



Barbican Estate Residents Consultation Committee

Date: MONDAY, 4 SEPTEMBER 2023

Time: 6.30 pm

Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members:

Sandra Jenner - Defoe House (Chairman)	Fiona Lean - Ben Jonson House
Jim Durcan - Andrewes House (Deputy Chairman)	Rodney Jagelman - Thomas More House
Christopher Makin (Alderman) (Deputy Chairman)	Andrew Tong - Brandon Mews
Gordon Griffiths - Bunyan Court	Claire Hersey - Lambert Jones Mews
Jane Smith - Seddon House	Helen Hudson - Defoe House
John Taysum - Bryer Court	Andy Hope - Breton House
Mary Bonar – Wallside Sandy	Dave Taylor - Gilbert House
Wilson - Shakespeare Tower	Monique Long - Mountjoy House
David Lawrence - Lauderdale Tower	Petre Reid - Willoughby House
Adam Hogg - Chairman of the Barbican Association	Miranda Quinney - John Trundle House
	Graham Wallace - Andrewes House
	Alan Budgen - Cromwell Tower

Enquiries: Matthew Stickley, Governance and Member Services Manager
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<https://www.youtube.com/@CityofLondonCorporation/streams>

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Whilst we endeavour to livestream all of our public meetings, this is not always possible due to technical difficulties. In these instances, if possible, a recording will be uploaded following the end of the meeting.

**Ian Thomas CBE
Town Clerk and Chief Executive**

AGENDA

1. **APOLOGIES**
2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

MINUTES

To agree the minutes of the Barbican Estate Residents Consultation Committee meeting held on 5 June 2023.

For Decision
(Pages 5 - 12)

ACTION TRACKER

Report of the Executive Director of Community and Children's Services.

For Information
(Pages 13 - 18)

2022-23 ELECTRICITY UPDATE

Report of the Executive Director of Community and Children's Services.

For Information
(Pages 19 - 26)

2022-23 REVENUE OUTTURN FOR DWELLINGS SERVICE CHARGE ACCOUNT

Report of the Executive Director of Community and Children's Services.

For Information
(Pages 27 - 42)

BARBICAN ESTATE WINDOW REPAIRS/REPLACEMENT REPORT

Report of the Executive Director of Community and Children's Services.

For Information
(Pages 43 - 46)

2022-23 REVENUE OUTTURN (EXCLUDING THE RESIDENTIAL CHARGES ACCOUNT)

Joint report of the Chamberlain and Executive Director of Community and Children's Services.

For Information
(Pages 47 - 52)

BARBICAN ESTATE REDECORATION PROGRAMME 2020-25

Report of the Executive Director of Children's Services.

For Information
(Pages 53 - 56)

BARBICAN ESTATE MAJOR WORKS FIVE-YEAR ASSET MANAGEMENT PROGRAMME

Report of the Executive Director of Children's Services.

For Information
(Pages 57 - 64)

BRANDON MEWS CANOPY

Executive Director of Community and Children's Services to be heard.

For Information
(Verbal Report)

BLAKE TOWER UPDATE

Executive Director of Community and Children's Services to be heard.

For Information
(Verbal Report)

13. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
14. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

BARBICAN ESTATE RESIDENTS CONSULTATION COMMITTEE Monday, 5 June 2023

Minutes of the meeting of the Barbican Estate Residents Consultation Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 5 June 2023 at 6.30 pm

Present

Members:

Sandra Jenner - Chair	Deputy Mark Bostock - Frobisher Crescent
Jim Durcan - Deputy Chair	Miranda Quinney - John Trundle Court
Alderman Christopher Makin – Deputy Chair	David Lawrence - Lauderdale Tower
Adam Hogg - Chair, Barbican Association	Monique Long - Mountjoy House
Graham Wallace- Andrewes House	Jane Smith - Seddon House
Fiona Lean - Ben Jonson House	Guy Nisbett – Speed House
Andrew Tong - Brandon Mews	Rodney Jagelman - Thomas More House
John Taysum – Bryer Court	Petre Reid - Willoughby House
Helen Hudson – Defoe	

Officers:

Emma Bushell	- City Surveyor's Dept.
Stephanie Robertson	- City Surveyor's Dept.
Barry Ashton	- Community and Children's Services Dept.
Paul Murtagh	- Community and Children's Services Dept.
Jason Hayes	- Community and Children's Services Dept.
Anne Mason	- Community and Children's Services Dept.
Helen Davinson	- Community and Children's Services Dept.
Matthew Stickley	- Town Clerk's Dept.

1. APOLOGIES

Apologies for absence were received from Andy Hope of Breton House, for whom Deputy Randall Anderson attended as a substitute, and from Sandy Wilson, for whom Ted Reilly attended as a substitute. Frances Calman attended the meeting as a substitute for Alan Budgen of Cromwell Tower.

Apologies for absence were also received from Dave Taylor of Gilbert House.

Helen Hudson and Monique Long joined the meeting remotely.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations of interest.

3. **MINUTES**

RESOLVED – That the minutes of the meeting held on 6 March 2023 be agreed as an accurate record.

4. **UPDATE REPORT**

The committee received a report of the Executive Director of Community and Children's Services.

The committee discussed the redecoration works, following which officers confirmed that there was no reason residents could not meet with the Clerk of Works, including for snagging meetings, and that this would be confirmed to the Clerk of Works following the meeting.

In response to a request for a finalised financial summary of redecoration works, officers agreed to provide such a report, along with a Clerk of Works report for all remaining residential blocks on the estate once they had been received, to the members of the committee before its next meeting.

In response to questions regarding the accuracy of data within the report, the Town Clerk advised that reports were required to be prepared several weeks in advance of the meeting to allow for their publication in compliance with statutory deadlines.

The committee discussed the levying of service charges prior to lift refurbishment works commencing. Officers confirmed that charges would not be levied prior to works beginning. The committee discussed the offer of a service charge loan, which would be available in September 2024 once finalised accounts had been received, with officers confirming that an explanatory note would be provided to residents setting out the offer in further detail.

5. **YOU SAID/WE DID - OUTSTANDING ACTIONS**

The committee discussed the accuracy of dates by which items had been added to the document. It was confirmed by officers that one action had been revised since the last meeting but that the listed actions would be reviewed following the meeting.

Officers agreed to share anonymised staff feedback with the Barbican Estate Residents Consultation Committee as listed as a previous action. The committee discussed the deferral of actions, including the response to the Residents' Survey and the revised Communications Strategy, to allow for completion of the Barbican Estate Office review.

6. **CAR PARK CHARGING POLICY**

The committee received a report of the Executive Director of Community and Children's Services.

The committee discussed the proposal to increase car parking charges in line with Consumer Price Inflation, the number of rate freezes implemented in previous years, the valuation of the Barbican Estate spaces as compared to other local car parks, and the proposed expenditure earmarked for management and supervision costs. The committee further discussed the staffing of the estate's car parks and whether the recent addition of part-time staff would reduce the need for overtime payments. The committee discussed the charging of £1,564 per annum for Barbican Estate car parks as compared to approximately £800 per annum for other local car parks.

The committee discussed the decline in occupancy rates since 2006 and whether increases in charges had caused or exacerbated this; and whether charges indexed to occupancy rates might mitigate this decline in occupancy.

The committee welcomed the proposal to re-establish the Car Parking Charging Working Party and noted the recommendations which would be put to the Barbican Residential Committee.

7. BARBICAN ESTATE ELECTRIC VEHICLE CHARGING POINTS

The committee received a report of the Executive Director of Community and Children's Services.

The committee welcomed the proposal for an Electric Vehicle Charging Point Working Party to be re-established to review the electric vehicle charging point offer across the estate but expressed concerns about the proposed increase to charges, with concerns raised that demand for estate charging would be lessened because of local, on-street charging points being less expensive.

The committee discussed the use of the charging bays, recognising they seemed to be underutilised but that electric vehicle ownership rates were increasing annually and that use of the spaces was likely to increase over time.

In response to questions, it was confirmed that the current charges would remain in place if the Barbican Residential Committee did not agree to their increase at its next meeting.

It was proposed that the Barbican Estate Residents Consultation Committee recommend to the Barbican Residential Committee that it defer any decision on electric vehicle charging fees until such time as the Electric Vehicle Working Party could meet to further investigate the proposals. This was put to the committee and agreed.

8. WINDOW CLEANING CONTRACT

The committee received a report of the Executive Director of Community and Children's Services.

The committee discussed the involvement of residents in the procurement of estate contracts, with officers apologising that residents had not been involved in the procurement under consideration. It was clarified that resident involvement in procurement exercises was valued by the City of London Corporation, had been useful to previous procurement exercises, and that it would continue to be sought in future. Involvement in procurement exercises for services paid for by Barbican Estate residents was welcomed by the committee.

The committee welcomed the news that the proposed contract included works not covered in previous contracts and discussed the structuring of charges across the blocks in the estate. It was clarified by officers that this was due to different blocks having different requirements for window cleaning.

The committee noted that the specification for the contractor included a requirement to report repair and maintenance issues identified when cleaning and discussed the importance of contract management in ensuring the works were completed to a suitable standard. It was confirmed that the cleaning method for the different classes of buildings would be reviewed and discussed with the contractor as part of the new specification.

The committee discussed the possibility of tendering contracts by lot to allow multiple suppliers to provide bespoke services.

The committee noted the recommendations which would be put to the Barbican Residential Committee.

9. **FINAL RECONCILIATION REPORT OF BARBICAN ESTATE METERING AND BILLING ISSUES**

The committee received a report of the City Surveyor.

The committee discussed the forecasted energy price for future years, noting that the City of London Corporation's energy supplier had purchased 52% of energy requirements for the coming year. It was confirmed that metering issues had now been resolved. The committee noted the credit of charges from previous years but noted that they would not be reimbursed to residents as they had not been included in charges over previous years.

