

<b>Committee:</b>	<b>Date:</b>
Housing Management & Almshouses Sub-Committee	27 November 2017
<b>Subject:</b> City of London Almshouses Revenue and Capital Budgets 2017/18 and 2018/19	<b>Public</b>
<b>Report of:</b> The Chamberlain and The Director of Community and Children's Services	<b>For Decision</b>
<b>Report author:</b> Goshe Munir and Jacquie Campbell	

### 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 2018/19.
2. The overall budget position is summarised below: -

Table 1: Overall Position	Original Budget 2017/18 £'000	Latest Budget 2017/18 £'000	Original Budget 2018/19 £'000	Movement 2016/17 to 2017/18 £'000
Income	376	365	365	0
Expenditure	(348)	(392)	(300)	92
Surplus on income and expenditure account	28	(27)	65	92
Increase/Decrease in market value of investments	0	71	0	(71)
Actual/Estimated Reserve brought forward	1,559	1,640	1,684	44
Reserve carried forward	1,587	1,684	1,749	65

3. Overall, the 2018/19 budget indicates a surplus on income and expenditure of £65,000, an increase of £92,000 compared with the Latest Budget for 2017/18.

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 2018/19 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 2017/18 and 2018/19**

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 £44,000 between the original and latest budget relates due to an increase in market value of investment.

**Table 2**

Actual 2016/17 £'000	City of London Almshouses Trust	Original Budget 2017/18 £'000	Latest Budget 2017/18 £'000	Original Budget 2018/19 £'000	Movement 2017/18 to 2018/19 £'000	Paragraph Ref
	<b>Expenditure</b>					
<b>(84)</b>	<b>Employees</b>	<b>(86)</b>	<b>(101)</b>	<b>(106)</b>	<b>(5)</b>	
(137)	Repairs and maintenance	(184)	(207)	(115)	92	Annex A1
(5)	Energy Costs	(6)	(6)	(6)	0	
(7)	Rents	(8)	(8)	(8)	0	
(7)	Council Tax	(4)	(11)	(7)	4	
(7)	Water	(7)	(7)	(7)	0	
(6)	Cleaning and Domestic Supplies	(10)	(8)	(8)	0	
(1)	Grounds Maintenance Costs	(9)	(9)	(9)	0	
<b>(170)</b>	<b>Total Premises Related Expenses</b>	<b>(228)</b>	<b>(256)</b>	<b>(160)</b>	<b>96</b>	
(8)	Equipment, Furniture and Materials	(5)	(5)	(5)	0	
(1)	Communications and Computing	(7)	(7)	(7)	0	
(9)	Fees and Services	(1)	(1)	(1)	0	
0	Advertising	(1)	(2)	(1)	1	
0	Clothes, Uniform & Laundry	(1)	(1)	(1)	0	
(3)	Hospitality	(2)	(2)	(2)	0	
<b>(21)</b>	<b>Total Supplies and Services</b>	<b>(17)</b>	<b>(18)</b>	<b>(17)</b>	<b>1</b>	
<b>(15)</b>	<b>Recharges for Support Services</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>0</b>	
<b>(1)</b>	<b>Capital Charges</b>	<b>(4)</b>	<b>(4)</b>	<b>(4)</b>	<b>0</b>	
<b>(291)</b>	<b>Total Expenditure</b>	<b>(348)</b>	<b>(392)</b>	<b>(300)</b>	<b>92</b>	
	<b>Income</b>					
304	Contributions and Service Charges	326	315	315	0	
43	Investment Income	50	50	50	0	
<b>347</b>	<b>Total Income</b>	<b>376</b>	<b>365</b>	<b>365</b>	<b>0</b>	
<b>56</b>	<b>Net Surplus/ (Deficit)</b>	<b>28</b>	<b>(27)</b>	<b>65</b>	<b>92</b>	
	<b>Reserves</b>	-				
1,458	Balance Brought Forward	1,559	1,640	1,684	44	
56	Income and Expenditure Account	28	(27)	65	92	
126	Increase/Decrease in Market Value of Investments	0	71	0	(71)	
1,640		1,587	1,684	1,749	65	

## **Manpower Statement**

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

**Table 3**

	Latest Budget 2017/18		Original Budget 2018/19	
	Manpower Full-Time Equivalent	Estimated Cost £'000	Manpower Full-Time Equivalent	Estimated Cost £'000
Housing Management	0.59	(27)	0.6	(29)
Matrons - Employees	1.05	(47)	1.05	(50)
Gardener	0.8	(27)	0.8	(27)
<b>Total Employee Costs</b>	<b>2.44</b>	<b>(101)</b>	<b>2.45</b>	<b>(106)</b>

## **Investments**

11. The Trust holds 135,697 units in the Corporation's Charities Pool with a market value as at 30 September 2017 of £ 1,253,840. The distribution rate for the first six months of 2017/18 was 3.9%. 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 0.604% for 2017-18 and 0.604% for 2018-19 onwards. Interest is credited annually based on the Trust's average cash balance.

### **Draft Capital and Supplementary Revenue Budgets**

- 12.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 01/04/17 £'000	2017/18 £'000	2018/19 £'000	Later Years £'000	Total £'000
<u>Pre-implementation</u> Sheltered Units refurbishment		(7)			(7)
<b>TOTAL CoL ALMSHOUSES</b>	0	(7)	0	0	(7)

- 13.Pre-implementation costs comprise consultancy fees to identify the refurbishment works required. The implementation phase will be subject to further approvals including the identification of funding.
- 14.The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2018.

**Background Papers:**

Estimate Working Papers - Chamberlain's

**Contact:**

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## Annex A1

<b>REPAIRS, MAINTENANCE AND IMPROVEMENTS</b>		Original Budget 2017/18 £'000	Latest Budget 2017/18 £'000	Original Budget 2018/19 £'000
<u>Breakdown and Emergency Repairs</u>				
Building	E	(55)	(67)	(67)
Electrical	E	(8)	(9)	(9)
Breakdown Heating and Ventilating	E	0	(6)	(7)
Breakdown Rech Insurance Claim	E	0	(3)	(3)
		(63)	(85)	(86)
<u>Contract Servicing</u>				
Building	E	(2)	(2)	(2)
Electrical	E	(7)	(3)	(3)
Heating & Ventilating	E	(8)	(8)	(8)
		(17)	(13)	(13)
<u>Cyclical Works</u>				
Asbestos Data	E	(3)	(2)	(2)
Adaptations for the Disabled	E	(3)	(7)	(7)
Redecorations Works	A	(5)	(5)	(5)
		(11)	(14)	(14)
<u>Projects</u>				
Brickwork and Concrete Repairs	E	(93)	(93)	0
Asbestos Management	A	0	(2)	(2)
		(93)	(95)	(2)
<b>Total Repairs, Maintenance and Improvements</b>		(184)	(207)	(115)

Key: E = Essential    A = Advisable    D = Desirable

2018/19 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 contractor Carillion, terminated its contract with the City at very short notice, with effect from 30 June this year. The new contractor, following a recent procurement exercise, 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.