

Committee(s): Housing Management & Almshouses Sub-Committee	Dated: 14 January 2022
Subject: City of London Almshouses Revenue and Capital Budgets 2021/22 and 2022/23	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,2,3,4,12.
Does this proposal require extra revenue and/or capital spending?	N
Report of: The Chamberlain and The Director of Community and Children's Services	For Information
Report author: Goshe Munir, Senior Accountant, Chamberlain's Department	

Summary

1. This report is the annual submission of the City of London Almshouses revenue budgets overseen by your Committee. In particular it seeks approval for the revenue budget for 2022/23.
2. The overall budget position is summarised below: -

Table 1: Overall Position	Original Budget 2021/22 £,000	Original Budget 2022/23 £'000	Movement 2021/22 to 2022/23 £'000
Income	336	356	20
Expenditure	(306)	(287)	19
Surplus on income and expenditure account	30	69	39
Increase/Decrease in market value of investments	0	0	0
Refurbishment works	(8)	(59)	(51)
Actual/Estimated Reserve brought forward	2,330	2,710	380
Reserve carried forward	2,352	2,720	368

3. Overall, the 2022/23 budget indicates a surplus on income and expenditure of £69,000, an increase of £39,000 compared with the Original Budget for 2021/22.
4. The reserve is both a contingency against unforeseen expenditure and a provision for the financing of future expenditure.

Recommendations

5. The Committee is requested to:
 - Review the 2022/23 revenue budget to ensure that it reflects the Committee's objectives.

Main Report

Management of the City of London Almshouses

6. In accordance with existing practice, the management costs of Property Services provided by the Community and Children's Services Department are excluded. However, the budgets for the Almshouses do include the costs of Support Services provided by the City of London Corporation's central departments and the Community and Children's Services Department.

Proposed Budget Position 2021/22 and 2022/23

7. The detailed budgets and reserves are set out in Table 2.
8. Expenditure and adverse variances are presented in brackets. Only significant variances (generally those greater than £10,000) have been commented on in the following paragraphs.
9. There is an increase in Rental and Service charges income in 2022-23 compared to 2021-22 due to CPI 3.1% plus 1% Rent uplift. The Income from Investment is expected to remain the same.

Table 2

Actual 2020/21 £'000	City of London Almshouses Trust	Original Budget 2021/22 £'000	Latest Budget 2021/22 £'000	Original Budget 2022/23 £'000	Movement 2021/22 to 2022/23 £'000	Paragraph Ref
	Expenditure					
(106)	Employees	(106)	(104)	(107)	(1)	10
(36)	Repairs and maintenance	(108)	(83)	(96)	12	Annex A1
(4)	Energy Costs	(6)	(4)	(4)	2	
(7)	Rents	(8)	(8)	(8)	0	
(4)	Council Tax	(11)	(8)	(8)	3	
0	Water	(1)	(1)	(1)	0	
(4)	Cleaning and Domestic Supplies	(7)	(5)	(5)	2	
(1)	Grounds Maintenance Costs	(9)	(9)	(9)	0	
(55)	Total Premises Related Expenses	(150)	(118)	(131)	19	
(1)	Equipment, Furniture and Materials	(3)	(2)	(2)	1	
(42)	Communications and Computing	(13)	(13)	(13)	0	
(5)	Fees and Services	(4)	(4)	(4)	0	
(20)	Contributions to Provisions	0	0	0		
(1)	Clothes, Uniform & Laundry	(1)	(1)	(1)	0	
(2)	Hospitality	(2)	(2)	(2)	0	
(71)	Total Supplies and Services	(23)	(22)	(22)	1	
(24)	Recharges for Support Services	(19)	(19)	(19)	0	
(6)	Transfer Payments	(6)	(6)	(6)	0	
(0)	Transport	0	0	0	0	
(0)	Capital Charges	(2)	(2)	(2)	0	
(262)	Total Expenditure	(306)	(271)	(287)	19	
	Income					
224	Rental income	224	228	237	13	
82	Service Charges	82	83	86	4	
40	Investment Income	30	33	33	3	
347	Total Income	336	344	356	20	
84	Net Surplus/ (Deficit)	30	73	69	39	
	Reserves					
2,872	Balance Brought Forward	2,330	3,106	2,710	380	
84	Income and Expenditure Account	30	73	69	39	(as above)
(1)	Capital Refurbishment works	(8)	(512)	(59)	(51)	12
151	Increase/Decrease in Market Value of Investments	0	43	0	0	
3,106	Balance Carried Forward	2,352	2,710	2,720	368	