The committee discussed the variation of standing charges, the amount of available capacity purchased, and requested clear information on the reconciliation of metering and billing. It was noted that estate residents were eligible for HM Government's Energy Bill Relief Scheme and that these discounts had been added to residents' energy bills.

The committee discussed the need to be presented with the outcome of the reconciliation exercise and for clear information which set out the charges, both actual and forecasted, for each residential block for the financial years affected by the incorrect billing.

RESOLVED:

- To note incorrect billing of usage due to estimated data has been rebilled on actual data with the exception of Speed House data, which will be rebilled by June 2023.
- To note the actions taken by City of London Corporation Energy Team and vendors to rectify and prevent incorrect billing.
- To note the analysis of some blocks for agreed available capacity that is now with the sites for review.

10. PROGRESS OF SALES AND LETTINGS

The committee received a report of the Executive Director of Community and Children's Services.

RESOLVED – To note the report.

11. BRANDON MEWS CANOPY

The committee received a verbal update from Community and Children's Services department staff.

The committee noted the work undertaken to establish a record of works on the roof canopy over previous years, and that future decisions would require expert advice.

Officers confirmed that a report providing an update on the work would be brought to the next meeting of the Barbican Estate Residents Consultation Committee.

12. FIRE SAFETY

The committee received a verbal update from Community and Children's Services department staff.

It was noted that the majority of remedial works had been completed in Frobisher Crescent. The committee praised the work undertaken and the communication between officers, residents, and the contractor.

13. BLAKE TOWER

The committee received a verbal update from Community and Children's Services department staff.

Officers confirmed that the City of London Corporation continued to face challenges in engaging Redrow PLC and was close to taking legal action. The committee noted that Redrow PLC would be completing investigation surveys but that the City of London Corporation would be present at these surveys, including attendance from officers working in the areas of fire safety and building control.

14. WORKING PARTY UPDATES

The committee received updates from working parties of the Barbican Estate.

With regard to the Leaseholder Service Charge Working Party update, the committee noted that errors in repairs and maintenance estimate charges for four estate blocks had led to confusion for residents and not been clearly explained.

With regard to the Asset Management Working Party update, the committee discussed the need for proper project management of the stock condition survey and that the stock condition should be considered in the long-term.

With regard to the Underfloor Heating Working Party update, the committee noted that the Comptroller and City Solicitor's Department had provided advice on lease amendments to allow for individual controls. Officers agreed to take up the matter further with the Comptroller and City Solicitor's Department to seek a resolution to the issue.

15. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

A question was asked about the circulation of minutes of the meeting, to which the Town Clerk confirmed that the draft minutes of the meeting would be circulated shortly after the meeting to allow for submission to the Barbican Residential Committee meeting of 19 June 2023. The Chair advised that she and the Town Clerk were to meet in the coming days to discuss the scheduling of meetings and coordination between the Barbican Estate Residents Consultation Committee and Barbican Residential Committee more generally.

A question was asked regarding the necessity of maintenance and redecoration works to be undertaken in the coming weeks and the inadequate communication to residents to prepare for these works. In response, officers confirmed that they would be meeting with residents in the coming days to discuss the works but that the coming weeks would see the contractor undertake pre-work surveys rather than the works themselves. It was confirmed that the contractor was aware of a local population of falcons and that their surveys and works would not disturb their habitat.

The Chair confirmed that, as discussed at the last meeting of the committee, the Barbican Estate Residents Consultation Committee nominees to support the procurement for a general repairs contract would be Ted Reilly and Jane Northcote.

16. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no urgent business.

The meeting ended at 8.45 pm

Chairman

**Contact Officer: Matthew Stickley, Governance and Member Services Manager
Matthew.Stickley@cityoflondon.gov.uk**

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Resident Consultation and Barbican Residential Committees

Outstanding Actions (formerly You Said, We Did)

Date Added	Subject	Action Agreed	Responsible Officer	Target Meeting Date – RCC and BRC	Update
March 2020 - RCC	Barbican Highwalk – Planned Maintenance of the Public Realm	This relates to additional funding for the walkways, for the inspection and maintenance for a number of items, i.e., smoke vents, drainage gulleys, railings, planters, benches and signage. There are currently no funds available, but Officers will continue to review if there are any savings to progress any of these works.	Paul Murtagh		Report requested for Mar 23 Committee by RCC Chair. BRC members noted a survey would follow to ascertain if £50K set aside is adequate. Oral update to March committees Monies have been identified and Assistant Director currently identifying priorities. Thanks to members who have aided with this. Staff have conducted a walkabout to identify any issues.
September 2020 - RCC	Leaseholder Service Charge Working Party	<p>The Assistant Director had been working with residents on the Working Party in respect of a detailed review of service charges; looking at efficiency savings that could protect and possibly reduce charges in the future. This would be an extensive piece of work, likely to take about six months, and the findings would be reported to both the RCC and BRC. It was stressed that any benefits from the findings of the Working Party would not become apparent until the next financial year.</p> <p>A special BRC committee meeting will be held in <i>October/November 2022 (or a report will go to December BRC)</i> to review the paper BEO and</p>	Paul Murtagh, Anne Mason, and Rosalind Ugwu	Nov/Dec 2022	Altair Consultants has been appointed to independently review the service. Paul Murtagh has written to all residents about this. Altair is expected to conclude its review in Feb/Mar 23. Final report expected in February 2023 Assistant Director also agreed that the RCC could be provided with anonymised staff feedback as well as resident comments. Interim report expected before 31.12.22 to be share with committee members.

Resident Consultation and Barbican Residential Committees

Outstanding Actions (formerly You Said, We Did)

		Concierge Service Update. This will follow consultation with RCC.			<p>A further special meeting of the RCC and BRC will be held following March committees.</p> <p>Meeting held 24.05.23</p> <p>Meeting held with RCC on 07.08.23</p>
Jan 2022 – RCC and BRC	Brandon Mews Canopy	An oral update detailing options for cleaning was presented at the September committees	Rosalind Ugwu	Nov/Dec 2022	<p>A meeting was held with the BM House Group on 1 November. A further oral update will be present to Nov/Dec meetings. Options appraisal and timeline to be presented to BRC in June 23</p> <p>Following a meeting with resident representative on 11 May, there will be an oral update presented to June committees.</p> <p>An oral update will go to September committees</p>
September 2022 – RCC and BRC	Savills' Stock Condition Survey	Savills to present to both Committees, a summary of the Barbican Stock Condition Survey	Jason Hayes	Nov/Dec 2022	<p>Online meeting held on 16 November, with a presentation from Savills. Attended by members of RCC and BRC. The presentation was recorded and will shortly be publicised via the weekly bulletin.</p> <p>An early programme to be presented to March 2023 committees</p>

Resident Consultation and Barbican Residential Committees

Outstanding Actions (formerly You Said, We Did)

					<p>Would a revised structure assist with the management of this programme? Assistant Director to review. Residents to be involved through established working parties as well as RCC and informal channels</p> <p>Please see separate report to September committees</p>
September 2022 – RCC and BRC	Energy	<p>Updates required on:</p> <ul style="list-style-type: none"> • Heating cost reconciliation for past years • Power Purchase Agreement. When this comes into being. What is the unit rate until that point? • Information on demand side response as requested by the UFH working party 	Graham Low	Nov/Dec 2022	<p>A report will be presented to Nov/Dec committees. Cost of reconciliation will not be charged to residents. 70% of outstanding queries have been resolved. A further report will be presented to March committees</p> <p>A further report is being presented to June committees</p> <p>Please see electricity update report to September committees</p>
November 2022 - RCC	Resident Survey	An action plan would be produced and presented to committee	Rosalind Ugwu		This will now be presented at the special meeting where the outcome of the Altair review will be discussed.
November 2022 - RCC	Window Cleaning Contract	Concerns expressed about cleaning method for sub-podium flats (a Reach & Wash system is currently used) and this will be reviewed in the revised specification	Rosalind Ugwu		Reach and Wash methodology has to be used for Health and Safety reasons. Our current contractor has reviewed how frequently the water is

Resident Consultation and Barbican Residential Committees

Outstanding Actions (formerly You Said, We Did)

					<p>changed in this equipment and increased the frequency and this contract is being supervised and inspected more thoroughly.</p> <p>Report to June committees</p> <p>Report to September committees</p>
November 2022 - BRC	Lambert Jones Roof	<ul style="list-style-type: none"> • Expected that remedial works will be complete before Christmas 2022 • Residents will not bear any additional costs in terms of delays 	Jason Hayes		<p>Work could not complete by end of December due to temperatures being too cold to finish the decorations of the front door sets. Door sets are now finished, and quotations are being obtained for an additional level of protection to the roof areas and therefore help in preventing the drainage to block again. Quotes are already in for cyclical maintenance to the drainage and are to be shared with residents.</p> <p>Brickwork repairs scheduled to be complete by mid-June 2023. Approval from all LJM leaseholders being sought for the application of a special coating to the roof.</p> <p>Repairs now complete. Property Services consulting</p>

Resident Consultation and Barbican Residential Committees

Outstanding Actions (formerly You Said, We Did)

					with Planning re. special roof coating.
March 2023 BRC and RCC	Major Works - redecorations	<ul style="list-style-type: none"> To ensure the reporting of blocks completed is accurate 	Jason Hayes		Please see June Update report Report being presented to September committees
March 2023 BRC and RCC	R&M – window frame survey	<ul style="list-style-type: none"> Window Frame survey – to share with residents once complete 	Jason Hayes		Please see June Update report Report being presented to September Committees
June 2023 RCC	Car Park charging	<ul style="list-style-type: none"> To re-establish car park charging and electric vehicle working parties 	Rosalind Ugwu		Original Terms of Reference have been shared with the group and a date for the first meeting is being organised.

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Committee(s)	Dated:
Residents' Consultation Committee Barbican Residential Committee	040923 110923
Subject: 2022-23 Electricity Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	4 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	Y
Report of: Judith Finlay Director of Community and Children's Services	For Information
Report author: Anne Mason Community and Children's Services	

Summary

This report provides an update on the electricity charges to the service charge account in 2021/22 and 2022/23.

