost £'000
Housing Management	0.25	10	0.25	10
Matrons - Employees	0.95	35	0.95	36
Gardener	0.80	20	0.8	21
<b>Total Employee Costs</b>	<b>2</b>	<b>65</b>	<b>2</b>	<b>67</b>

## Investments

16. The Trust holds 135,697 units in the Corporation's Charities Pool with a market value as at 30 September 2014 of £1,076,077. The distribution rate for the first six months of 2014/15 was 4.1%. 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 0.75% for 2014-15 and 0.50% for 2015-16 onwards. Interest is credited annually based on the Trust's average cash balance.

### **Background Papers:**

Estimate Working Papers                      Chamberlain's

### **Contact Officers:**

Chamberlain's Department – Colin Chuter  
Tel: 020 7332 1465 / [Colin.Chuter@cityoflondon.gov.uk](mailto:Colin.Chuter@cityoflondon.gov.uk)

Community and Children's Services Department – Jacquie Campbell  
Tel: 020 7332 3785 / [jacquie.campbell@cityoflondon.gov.uk](mailto:jacquie.campbell@cityoflondon.gov.uk)

## Annex A1

<b>REPAIRS, MAINTENANCE AND IMPROVEMENTS</b>		<b>B Latest Budget 2014/15 £'000</b>	<b>C Original Budget 2015/16 £'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	2
		-----	-----	
<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	
		-----	-----	
		11	11	0
		-----	-----	
<u>Projects</u>				
External repairs & redecoration	E	5	5	
Asbestos Management	E	5	5	
Road repairs	D	0	30	
Five year electrical test and inspections	E	5	5	
Lighting	D	0	24	
Damp at Rogers	E	30	0	
Staff Flat conversion	D	25	0	
		-----	-----	
		70	69	(1.4)
		-----	-----	
<b>Total Repairs, Maintenance and Improvements</b>		<b>148</b>	<b>148</b>	<b>0</b>

Key: E = Essential A = Advisable D = Desirable

2015/16 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.