Manpower Statement

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

Table 3

	Original Budget 2021/22		Original Budget 2022/23	
	Manpower Full-Time Equivalent	Estimated Cost £'000	Manpower Full-Time Equivalent	Estimated Cost £'000
Housing Management	0.53	(27)	0.53	(28)
Matrons - Employees	0.95	(50)	0.95	(50)
Gardener	0.80	(29)	0.80	(29)
Total Employee Costs	2.28	(106)	2.28	(107)

Investments

11. The Trust holds 86,077 units in the Corporation's Charities Pool with a market value as at 30 September 2021 of £803,873 (unit price £9.339). The distribution rate for the first six months of 2021/22 was 2.40%. Cash is held by the Chamberlain on behalf of the Trust and is invested with other City of London funds on the London Money Markets. In this way, the Trust benefits from the higher interest rates that the City of London can obtain. The budget assumes interest on cash balances of 0.75% for 2021-22 and 0.75% for 2022-23 onwards. Interest is credited annually based on the Trust's average cash balance.

Draft Capital and Supplementary Revenue Budgets

12. The latest estimated costs for the Committee's draft capital and supplementary revenue projects are summarised in the Table 4 below.

Table 4

Project	Exp. Pre 01/04/21 £'000	2021/22 £'000	2022/23 £'000	Later Years £'000	Total £'000
<u>Authority to Start Work</u>					
Refurbishment Works	167	504	59	0	730
Water System Testing	11	8	0	0	19
TOTAL COL ALMSHOUSES	178	512	59	0	749

13. The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes are to be presented to the Court of Common Council for formal approval in January 2022.

14. All costs are being funded from the Trust reserves.

Background Papers:

Estimate Working Papers Chamberlain's

Contact:

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Annex A1

REPAIRS, MAINTENANCE AND IMPROVEMENTS		Original Budget 2021/22 £'000	Latest Budget 2021/22 £'000	Original Budget 2022/23 £'000
<u>Breakdown and Emergency Repairs</u>				
Building	E	(50)	(30)	(40)
Electrical	E	(9)	(8)	(8)
Breakdown Heating and Ventilating	E	(9)	(10)	(10)
Breakdown Rech Insurance Claim	E	(3)	(3)	(3)
		(71)	(51)	(61)
<u>Contract Servicing</u>				
Building	E	0	(1)	(2)
Electrical	E	(5)	(5)	(5)
Heating & Ventilating	E	(8)	(8)	(10)
		(13)	(14)	(17)
<u>Cyclical Works</u>				
Asbestos Data	E	(2)	0	0
Adaptions for the Disabled	E	(7)	0	0
Access Works/Adaptations	E	0	(5)	(5)
Water Supply Works	E	(8)	(6)	(6)
Redecorations Works	A	(2)	(2)	(2)
Portable Appliance Testing	E	(1)	(1)	(1)
		(20)	(14)	(14)
<u>Projects</u>				
Brickwork and Concrete Repairs	E	(1)	(1)	(1)
Tree Maintenance and Pruning	A	(1)	(1)	(1)
Asbestos Management	A	(2)	(2)	(2)
		(4)	(4)	(4)
Total Repairs, Maintenance and Improvements		(108)	(83)	(96)

Key: E = Essential A = Advisable D = Desirable