Recommendation

Members are asked to:

- Note the report.

Main Report

Background

1. There have been several issues concerning the billing of energy costs to the Barbican Residents and these were set out in the City Surveyor's report to your last meeting.
2. Residents have also expressed concerns regarding the accuracy of the billing of energy costs in 2021/22 and the charges for 2022/23.

Current Position

3. In billing for electricity and underfloor heating the actual costs taken from invoices received is used as far as possible. However, when the accounts are closed it is usually the case that not all the invoices have been received. Accruals are raised for the estimated costs of the remaining invoices for the year. Adjustments are sometimes made after the year end if invoices received prior to the service charge actuals being calculated vary significantly.
4. The invoicing for several underfloor heating accounts appeared incorrect both for the summer months when the heating is switched off and for the 2021/22 winter. For example, for Speed House there were charges for consumption during the summer and for a few other blocks the charges seemed low in comparison to previous years and to blocks of a similar design. The meters have been checked and following continued efforts between all parties, the issues have now been resolved.
5. Appendix 1 is a summary of the amounts billed by block for the 2021/22 actual and the subsequent adjustments made in 2022/23. For Breton House, Defoe House, Lauderdale Tower, and Shakespeare Tower the bills received in 2022/23 for 2021/22 were significantly lower than expected.
6. The invoices received for Gilbert House were much higher than expected.
7. Accounts have been rebilled. However, there are still some areas of concern including the calculation of excess capacity charges and the Speed House winter charges which are based on estimated readings. The energy team consider these readings to be reasonable. Although invoices with consumption for the summer were corrected further invoices for excess capacity were received.
8. Excess capacity charges are also shown on invoices for October 22 to March 23. These charges have been queried as there may be some duplication.
9. Several revised invoices have been received for some accounts
10. The Appendix also shows the charges received for 2022/23, the City's PPA rebate and the revised charge for 2022/23 after the adjustments for 2021/22 and the PPA rebate.

Way Forward

11. Many issues have been resolved but as there are still some outstanding queries and concerns regarding the billing for the last two years. To provide assurance an external audit of the billing is being commissioned. This will examine the

underlying data behind the invoices including the excess capacity and estimated charges.

12. Whilst this audit is being undertaken the underfloor heating charge for 2022/23 will remain as estimated for all blocks. An interim balancing charge will be issued that covers the other heads of charge and residents will be advised accordingly. It can be seen from Appendix 1 that the expected actual charge for heating will exceed the estimate for all blocks.

Financial implications

13. The cost of the audit will be borne by the Landlord's budget.
14. The overall balancing charge for energy is expected to be around £1.15m and this will be delayed for a few months whilst the audit is carried out.

Conclusion

15. The issues with metering and billing has given rise to many queries will mean a delay in the collection of some of the balancing service charges. However, the above approach will provide comprehensive data to inform the charges made.

Appendices

Appendix 1

Background Papers

Report of the City Surveyor June 2023

Corporate & Strategic Implications Key Data

Strategic implications –

Financial implications – Service Charge Expenditure is City Fund.

Resource implications - None

Legal implications – C&CS

Risk implications - None

Equalities implications – None

Climate implications - None

Security implications - None

Report author

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Revenues Manager

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Appendix 1 Heating Reconciliation

	Billed 21/22	22/23 Adjustment for 21/22 charges	Revised actual cost for 21/22	22/23 Charges Received	City PPA Rebate	Charge 22/23 including 21/22 adjustment	Estimate 22/23	Excess capacity charge Oct 22 - Mar 23
Andrewes House	£256,811.54	-£13,367.29	£243,444.25	£428,140.05	-£39,751.52	£375,021.24	250,000	£13,081.92
Ben Jonson House	£257,540.05	-£36,453.75	£221,086.30	£408,992.35	-£39,307.33	£333,231.27	250,000	£5,792.86
Brandon Mews	£43,919.14	£0.00	£43,919.14	£74,533.35	-£6,960.20	£67,573.15	49,000	£1,297.10
Breton House	£59,538.10	-£24,511.21	£35,026.89 *	£125,552.96	-£12,598.41	£88,443.34	75,000	£2,814.65
Accrual accounted for low billing winter in 21/22 no revised bills received								
Bryer Court	£45,194.13	£0.00	£45,194.13	£77,463.30	-£7,311.47	£70,151.83	50,000	£1,210.46
Bunyan Court	£90,004.88	-£1,476.81	£88,528.07	£143,531.97	-£13,765.10	£128,290.06	85,000	£3,171.62
Cromwell Tower	£241,209.31	-£1,817.43	£239,391.88	£430,596.61	-£40,806.76	£387,972.42	250,000	£5,977.48
Defoe House	£173,053.68	-£18,423.49	£154,630.19 *	£401,071.48	-£39,801.91	£342,846.08	225,000	£5,864.21
Low billing winter 21/22 year end accrual accounted for but no revised bills received								
Gilbert House	£101,628.71	£19,756.84	£121,385.55 *	£220,389.11	-£21,315.10	£218,830.85	120,000	£3,253.79
Revised bills received for Jan -Mar 22 in Sept 22								
John Trundle Court	£132,651.60	-£29,340.14	£161,991.74	£163,362.32	-£15,676.49	£118,345.69	110,000	£2,599.14
Lauderdale Tower	£214,416.79	-£72,163.90	£142,252.89 *	£414,674.57	-£42,107.87	£300,402.80	250,000	£6,202.14
Low billing winter 21/22 year end accrual accounted for but no revised bills received								

	Billed 21/22	22/23 Adjustment for 21/22 charges	Actual cost for	22/23 Charges	City PPA Rebate	Charge 22/23 including 21/22 adjustment	Estimate 22/23	Excess capacity charge Oct 22 - Mar 23
Lambert Jones	£21,524.18	£879.81	£22,403.99	£38,972.30	-£3,813.53	£36,038.58	21,000	£670.19
Mountjoy House	£94,334.19	-£5,989.05	£88,345.14	£152,384.18	£15,133.75	£131,261.38	100,000	£4,145.58
Seddon House	£101,471.14	£4,147.68	£105,618.82	£183,726.53	£17,978.05	£169,896.16	99,000	£3,159.47
Shakespeare Tower	£213,487.91	-£19,607.11	£193,880.80	£426,396.11	£40,027.40	£366,761.60	250,000	£15,694.51
Thomas More	£187,751.79	£2,590.08	£190,341.87	£340,726.80	£32,421.18	£310,895.70	220,000	£4,681.04
Willoughby	£202,413.69	-£6.27	£202,407.42	£323,416.02	£30,816.52	£292,593.23	180,000	£3,729.58
Speed House	£230,406.48	-£40,120.87	£190,285.61	£236,318.41	£24,453.65	£171,743.89	150,000	£11,307.70

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Agenda Item 6

Committee(s)	Dated:
Residents' Consultation Committee Barbican Residential Committee	040923 110923
Subject: 2022/23 Revenue Outturn for the Dwellings Service Charge Account	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	4 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	Y
Report of: Judith Finlay Director of Community and Children's Services	For Information
Report author: Anne Mason Community and Children's Services	

Summary

This report provides information on residential service charge expenditure for 2022/23. It also compares the outturn with the 2022/23 estimate and the 2021/22 actual expenditure.

	Latest Agreed Budget £000	Revenue Outturn £000	Variations Increase/ (Reduction) £000
Expenditure	(9,903)	(14,196)	(4,293)
Income	11,234	15,559	4,325
Net Recharges	(1,331)	(1,363)	(32)
Overall Totals	0	0	0

A summary of the service charge reconciliation of the 2022/23 actuals as per the closed accounts above and the amount to be charged as a service charge is set out in the table below.

Table 2 - Summary Service Charge Reconciliation 2022/23	£000
Actual Service Charge Expenditure Per Accounts	(15,751)
Less recharges	(192)
Less Barbican Estate Office adjustments	(1,018)
Final Service Charge Expenditure	(14,541)

Recommendation

Members are asked to:

- Note the report.

Main Report

Background

1. This report explains the variations in the service charge outturn and also reconciles the service charge being made to residents following the closure of the Corporate accounts.
2. Leaseholders pay on-account estimated service charges during the financial year and a balancing adjustment is billed in the September following the end of the financial year.

Current Position

Key Data

Residents' Service Charge Outturn

3. The provisional outturn for the service charge account for 2023/23 is £14,541,023 this is 26.13% higher than the 2021/22 charge and 18.69% higher than the estimate.
4. The main reasons for the increase are increased repairs and maintenance costs and increased energy costs.
5. Salary increases were higher than estimates due to a one-off cost of living payment of £1,000 and a pay rise of 3% for all staff.
6. Due to the billing issues outlined in earlier reports to this committee and in the further report to this committee the underfloor heating is being charged at the estimated rate until a full audit of the billing issues has taken place. The interim amount being charged to leaseholders in September is £13,350,836.

