

Committee(s): Residents Consultation Barbican Residential	Dated: 27 September 2021 08 October 2021
Subject: 2020/21 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?	Y
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 2020/21, 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 850 are currently occupied.

- Baggage Stores

The running expenses, capital charges, rent income and service charges relating to 1,621 baggage stores. 1,432 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 £2,943,000, whereas the total agreed budget for net expenditure was £3,036,000, representing an underspend of £93,000. This is summarised in the table below:

Summary Comparison of 2020/21 Revenue Outturn with Final Agreed Budget – Barbican Residential Committee			
	Latest Agreed Budget	Revenue Outturn	Variations Increase/ (Reduction)
	£000	£000	£000
Expenditure	(4,091)	(4,407)	(316)
Income	4,955	5,316	361
Net Local Risk	864	909	45
Central Risk	135	185	50
Recharges	(4,035)	(4,037)	(2)
Overall Totals	(3,036)	(2,943)	93

2. The Director of Community and Children's Service's local risk underspend on the Barbican Residential Committee was £45,000 in 2020/21. Of the Directors overall underspend £73,000 has been agreed to be carried forward to help fund works to welfare facilities for estate cleaning staff which were delayed in the financial year. Further carry forward request totalling £56,000 related to renewal of Cromwell Tower car park smoke vents has also been agreed.

Recommendation(s)

3. It is recommended that this revenue outturn report for 2020/21 and the budgets carried forward to 2021/22 are noted.

Main Report

Revenue Outturn for 2020/21

4. This report compares the revenue outturn for the services overseen by your Committee in 2020/21, 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 2020/21 totalled £2,943,000. A summary comparison of this expenditure with the final agreed budget for the year of £3,036,000 as set out in the budget report to this Committee in December 2020, is tabulated below. In the various tables, figures in brackets indicate expenditure or adverse variances, decreases in income or increases in expenditure.

Comparison of 2020/21 Revenue Outturn with Latest Agreed Budget					
	<i>Original Budget</i> £000	Latest Agreed Budget £000	Revenue Outturn £000	Variations Increase/ (Reduction) £000	
<u>Local risk</u>					
Employees	(2,001)	(2,009)	(2,058)	(49)	6
Repairs and Maintenance	(1,292)	(1,626)	(1,004)	622	7
Other Property Related	(289)	(300)	(325)	(25)	8
Supplies and Services	(163)	(156)	(1,021)	(865)	
Total Expenditure	(3,745)	(4,091)	(4,407)	(316)	9
Total Income	4,827	4,955	5,316	361	
Net Local Risk	1,082	864	909	45	10
Central Risk	225	135	185	50	
Total Recharges	(3,949)	(4,035)	(4,037)	(2)	
Total	(2,642)	(3,036)	(2,943)	93	

6. The overspend of £49k in Employees costs is due to increased costs on overtime and temporary staff cost mainly within the Car Park Service due to the pandemic.
7. The underspend in Repairs and Maintenance of £622k is mainly due to repairs delayed due to the pandemic as contractors work was halted to critical and emergency works only. Costs were also contained where possible to offset the overspend related to the large bad debt provision incurred in the year.
8. Supplies and Services adverse variance of £865k is due to the provision for bad debt adjustment within the Trade Centre for an existing customer withdrawing from their lease agreement.
9. The favourable income variance of £361k is mainly due to higher than expected rental income collected from the stores and Trade Centre, as well as an unbudgeted £78k received as a grant contribution.
10. The Central Risk increase income of £50k is related to the actual insurance income being higher than budgeted for in Landlord Services.
11. Annex A1 sets out an analysis by service area of the £93,000 overall outturn variance.
12. Annex A2 shows the reconciliation of the original budget to the latest agreed budget.

Appendices

- Annex A1 - Barbican Residential Committee – Comparison of 2020/21 Revenue Outturn with Latest Agreed Budget by Service Areas.
- Annex A2 - Barbican Residential Committee – Comparison of 2020/201 Original Budget with Latest Agreed Budget.

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Annex A1

Barbican Residential Committee – Comparison of 2020/21 Revenue Outturn with Final Agreed Budget

Comparison of 2020/21 Revenue Outturn with Final Agreed Budget by Service Area				
	Original Budget	Latest Agreed Budget	Revenue Outturn	Variations Increase/Reduction
Supervision and Management - General	0	0	0	0
Landlords Services	(2,953)	(3,106)	(2,520)	586
Car Parking	(346)	(430)	(339)	91
Stores	5	(4)	75	79
Trade Centre	653	505	(152)	(657)
Other Non-Housing	(1)	(1)	(7)	(6)
Total	(2,642)	(3,036)	(2,943)	93

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

Annex A2

Barbican Residential Committee – Comparison of 2020/21 Original Budget With Final Agreed Budget

	£'000
Original Budget	(2,642)
Increase in Contribution Pay Centrally Funded	(8)
Carry forward agreed for Building of welfare facilities for estate cleaning staff	(210)
Supplementary Revenue Projects (SRP) increased funding allocation budget	(237)
Increased Recharges including Capital Charges and Technical Recharges	61
Latest Approved Budget	(3,036)