

Committee(s)	Dated:
Residents' Consultation Committee	10 September 2018
Barbican Residential Committee	17 September 2018
Subject: 2017/18 Revenue Outturn (Excluding the Residential Service Charge Account)	Public
Report of: The Chamberlain Director of Community & Children's Services	For Information
Report author: Mark Jarvis Head of Finance, Chamberlains	

Summary

This report compares the revenue outturn for the services overseen by your committee in 2017/18, 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 Parking

The running expenses, capital charges, rent income and service charges relating to 1,508 car spaces of which some 969 (64.2%) are currently occupied.

- Baggage Stores

The running expenses, capital charges, rent income and service charges relating to 1,243 baggage stores.

- 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 in respect of Virgin Active, GSMD practice room, Laundrette, Indigo Park Services UK Ltd and Creche.

1. Total net expenditure during the year was £2,861,000, whereas the total agreed budget was net expenditure of £2,822,000, representing an overspend of £39,000. This is summarised in the table below:

Summary Comparison of 2017/18 Revenue Outturn with Final Agreed Budget – Barbican Residential Committee			
	Latest Agreed Budget £000	Revenue Outturn £000	Variations Increase/ (Reduction) £000
Expenditure	(3,047)	(2,910)	137
Income	4,681	4,707	26
Net Local Risk	1,634	1,797	163
Central Risk	201	136	(65)
Recharges	(4,657)	(4,794)	(137)
Overall Totals	(2,822)	(2,861)	(39)

2. The Director of Community and Children’s Service’s local risk underspend of £163,000 has been agreed to be carried forward to help fund the Barbican Estates car park concrete repairs in 2018/19.

Recommendation(s)

3. It is recommended that this revenue outturn report for 2017/18 and the budgets carried forward to 2018/19 are noted.

Main Report

Revenue Outturn for 2017/18

4. This report compares the revenue outturn for the services overseen by your Committee in 2017/18, 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 2017/18 totalled £2,861,000. A summary comparison of this expenditure with the final agreed budget for the year of £2,822,000 as set out in the budget report to this Committee on 11th December 2017, is tabulated below. In the various tables, figures in brackets indicate expenditure or adverse variances, decreases in income or increases in expenditure.

Comparison of 2017/18 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	(1,633)	(1,749)	(1,782)	(33)	
Repairs and Maintenance	(564)	(918)	(723)	195	7
Other Property Related	(315)	(275)	(243)	32	
Supplies and Services	(96)	(105)	(162)	(57)	8
Total Expenditure	(2,608)	(3,047)	(2,910)	137	
Total Income	4,909	4,681	4,707	26	
Net Local Risk	2,301	1,634	1,797	163	
Central Risk	225	201	136	(65)	
Total Recharges	(4,855)	(4,657)	(4,794)	(137)	9
Total	(2,329)	(2,822)	(2,861)	(39)	

6. Annex A1 sets out an analysis of the £39,000 overspend by service area.

Annex A2 shows the reconciliation of the original budget to the latest agreed budget.

7. The underspend in Repairs and Maintenance of £195k is due to reduction in spend against Miscellaneous Works in Landlord Services.
 - Delays to the completion of Mountjoy roof repairs (£58k)
 - Reduced expenditure on tiling works (£27k)
 - Delay in works to improve estate staff facilities (£100k)
 - Lower than anticipated expenditure on Trade Centre and Stores repairs (£10k)

8. The adverse variance on Supplies and Services of £57k is due to an increase in the provision for bad debts.
9. The total recharges adverse variance of £137k is mainly due to the lower than expected Supervision and Management recharge to the Housing Revenue Account.

Local Risk Carry Forward 2017/18

10. £163,000 of the local risk underspend of this Committee has been agreed to be carried forward to contribute towards the cost of repairs on the Barbican Estates car park concrete.

Appendices

- Annex A1 - Barbican Residential Committee – Comparison of 2017/18 Revenue Outturn with Latest Agreed Budget by Service Areas.
- Annex A2 - Barbican Residential Committee – Comparison of 2017/18 Original Budget with Latest Agreed Budget.

Dr Peter Kane
Chamberlains

Andrew Carter
Director of Community & Children Services

CONTACTS

Chamberlain's Department – Senior Accountant (Housing)
T: 020 7332-1571
E: Goshe.Munir@Cityoflondon.gov.uk

Barbican Estate Office – Anne Mason, Budget and Service Charge Manager
T: 020 7029-3912
E: Anne.Mason@Cityoflondon.gov.uk

**Barbican Residential Committee – Comparison of 2017/18
Revenue Outturn with Latest Agreed Budget**

Comparison of 2017/18 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	(2,690)	(2,985)	(2,772)	213
Car Parking	(382)	(434)	(630)	(196)
Stores	240	100	(6)	(106)
Trade Centre	513	519	575	56
Other Non-Housing	(10)	(22)	(28)	(6)
Total	(2,329)	(2,822)	(2,861)	(39)

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 2017/18 Original Budget
With Latest Agreed Budget**

	£'000
Original Budget	(2,329)
Additional resource allocated to compensate for property sales in prior years	(225)
Increase in expected breakdown maintenance costs	(356)
Correction of recharge of House officers and change in capital charges	119
Other movements	(31)
Latest Approved Budget	(2,822)