Analysis of the 2022/23 Service Costs ANNEX 1 –

7. This annex shows the expenditure headings on the service charge schedule, with the main basis of attribution and a comparison between the actual service charges for 2021/22 and 2022/23. The estimates for 2022/23 are also shown.
8. The comparison with the 2021/22 actuals shows significant variations for several service heads.
9. Energy costs increased significantly during 2022/23. In April 2021 unit rates for heating were around 9.5p/kwh (day rate) 10p/kwh (night rate) increasing to around 14.6p/kwh (day rate) and 14.2p/kwh (night rate) in October 2021.
10. These rates remained in place until September 2022. In October 2022 unit rates, including government rebates, increased to around 44p/kwh (day rate) and 40p/kwh (night rate). Higher government rebates in November and December reduced the rates to around 31p/kwh (day rate) and 27p/kwh (night rate). In January 2023 the City's solar farm came on-stream and unit rates decreased by around 15p/kwh. However, government rebates reduced. In December 2022 the rebate was 22.43p/kwh and by March 2023 this had gone down to 2.59p/kwh.
11. Standing charges also increased significantly from October 2022. For example, for Defoe House underfloor heating the standing charge for April 2022 to September 2022 was under £15 per month, for October 2022 to March 2023 it was around £1,700 per month.
12. Leaseholders have received additional credits to their accounts as a result of the City's Power Purchase Agreement. Over £500k was credited to the service charge for January to March.
13. Repairs and Maintenance expenditure increased significantly. Most of the general maintenance expenditure is demand led and can vary considerably from year to year. However, this year the cost of day-to-day repairs has increased by 14.5% compared to 2021/22.
14. The increase in estatewide and general repairs costs is was mainly due to the setting up and hosting costs for Civica and Keystone (£22,462), fire safety surveys (£20,630) and fire signage works (£38,931.84).
15. Expenditure on exterior repairs continued to be high increasing by 11.7% over 2021/22. Expenditure on water penetration remedial works rose from £1,368k to £1,576k. The majority of the repairs were to balcony areas and to barrel vault roofs. There has also been significant expenditure, £238k, on window frame replacements.
16. Expenditure on electrical repairs decreased by over 6% compared to 2021/22.
17. Expenditure on interior common parts repairs was 24% higher than in 2021/22. Over half the expenditure was on plumbing repairs including repairs to booster pumps, corroded pipes and stopcocks.

18. Communal water tanks are inspected as part of an annual programme, this year there was a reduction in the number of remedial repairs required as a result. The overall costs were 26% lower than in 2021/22.
19. The charge for the resident engineers increased by nearly 10%. However, the charge is less than that in 2020/21. The engineers spent more time on service charge matters than in the previous year. Salary costs increased, (para 5) and rents increased by £10,640.
20. The furniture and fittings charge is mainly for replacement carpets in the tower and corridor blocks. These replacements are carried out in consultation with the housegroups and usually vary considerably from year to year.
21. The cleaners' costs did not increase significantly, and were lower than estimated. There are several vacant posts filled by agency staff.
22. The higher garden maintenance cost is due replacement of the play area surfaces, at a cost of £28,643.
23. The increase in lobby porters' costs is due to the increase in salary rates and overtime costs.
24. The increase in car park attendants' costs is due increased salary rates and agency costs. Agency staff were being used to cover vacant posts and well as to cover leave.
25. The increase in garchey costs is mainly due to increased repairs and maintenance expenditure, from £106,619 in 2021/22 to £139,500 in 2022/23. There was increased expenditure on clearing blockages and on spare parts.
26. The allocation of House Officer, Supervision and Management recharge and Technical recharge are mainly based on timesheet information and reflect the time being spent on service charge issues. This year more of the House Officers' time has been allocated to House Officer duties. Supervision and management is also allocated to the cleaning, car park attendant and lobby porter heads of charge. which is included in the Supervision and Management Charge. The overall cost for Supervision and Management allocated to the service charge decreased slightly in comparison to 2021/22.

Comparison Corporate Account and Final Service Charge Schedule - ANNEX 2

27. Due to adjustments made by the BEO the provisional outturn is £1,018,371 lower than the expenditure in the City's accounts.
28. The adjustment is mainly for energy costs. At the end of the financial year many invoices for the October to March period were due to be revised and rebilled. Some charges are still under query. The accrual adjustment was raised following consultation with the Team Energy who validate the energy invoices. The adjustment to the garchey costs is also in respect of energy costs.

29. The adjustments to the car park attendants' costs are as a result of re-allocation of costs to the car park account. The were adjustments to/from the Barbican Centre in respect of lift, cleaning and repairs and maintenance costs. Other adjustments are to/from the landlord account.

The Corporate Outturn Report ANNEX 3

30. The service charge schedules reflect the services provided and the Lease. The headings are different to the corporate report. For example, the employees are included under the cleaning, lobby porters, car park attendants and garchey headings on the service charge schedules along with the relevant associated costs such as uniforms, materials and repairs. Annex 3 shows the allocation of expenditure in the corporate report.

Comparisons to previous years' Service Charge ANNEX 4

31. This shows the service charges by service head for the years 2017/18 – 2022/23.

Comparison of service charge heads of charge Annex 5

32. Pie chart showing each head of charge as a proportion of the 2022/23 Service Charge Actuals.

Conclusion

33. Overall, the estate service charge for the annually recurring items has increased for most leaseholders. Whilst charges for some heads of service have reduced in comparison to last year, notably cleaning and concierge services and Supervision and Management, the cost of repairs and energy have increased significantly. Although it is expected that energy costs will continue to rise the forward purchase arrangements put in place by the City should mitigate the increases.
34. The increases in repairs and maintenance expenditure are mostly due to the increased incidences of water penetration through roofs, balconies and window frames necessitating increased expenditure on one-off repairs.
35. The Actual Service Charge schedules and an explanatory letter of the various items included on the schedule were be sent to residents in early August.

Appendices

Annex 1-5

Background Papers

None

Corporate & Strategic Implications Key Data

Strategic implications –

Financial implications – Service Charge Expenditure is City Fund.

Resource implications - None

Legal implications - None

Risk implications - None

Equalities implications – None

Climate implications - None

Security implications - None

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Annex 1

CROSS REF. KEY	ITEM	MAIN BASIS OF ATTRIBUTION (A)	ACTUAL	ACTUAL	Variance (Increase) reduction %	ESTIMATE	ESTIMATE
			2021/22	2022/23	2022/23	2023/24	
1	Electricity (Common Parts and Lifts)	Actual	(544,544)	(914,455)	(67.93%)	(584,143)	(1,138,591)
2	Lift Maintenance	Actual	(366,557)	(375,821)	(2.53%)	(369,987)	(374,581)
3	Resident Housekeepers (Additional Pension)	E. wide lease %	(174)	(103)	40.73%	0	0
4	Resident Engineers	E. wide lease %	(331,817)	(364,701)	(9.91%)	(404,455)	(415,637)
5	Furniture & Fittings	Actual	(22,272)	(6,511)	70.77%	(26,000)	(26,001)
6	Window Cleaning	Contract base	(177,260)	(183,013)	(3.25%)	(182,245)	(209,581)
7	Cleaning Materials including refuse sacks	No. cleaners	(22,564)	(23,397)	(3.69%)	(25,000)	(26,000)
8	Cleaning Equipment	No. cleaners	(4,580)	(5,659)	(23.56%)	(4,000)	(5,000)
9	Estate Cleaners	No. cleaners	(1,128,082)	(1,135,173)	(0.63%)	(1,154,455)	(1,204,117)
10	Additional Refuse Collection	No. cleaners	(12,283)	(12,710)	(3.47%)	(15,700)	(15,700)
11	Garden Maintenance	E. wide lease %	(199,305)	(220,785)	(10.78%)	(180,000)	(230,150)
12	Car Park Attendants	Terrace lease %	(689,244)	(734,069)	(6.50%)	(708,000)	(708,866)
13	Hall Porters	Towers one third each plus individual costs	(793,836)	(846,162)	(6.59%)	(790,000)	(843,864)
14	Garchey Maintenance	E. wide lease %	(274,777)	(318,397)	(15.87%)	(286,000)	(344,360)
15	Pest Control	E. wide lease % + individual block costs	(16,184)	(20,749)	(28.21%)	(23,000)	included in at
16	General Maintenance (Estate)	E. wide lease % and no of repairs orders	(180,952)	(268,951)	(48.63%)	(1,735,897)	(2,781,040)
17	Electrical Repairs (Common Parts)	Actual	(127,240)	(119,510)	6.08%	included in above	included in at
18	Electrical Repairs (Exterior)	Actual	0	0		included in above	included in at
19	General Repairs (Common Parts)	Actual	(174,618)	(216,048)	(23.73%)	included in above	included in at
20	General Repairs (Exterior)	Actual	(1,938,920)	(2,165,698)	(11.70%)	included in above	included in at
22	House Officer	E. wide lease %	(154,906)	(166,420)	(7.43%)	(149,000.00)	(187,757)
Sub Total - Basis for apportionment of estate wide Supervision and Management Costs			(7,160,114)	(8,098,332)	(13.10%)	(6,637,882)	(8,511,245)
21	S&M technical	No of repairs orders	(195,008)	(190,219)	2.46%	(230,000)	(227,616)
23	Estate-Wide Supervision & Management costs	Ratio	(555,816)	(556,561)	(0.13%)	(730,000)	(738,132)
24	Redecorations Programme 2020-2025	Actual/E. wide lease %	(48,246)	(1,126,285)		(1,521,256)	(1,037,456)
25	Safety/Security (included in general repairs on schedule)	Actual/E. wide lease %	(33,119)	(36,820)	(11.18%)	inc in repairs	inc in repairs
26	Water Supply Works	Actual	(98,635)	(72,904)	26.09%	inc in repairs	inc in repairs
27	Concrete works	Actual	2,030	0		0	0
28	Electrical testing	Actual	(17,483)	(45,334)			(46,685)
29	Asbestos management / removal	Actual	(195,525)	(48,581)		0	0
30	Roof /Drainage repairs	Actual	(54,728)	(60,669)		(50,000)	0
31	Asset management/Stock Condition Survey	Actual/E. wide lease %	(10,118)	(69,543)		(75,000)	0
32	Water Tank Repairs/Replacement	Actual	(76,446)	0		(5,300)	0
33	Window Replacement	Actual	(308,026)	(237,777)		(183,500)	(389,885)
34	Emergency Lighting	Actual	(3,695)	(8,871)		0	(21,100)
	Carpets (Frobisher)	Actual	0	0		0	(56,000)
35	Lobby refurbishment (Shakespeare)	Actual	0	(5,461)		0	(100,000)
36	Lift refurbishment	Actual	(1,930)	(8,870)		0	(100,000)
Total Services			(1,596,742)	(2,467,897)		(2,795,056)	(2,716,874)
37	Heating - Electricity	Actual	(2,771,425)	(3,974,794)	43.42%	(2,818,000)	(5,680,005)
Total Services & Heating			(11,528,280)	(14,541,023)	26.13%	(12,250,938)	(16,908,124)

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Annex 2

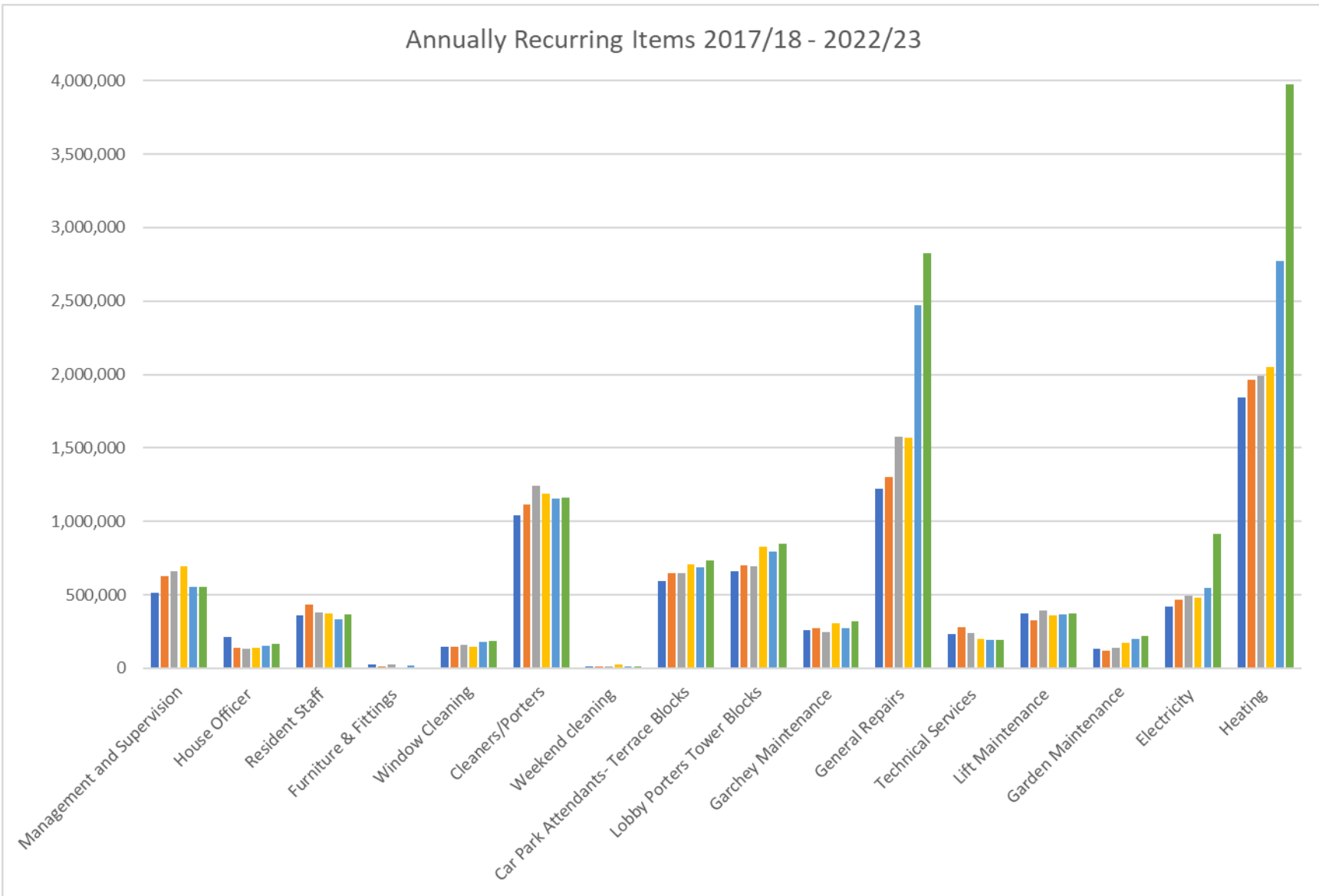
<u>Narration</u>	<u>Cross-Reference key</u>	<u>CBIS Actual</u>	<u>BEO Adjustment</u>	<u>Service Charge Schedule</u>
		£	£	£
Electricity (Common Parts and Lifts)	1	(1,174,865.78)	260,410.76	(914,455.02)
Lift Maintenance	2	(371,310.50)	(4,510.11)	(375,820.61)
Resident Housekeepers (Additional Pension)	3	(103.02)	0.00	(103.02)
Resident Engineers	4	(364,701.10)	0.00	(364,701.10)
Furniture & Fittings	5	(6,510.54)	0.00	(6,510.54)
Window Cleaning	6	(183,012.84)	0.00	(183,012.84)
Cleaning Materials including refuse sacks	7	(23,396.78)	0.00	(23,396.78)
Cleaning Equipment	8	(5,659.43)	0.00	(5,659.43)
Estate Cleaners	9	(1,140,634.97)	5,462.39	(1,135,172.58)
Additional Refuse Collection	10	(12,709.87)	0.00	(12,709.87)
Garden Maintenance	11	(221,732.44)	947.74	(220,784.70)
Car Park Attendants	12	(741,591.55)	7,522.44	(734,069.11)
Hall Porters	13	(846,162.23)	0.00	(846,162.23)
Garchey Maintenance	14	(333,029.51)	14,632.23	(318,397.28)
Pest Control	15	(20,749.16)	0.00	(20,749.16)
General Maintenance (Estate)	16	(269,582.01)	631.00	(268,951.01)
Electrical Repairs (Common Parts)	17	(119,510.45)	0.00	(119,510.45)
Electrical Repairs (Exterior)	18	0.00	0.00	0.00
General Repairs (Common Parts)	19	(216,047.96)	0.00	(216,047.96)
General Repairs (Exterior)	20	(2,165,368.57)	(329.61)	(2,165,698.18)
Technical Services	21	(194,863.18)	4,644.09	(190,219.09)
House Officer	22	(166,420.15)	0.00	(166,420.15)
Estate-Wide proportion of Supervision & Ma	23	(583,805.63)	27,244.24	(556,561.39)
Redecorations Programme 2020-2025	24	(1,126,285.23)	0.00	(1,126,285.23)
Safety/Security	25	(36,820.48)	0.00	(36,820.48)
Water Supply Works	26	(72,904.21)	0.00	(72,904.21)
Concrete Works	27	0.00	0.00	0.00
Electrical testing	28	(45,334.46)	0.00	(45,334.46)
Asbestos Management	29	(51,344.77)	2,764.19	(48,580.58)
Roof/Drainage Repairs	30	(62,485.56)	1,816.50	(60,669.06)
Asset Management/Stock Condition Survey	31	(69,542.89)	0.00	(69,542.89)
Water Tank Repairs/Replacement	32	(11,053.68)	11,053.68	0.00
Window Replacement	33	(238,807.77)	1,031.10	(237,776.67)
Emergency Lighting	34	(8,871.44)	0.00	(8,871.44)
Lobby Refurbishment	35	(5,460.80)	0.00	(5,460.80)
Lift Refurbishment	36	(5,870.46)	(3,000.00)	(8,870.46)
Heating	37	(4,673,532.04)	698,737.70	(3,974,794.34)
N/C		20,050.84	(20,050.84)	0.00
N/C		(9,363.88)	9,363.88	0.00
TOTAL		(15,559,394.52)	1,018,371.40	(14,541,023.12)

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Actual 2021-22 £'000	Service Charge Account	Original Budget £'000	Latest Approved Budget £'000	Actual 2022-23 £'000	Variations £'000
	Expenditure				
(2,549)	Direct Employee Expenses	(2,843)	(2,901)	(2,682)	219
(1)	Indirect Employee Expenses	(8)	(8)	(1)	7
(2,550)	Total Employees	(2,851)	(2,909)	(2,683)	226
(3,651)	Repairs and Maintenance	(3,084)	(3,611)	(4,854)	(1,243)
(3,152)	Energy Costs	(2,667)	(2,667)	(5,950)	(3,283)
(133)	Rents	(138)	(138)	(140)	(2)
(18)	Rates	(20)	(20)	(11)	9
(1)	Water Services	(3)	(3)	0	3
(225)	Cleaning and Domestic Supplies	(267)	(267)	(231)	36
(199)	Grounds Maintenance Costs	(180)	(180)	(221)	(41)
(7,379)	Total Premises Related Expenses	(6,359)	(6,886)	(11,407)	(4,521)
(42)	Equipment, Furniture and Materials	(67)	(67)	(23)	44
(1)	Catering	(1)	(1)	0	1
(3)	Clothes, Uniform and Laundry	(13)	(13)	(3)	10
(2)	Printing, Stationery	(6)	(6)	(1)	5
(18)	Fees and Services	(1)	(1)	(66)	(65)
0	Expenses	0	0	0	0
(13)	Communications and Computing	(20)	(20)	(13)	7
(79)	TOTAL Supplies and Services	(108)	(108)	(106)	2
(10,008)	TOTAL Expenditure	(9,318)	(9,903)	(14,196)	(4,293)
11,308	Income	10,649	11,234	15,559	4,325
1,300	Net Income	1,331	1,331	1,363	32
	Recharges				
(1,437)	Expenditure	(1,457)	(1,457)	(1,555)	(98)
(156)	Income	126	126	192	66
(1,439)	Total Recharges	(1,331)	(1,331)	(1,363)	(32)
0	Total Service Charge Account	0	0	0	0

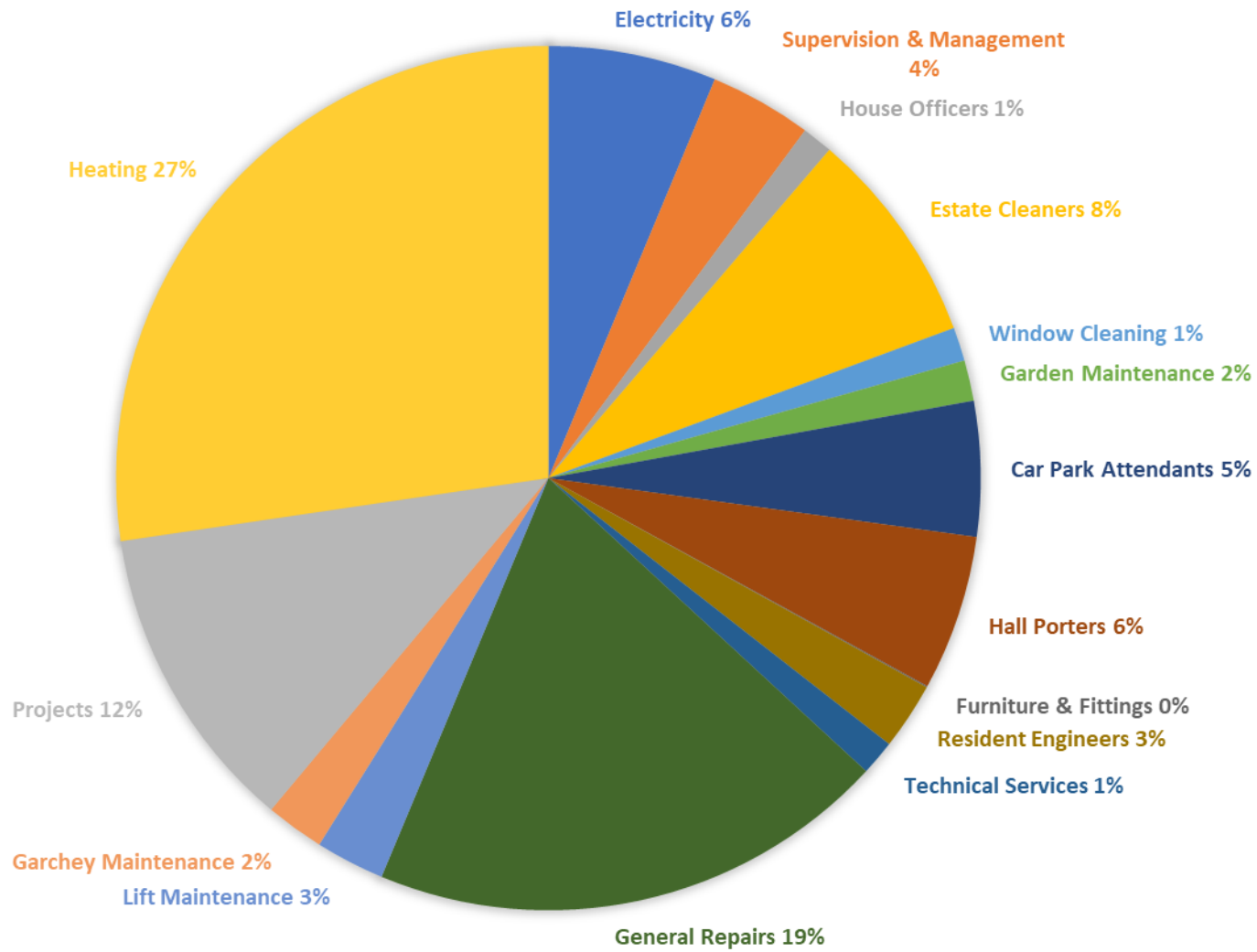
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Annually Recurring Items 2017/18 - 2022/23



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SERVICE CHARGES 2022/23



Committees: Barbican Estate Residents Consultation Committee - <i>for information</i> Barbican Residential Committee - <i>for information</i>	Dates: 04 September 2023 11 September 2023
Subject: Barbican Estate Window Repairs/Replacement Report Unique Project Identifier: TBC	Information Report
Report of: Director of Community & Children's Services Report Author: Jason Hayes, Head of Major Works	For Information
<h1 style="margin: 0;">PUBLIC</h1>	

1. Status update	<p>Project Description: This report provides an update on the windows surveys and condition reports. It provides the next steps to completing the necessary repair or replacement of the windows identified in the surveys.</p> <p>RAG Status: Green</p> <p>Risk Status: Low</p> <p>Total Estimated Cost of Project (excluding risk): TBC</p> <p>Spend to Date: £0</p> <p>Costed Risk Provision Utilised: N/A</p>
2. Key points to note	<p>Key Points:</p> <ol style="list-style-type: none"> 1. Surveys of the windows for the affected blocks have been completed and will be shared with residents of the Barbican Estate. A SharePoint link will be provided for electronic access and hard copies can be made available upon request. 2. Two windows have been identified as requiring immediate replacement.

	<p>3. Seven windows have been identified as requiring urgent replacement via a mini-tender.</p> <p>4. Thirty windows have been identified as requiring less urgent repairs/ replacement.</p>
<p>3. Reporting period</p>	<p>August 2023 – On-going</p>
<p>4. Progress to date</p>	<p>5. Window surveys were commissioned in November 2022 and following Officer scrutiny and feedback, are now available for leaseholders of the Barbican Estate to view.</p> <p>6. Officers in the Major Works team received the reports on 31st July. A programme will now be formulated in accordance with the statutory and mandatory processes required prior to work being completed. This will be shared with Members of the RCC and BRC as well as those in the Asset Maintenance Working Party.</p> <p>7. Work to two windows in two blocks have been deemed as requiring urgent attention and cannot wait to run through a procurement or gateway process. This will be awarded through the existing repairs contract to ensure work is completed as soon as is practically possible.</p> <p>8. Seven windows require less urgent repairs and should be tendered for replacement following a compliant section 20 process and production of the specification.</p> <p>9. A further thirty windows required repair/ replacement and are the least urgent of the repairs identified in the surveys. Many more windows will require various size repairs completed. These repairs are captured within the surveys.</p> <p>10. As part of the larger element of works, a schedule of rates will be developed in order to facilitate work identified in the future and ensure value for money, avoiding one-off procured works. The length of this contract period is yet to be decided.</p> <p>Statutory Processes</p> <p>11. There are a number of processes that need to be followed in order to ensure correct governance and compliancy. The City of London Corporation has its own governance procedure in the form of a gateway process. This allows corporate control with proper oversight by Members and Committees with approvals, and progress, approved as the project develops. The process has recently been reviewed and changes expected over the</p>

	<p>coming months. These changes may affect the timeline for the delivery of the work. It is not possible to anticipate or estimate the positive or negative impact these changes may have until widely communicated by the City's programme officers.</p> <p>12. Statutory consultations are required in order to ensure compliancy with the section 20 for recovery of repairs as per leases. This is generally 35 days pre and post tender with a letter sent out for observations from leaseholders of the block affected. It should be noted that a longer contract of over 12 months becomes a Long Term Qualifying Agreement (LTQA) and requires extra consultation. If a longer contract facilitating repairs is implemented under an schedule of rates, then the LTQA will apply.</p> <p>Mitigating Actions</p> <p>13. Consideration within the longer contract should be on cyclical/ servicing works that would enhance the current repairs process and allow a greater protection of components within the assets and help extend the life of those components.</p> <p>14. The tender process will need to consider competent contractors experienced working on heritage assets and windows of this age and design.</p>
<p>5. Next steps (Urgent Repairs only)</p>	<ul style="list-style-type: none"> • Complete the most urgent repairs (two windows). (by December 2023) • Start work on the specification and tender for the seven remaining urgent windows. Pre-tender section 20 process has been completed. (September 2023) • Produce Gateway 1-4 report for approval through urgency once approved by Corporate Projects Board. (September/ October 2023) • Identify and ensure resource is in place to deliver. (September/ October 2023) • Tender work. (November 2023) • Post-tender section 20. (January 2024) • Gateway 5 report for approval. (February 2024) • Works start on site. (March/ April 2024) • Gateway 6. (October 2024)

Appendices

<p>Appendix</p>	<p>None</p>
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Contact

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Agenda Item 8

Committee(s): Residents Consultation Barbican Residential	Dated: 4 th September 2023 11 th September 2023
Subject: 2022/23 Revenue Outturn (Excluding the Residential Service Charge Account)	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	4,12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain Director of Community & Children's Services	For Decision
Report author: Goshe Munir, Senior Accountant, Chamberlain's Department	

Summary

This report compares the revenue outturn for the services overseen by your committee in 2022/23, with the final agreed budget for the year.

These accounts do not include income and expenditure in relation to dwellings service charges, which is the subject of a separate report before you today, but does include the following: -

- Landlord Services

This includes income and expenditure relating to short term lessee flats, void flats and commercial properties as well as grounds maintenance for public areas.

- Car Parks

The running expenses, capital charges, rent income and service charges relating to 1,272 car spaces of which some 576 are currently occupied.

- Baggage Stores

The running expenses, capital charges, rent income and service charges relating to 1,620 baggage stores. 1,328 baggage stores are currently occupied.

- Trade Centre

This is a commercial area of some 117,000 square feet bounded broadly by Beech Street, Aldersgate Street, Fann Street and Bridgewater Square. Capital charges are the main item of expense, although some premises and supervision and management costs are incurred. Income comprises rent and charges for services including Nuffield Health, GSMD Practice room, Laundrette, Parking Services and Creche.

1. Total net expenditure during the year was £1,884,000, whereas the total agreed budget for net expenditure was £2,302,000, representing total underspend of £418,000 on all risks. This is summarised in the table below:

Summary Comparison of 2022/23 Revenue Outturn with Final Agreed Budget – Barbican Residential Committee			
	Latest Agreed Budget £000 £000	Revenue Outturn £000	Variations Increase/ (Reduction) £000
Expenditure	(3,694)	(3,489)	205
Income	4,854	5,010	156
Net Local Risk	1,160	1,522	362
Central Risk	205	365	160
Recharges	(3,667)	(3,771)	(104)
Overall Totals	(2,302)	(1,884)	418

2. The Director of Community and Children’s Service’s local risk underspend on the Barbican Residential Committee was £362,000 in 2022/23.

Recommendation(s)

3. It is recommended that this revenue outturn report for 2022/23 is noted.

Main Report

Revenue Outturn for 2022/23

4. This report compares the revenue outturn for the services overseen by your committee in 2022/23, excluding the dwellings Service Charge account, which is the subject of a separate report, with the final agreed budget for the year.
5. Actual net revenue expenditure for your committee’s services during 2022/23 totalled £1,884,000. A summary comparison of this expenditure with the final agreed budget for the year of £2,302,000 as set out in the budget report to this Committee in December 2022, is tabulated below. In the various tables, figures in brackets indicate expenditure or adverse variances, decreases in income, or increases in expenditure.

Comparison of 2022/23 Revenue Outturn with Latest Agreed Budget					
	<i>Original Budget</i>	Latest Agreed Budget	Revenue Outturn	Variations Increase/ (Reduction)	
	£000	£000	£000	£000	
<u>Local risk</u>					
Employees	(1,973)	(2,029)	(2,097)	(68)	6
Repairs and Maintenance	(1,114)	(1,169)	(958)	211	7
Other Property Related	(307)	(307)	(340)	(33)	
Supplies and Services	(189)	(189)	(94)	95	8
Total Expenditure	(3,583)	(3,694)	(3,489)	205	
Total Income	4,854	4,854	5,010	156	9
Net Local Risk	1,271	1,160	1,522	362	
Central Risk	209	205	365	160	10
Total Recharges	(3,667)	(3,667)	(3,771)	(104)	11
Total	(2,187)	(2,302)	(1,884)	418	

6. The overspend of £68k in Employees costs is due to increased costs on overtime and temporary staff cost within the Car Park Service. salary costs due to the higher than budgeted pay rise.
7. The underspend in Repairs and Maintenance of £211k is mainly due to slippage to works within the Landlord Services.
8. Supplies and Services favourable variance of £95k is due to the decrease of provision for bad debt and reduced expenditure on equipment furniture & materials.
9. The favourable income variance of £156k is mainly due to higher than anticipated rent income in Landlord, Stores, and trade centre accounts.
10. The increase in Central Risk income of £160k is due to the actual insurance income being higher than budgeted for in Landlord Services and Trade Centre Services.
11. The adverse variance for total Recharges of £104k is due to higher than expected recharge for central support services and increased in the technical recharge.
12. Annex A1 sets out an analysis by service area of the overall outturn variance.
13. Annex A2 shows the reconciliation of the original budget to the latest agreed budget.

Appendices

- Annex A1 – Barbican Residential Committee – Comparison of 2022/23 Revenue Outturn with Latest Agreed Budget by Service Areas.
- Annex A2 – Barbican Residential Committee – Comparison of 2022/23 Original Budget with Latest Agreed Budget.

Caroline Al-Beyerty
Chamberlains

Judith Finlay
Director of Community & Children Services

CONTACTS

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**Barbican Residential Committee – Comparison of 2022/23
Revenue Outturn with Final Agreed Budget**

Comparison of 2022/23 Revenue Outturn with Latest Agreed Budget by Service Area				
	<i>Original Budget</i>	Latest Agreed Budget	Revenue Outturn	Variations Increase/ (Reduction)
	£000	£000	£000	£000
Supervision and Management -General	0	0	(0)	(0)
Landlords Services	(2,649)	(2,552)	(2,293)	259
Car Parking	(156)	(368)	(428)	(60)
Stores	107	107	155	48
Trade Centre	512	512	683	171
Other Non-Housing	(1)	(1)	(1)	(0)
Total	(2,187)	(2,302)	(1,884)	418

Recharges include recharges from the Service Charge Account to Landlord and Car Park Accounts for cleaning and electricity as well as and Central and Departmental Recharges.

**Barbican Residential Committee – Comparison of 2022/23 Original Budget
With Final Agreed Budget**

	£'000
Original Budget	(2,187)
Increase in Employees Costs	(56)
Increase in Repairs and Maintenance Costs	(55)
Recharges and Capital Charges	(4)
Latest Approved Budget	(2,302)

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Committees: Barbican Estate Residents Consultation Committee - <i>for information</i> Barbican Residential Committee - <i>for information</i>	Dates: 04 September 2023 11 September 2023
Subject: Barbican Estate Redecoration Programme 2020-25 Unique Project Identifier: 12035	Gateway 5 Regular Progress Report
Report of: Director of Community & Children's Services Report Author: Philippe Greaves, Project Manager	For Information
<h2 style="margin: 0;">PUBLIC</h2>	

1. Status update	<p>Project Description: This report provides an update on the current contract with K&M McLoughlin Decorating Ltd to carry out redecoration works to internal and external areas of the residential blocks of the Barbican Estate between 2020-25.</p> <p>RAG Status: Green</p> <p>Risk Status: Low</p> <p>Total Estimated Cost of Project (excluding risk): £3,884,630</p> <p>Spend to Date: £1,155,121.04</p> <p>Costed Risk Provision Utilised: N/A</p>
2. Key points to note	<p>Next Gateway: Gateway 6 – Outcome Report</p> <p>Key Points:</p> <p>1. Following the lengthy delays as a result of the Covid-19 public health crisis, the contract awarded to K&M McLoughlin Decorating Ltd commenced in April 2022.</p> <p>2. To date, works to the value of £1,155,121.04 have been completed</p>

	3. The contract is currently anticipated to complete on time and to budget.
3. Reporting period	June 2021 (date of last report) - present
4. Progress to date	<p>5. The contract with K&M McLoughlin Decorating Ltd commenced in April 2022. Progress to date at time of writing (15th August 2023) is summarised below:</p> <p>Mountjoy – (Internal) Complete and signed off.</p> <p>Gilbert House – (Internal) Work complete, Clerk of Works inspection completed, awaiting Officer joint inspection for sign off. To be inspected and signed off by Officers in August. Joint inspection with house group to be organised.</p> <p>Willoughby house - (Internal) Work complete, Clerk of Works inspection completed, awaiting Officer joint inspection for sign off. Joint inspection with house group to be organised.</p> <p>Cromwell Tower – (External) Work complete, awaiting Clerk of Works snag report. Report due September.</p> <p>Andrewes House – (Internal) Work complete, awaiting Clerk of Works snag report. Report due September.</p> <p>Ben Jonson House – (External) Work complete, awaiting Clerk of Works snag report. Report due September.</p> <p>Bryer Court – (External) Work complete, Clerk of Works inspection completed, awaiting Officer joint inspection sign off.</p> <p>Bunyan Court – (External) Work complete, Clerk of Works inspection completed, awaiting Officer joint inspection sign off.</p> <p>Defoe House – (Internal) Work complete, awaiting Clerk of Works snag report. Report due September.</p>

John Trundle – (External)

Work complete, Clerk of Works inspection completed, awaiting Officer joint inspection sign off.

Seddon House – (Internal)

Work complete, Clerk of Works inspection to be completed before joint Officer sign off.

Breton House – (Internal)

Work complete, Clerk of Works inspection completed, awaiting Officer joint inspection sign off.

Speed House – (Internal)

Scope of work being agreed following colour change for the metalwork (railings, balustrades etc.). Letter to be sent out for option approval following advice on number of coats of paint required and cost associated. Pre-work surveys to be completed.

Thomas More – (Internal)

Pre-tender section 20 letter sent, ends in September.

Shakespeare Tower – (External)

Start on site delayed whilst scope of work is approved.

Lauderdale Tower – (External)

Pre-work surveys to be completed. Scope of work to be finalised.

6. Some blocks have seen areas missed on the scope of the specification. As such some additional work has been approved. The project remains within the overall budget. These areas have been noted for inclusion with future projects/ tenders.

7. Additional protective works to upper floors across Bryer Court, Bunyan Court, Ben Jonson House and John Trundle have been completed, works have remained in budget. Further repairs have been identified through the redecorations project and passed on for information to the Major Works team for inclusion in a future windows project.

Contractor Performance

8. As reported at Committees previously, some of the quality of workmanship has required improvement and officers have been working with the Clerk of Works to address these issues with the contractor. There is a further robust process set in place to ensure a thorough inspection and sign off occurs. This will be reviewed as will the quality of the work as the programme starts

	<p>to gain momentum. The new blocks have not been released as yet until Officers are happy with the outcome of the current fully completed blocks and their sign off progresses.</p> <p>Mitigating Actions</p> <p>9. A sign off process has been agreed with the project team. This includes a first inspection by the contractor, inspection by the Clerk of Works, finally a joint inspection of the Officer alongside the Clerk of Works and Contractor is completed before the block is sign off completely.</p> <p>10. Pre-work inspections will ensure older snagging items are picked up prior to the contractor starting on site.</p>
<p>5. Next steps</p>	<ul style="list-style-type: none"> • Sign off remaining blocks with the additional inspections, shown on this report (by October 2023). • Agree scope of work for new blocks in the programme. • Review quality of workmanship (bi-monthly). • Involve House Groups more in the project process.

Appendices

<p>Appendix</p>	<p>None</p>
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Contact

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<p>Telephone Number</p>	<p>07902 401406</p>

Committee(s): Barbican Estate Residents Consultation Committee – For information Barbican Residential Committee – For Information	Dated: 04 September 2023 11 September 2023
Subject: Barbican Estate Major Works 5-year Asset Management Programme	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	4, 12
Does this proposal require extra revenue and/or capital spending?	Y
If so, how much?	£29.45 million
What is the source of Funding?	Recovery from leaseholders via service charge (estimated 90%), remainder via local risk budget / city fund capital bids.
Has this Funding Source been agreed with the Chamberlain’s Department?	N
Report of: Director of Community and Children’s Services	For Information
Report authors: David Downing (Asset Programme Manager), Jason Hayes (Head of Major Works)	

Summary

Following the Savills stock condition survey, this report presents, for information, the projects proposed for years 1-5 of the Barbican Estate Major Works Programme. The programme proposes an estimated £29.45m worth of work across the five years, of which the vast majority would encompass refurbishment of the Estates mechanical and electrical infrastructure. All projects proposed are subject to detailed survey to refine cost and scope, and will progress through the City’s project governance procedures for Member approval as required.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. The residential Barbican Estate is now over 50 years old with the first tenants moving into Andrewes House in 1969. Testament to the quality of its construction, the buildings have performed well over the years with many key components remaining serviceable considerably beyond their expected lifecycles. Such longevity cannot reasonably be expected to persist. To inform the City's asset management strategy and investment planning processes, Savills were appointed in July 2019 to carry out a combined stock condition and mechanical/electrical survey with the primary purpose of assessing the extent and cost of work to maintain the Estate for the next 30 years.
2. The survey was undertaken between November 2019 and June 2021 in the challenging circumstances of the Covid-19 public health crisis, with the outcomes presented by Savills to Committee Members in November 2022. Over the 30-year period costs are forecast by the Savills data to be in the region of £180m. A significant proportion of this forecast sum is likely to be recoverable from long leaseholders, but only in so far as works are deemed repairs or like-for-like replacements rather than improvements.

Current Position

3. The DCCS Major Works team have been reviewing the extensive data provided by Savills, and in consultation with the Barbican Estate Office and the Asset Maintenance Working Party have drafted outline 30-year and 5-year programmes of work. The Savills data gives a valuable indication of where and when aging components should be looked at but should not be taken to automatically prescribe any particular remedy. Aging components may still be serviceable. The early stages of any large project would therefore entail commissioning a detailed, expert condition survey providing recommendations and costed options for consideration. Cost smoothing and logical sequencing of projects has been applied to maximise economies of scale, realise efficiencies, and minimise the cost burden to leaseholders where reasonable to do so.
4. The draft five-year plan is attached as Appendix 1 for information and feedback. The programme is split into three sections. The first section details works currently in development or in the process of being delivered ahead of the launch of the new programme (such as the current redecorations contract, the fire door replacement programme, tower lift refurbishments and the window replacements currently being investigated). The remaining two sections, set to commence in 2025/26, detail the new mechanical and electrical works, and works to the building fabric now proposed. The total estimated cost of these new works is £29,450,000 plus fees and staff costs over the five year period.

Options

- This report is for informational purposes only, providing an update as to the content proposed for the first five years of the Major Works asset management programme. A range of costed options for each of the identified projects within the programme will be presented for approval at the appropriate time during a given projects development as dictated by the City's project governance processes. Options may include deferment or termination depending on the outcome of specialist surveys.

Proposals

- The following tables detail the proposed new projects from years 1-5 of the asset management programme. Each will progress through the City's project governance procedures as required.

New Projects – Year's 1-5 – Mechanical & Electrical

1	Electrical Infrastructure Refurbishment (All Blocks, Car Parks, Subways) - Survey Switchrooms, Common Parts, Lighting, UFH Supply/Metering & renew as required. Estimated costs assume extensive renewal required.	£16.5m
2	Car Park Sprinkler System (All Car Parks) – Survey & renew life expired sprinkler components as required	£360k
3	Hot & Cold Water Systems (All Blocks, Car Parks, Subways) - Survey Landlords Pipework, Tanks, Valves, Insulation & renew as required.	£2.7m
4	Lift Refurbishments Phase 2 (Ben Jonson, Breton, Bryer, Bunyan, Frobisher, John Trundle, Mountjoy, Seddon, Thomas More, Willoughby) - Survey & refurbish named lower rise block lifts as required.	£4.3m
5	Door Entry Systems (All Blocks exc Mews Blocks) - Survey & renew call panels, handsets as required	£1.7m
6	Building Management Systems (All Blocks) - Survey & renew existing BMS as required.	£1.6m

New Projects – Year's 1-5 – Building Fabric

7	Concrete Repairs to Vent Stacks (Podium) – Patch repair of spalling concrete	£120k
8	Flat Roof Replacement (Ben Jonson, Breton, Bunyan, Cromwell, Defoe, Gilbert, Lauderdale, Shakespeare, Thomas More) - Survey & renew existing flat roof areas as required.	£300k
9	Internal Flooring/Carpeting (Ben Jonson, Bunyan, Cromwell, Frobisher, Gilbert, Lauderdale, Mountjoy, Seddon, Shakespeare, Willoughby) - Survey & renew existing flooring as required. Replacements subject to leaseholder consultations/preference.	£210k
10	Cyclical Redecoration 2026 & 2027 (Internal: Bryer, John Trundle. External: Lambert Jones, Mountjoy, Speed, Defoe, Seddon, Postern, Thomas More) - Cyclical redecoration of	£700k

	previously painted/varnished surfaces, full scope subject to leaseholder consultations.	
11	Cyclical Redecoration 2030 (External: Ben Jonson, Breton, Bryer, Bunyan, Cromwell, John Trundle) - Cyclical redecoration of previously painted/varnished surfaces, full scope subject to leaseholder consultations.	£910k
12	Playground Refurbishments (Thomas More & Speed play areas) - Survey & renew play equipment, flooring, matting as required	£50k

Once the programme commences, progress on each project, slippage and any cost variance will be reported to Members via a regular Major Works Progress Report.

Key Data

7. The estimated cost of the new projects detailed in years 1-5 of the new programme is £29.45m. Of this, it is anticipated that £26.43m could be potentially recovered from leaseholders. These are low confidence estimates that will be improved during the survey phase of each project.

Corporate & Strategic Implications

Strategic implications

8. The proposed programme of works will provide secure, well-maintained buildings, preserving a heritage asset, and protecting and enhancing value for the City and its leaseholders.

Financial implications

9. The Savills data gives a valuable indication of where/when aging components should be looked at but does not provide the final word on what to renew or how to do it. Within the estimated costs Savills have provided there are components where we have high confidence in the scope of works required and the cost to complete them, lift refurbishment for example where the age and condition of the existing equipment is known as are the costs of replacement, and those where we have low confidence such as those concerning the Estate's electrical infrastructure where components, although operating beyond their expected lifecycles, may well still be serviceable for the short-medium term. Specialist survey at the early stages of projects to provide recommended, costed options may significantly impact current estimates.
10. Furthermore, the Savills data costs for like-for-like replacement of existing components. Any move to modernise or 'improve' a given component has not been costed for. Works deemed to be 'improvements' may not be recoverable from leaseholders; they will thus be reliant on securing central funding which may or may not be available. This could have a significant bearing on what can or cannot be achieved over a given period of time.
11. The cost data provided covers the repair/replacement of generic/standard items only. Any non-standard or heritage sensitive items will come at a premium. The Barbican

Estate's listed status and many unique fittings can be expected to have a significant impact on programme costs.

12. The cost data provided is at 2021 prices with no allowance for inflation or for any professional fees or staff costs.

Resource implications

13. A review is required to ensure that adequate internal resource is in place to deliver the scale of the works proposed. Recruitment to project management roles is currently challenging with the financial remuneration on offer in local authorities out of step with the private sector.

Legal implications

14. All proposed works and procurements where costs can be recovered from leaseholders will need to be compliant with the processes laid out under Section 20 of the Landlord & Tenant Act 1985. Existing Barbican Estate residential leases contain no improvement clauses and allow for recovery of costs for repair or like-for-like replacement subject to statutory legislation or regulation changes.

Risk implications

(a) Cost Risk

15. There is significant uncertainty surrounding the accuracy of the estimated costs at this stage of programme development. As previously stated, Savills have costed for like-for-like replacement of components with costs drawn from a generic industry price list and have assumed that aging components will require wholesale replacement. On one hand, the replacement of non-standard items that satisfy heritage constraints will likely come at a cost premium, on the other hand, not all items marked for renewal by Savills may need to be replaced at this time. The early stages of each large project would entail commissioning a detailed, expert condition survey providing recommendations and costed options for consultation and approval. As stated, the cost data provided is at 2021 prices with no allowance for inflation or for any professional fees or staff costs. The wider economic situation remains turbulent with inflationary pressures persisting. Sufficient allowance with each projects budget should be factored in to mitigate further economic uncertainty.

(b) Organisational Risk

16. The City's project governance processes have been under review with changes to the existing Gateway and project procedures expected to be launched in the coming months. Revised processes would ideally be in place and bedded in prior to commencement of the programme to allow for consistent governance and stakeholder engagement in line with new best practice from the outset. Despite these forthcoming changes, the value of many of the new projects proposed is still expected to require a full engagement with all stages of the City's Gateway process however reconfigured. As Barbican Residential Committees only meet quarterly, the opportunities for securing

Committee approval remain limited and will likely impact project planning and delivery timescales.

Exclusions

17. During the stock condition survey, Savills recommended the Underfloor Heating System for replacement due to the age of the system. The Barbican Estate Resident Engineers regard the current system as maintainable with only limited works required to upgrade the metering system. The Underfloor Heating Working Party continue to monitor the current system; any future works they recommend could be added to this, or later programmes, at their request.
18. The long-term future of the Garchey system is under review with works to the existing components excluded from this programme at present. As above, any future works recommended could be added to this, or later, programmes as required.

Equalities implications

19. None

Climate implications

20. The data provided by Savills does not include any energy efficiency/net zero initiatives and is therefore yet to be costed in to estimates. The Major Works team is working closely with colleagues in the Climate Action Strategy team to identify opportunities to incorporate net zero initiatives and to secure any available external funding to support their delivery. Energy efficiency measures may not be recoverable from long leaseholders and could very be reliant on securing central or external funding to realise.

Security implications

21. None

Conclusion

22. After 50 plus years of operation, a significant body of work has been identified to ensure that the Barbican Estate remains a well-maintained place to live, visit and work for the foreseeable future. Underpinned by the outcomes of the Savills stock condition survey, this report outlines the projects proposed for the first five years of the Major Works Asset Management Programme. Each project identified will be subject to further survey to refine scope and cost, identify options, undergo stakeholder consultation and will be progressed as per the City's project procedures and brought to Committee for oversight and approval as required.

Appendices

Appendix 1 – Years 1-5 Programme

Appendix 2 – Future Programme

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