

## City of London Corporation Committee Report

<b>Committee(s):</b>  RCC (Barbican Residential Consultation Committee) For Information  BRC (Barbican Residential Committee) – For Decision	<b>Dated:</b>  <b>25<sup>th</sup> November 2024</b>  <b>9<sup>th</sup> December 2024</b>
<b>Subject:</b>  Service Charge Outturn Report	<b>Public report:</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	N/A
<b>Report of:</b>	Judith Finlay Executive Director - DCCS
<b>Report author:</b>	Daniel Sanders – Assistant Director – Barbican Estate

### Summary

This report details the service charge outrun for 1<sup>st</sup> April 2023 – 31<sup>st</sup> March 2024 for the Barbican Estate. Members are asked to note the content of the report and overall position for the financial year.

We are also seeking approval for the format change of service charge literature for the year-end 31<sup>st</sup> March 2024.

### Recommendation

Members are asked to:

- Note the report.
- Approve the proposed format

## Main Report

### Breakdown by block (Operational Budget)

<u>Block</u>	<u>Units</u>	<u>Billed Estimate</u>	<u>Actual Expenditure</u>	<u>Difference</u>
Shakespeare Tower	116	£ 1,390,783	£ 1,093,745	£ 297,038
Lauderdale Tower	117	£ 1,501,554	£ 1,200,898	£ 300,656
Cromwell Tower	112	£ 1,476,666	£ 1,119,005	£ 357,661
Defoe House	178	£ 1,220,931	£ 984,552	£ 236,379
Andrews House	193	£ 1,277,378	£ 1,029,813	£ 247,565
Speed House	114	£ 790,730	£ 598,366	£ 192,364
Thomas More House	166	£ 1,075,998	£ 946,099	£ 129,899
Seddon House	76	£ 501,729	£ 423,754	£ 77,975
Mountjoy House	64	£ 415,721	£ 329,761	£ 85,960
Gilbert House	88	£ 609,587	£ 462,686	£ 146,901
Ben Johnson House	204	£ 1,394,384	£ 1,290,020	£ 104,364
Bunyan Court	69	£ 470,577	£ 465,916	£ 4,661
Breton House	111	£ 478,528	£ 462,758	£ 15,500
John Trundle Court	133	£ 601,526	£ 612,468	-£ 10,942
Willoughby House	148	£ 946,138	£ 793,255	£ 152,883
Frobisher Crescent	69	£ 249,710	£ 268,791	-£ 19,261

Bryer Court	56	£ 249,280	£ 248,315	£ 1,165
Lambert Jones Mews	8	£ 78,935	£ 59,838	£ 19,097
Brandon Mews	26	£ 148,685	£ 131,674	£ 17,011
Wallside	16	£ 8,208	£ 7,036	£ 1,172
Postern	10	£ 82,657	£ 69,739	£ 12,918
<b>Totals</b>	<b>2074</b>	<b>£ 14,969,705</b>	<b>£ 12,598,489</b>	<b>£ 2,371,216</b>

### Breakdown by heading (Operational Budget)

<b>Heading</b>	<b>Billed Estimate</b>	<b>Actual Expenditure</b>	<b>Difference</b>
Supervision & Management	£227,616	£241,945	-£14,329
Residential Staff	£1,153,769	£1,212,295	-£58,526
Cleaners	£1,219,817	£1,273,616	-£53,799
Estate Concierge	£1,552,730	£1,729,925	-£177,195
Cleaning Materials	£31,000	£26,086	£4,914
Window Cleaning	£209,581	£245,754	-£36,173
Garchey Maintenance	£344,360	£351,824	-£7,464
Furniture & Fittings	£26,001	£56,076	-£30,075
Lift Maintenance	£374,581	£396,338	-£21,757
Electricity	£1,138,591	£772,878	£365,713
Communal Heating	£5,680,005	£3,882,354	£1,797,651
Garden Maintenance	£230,150	£204,152	£25,998
General Repairs	£2,781,040	£2,205,868	£575,172
<b>Total</b>	<b>£14,969,241</b>	<b>£12,599,111</b>	<b>£2,370,130</b>

### Key Variance Explanations

1. Estate Concierge - Variance 11% (£177,195)

- Through the year we had instances of sickness and absence which drove a requirement to use agency staff to ensure the standard of service was maintained.

2. Lift Maintenance – Variance 6% (£21,757)

- Explanation: Due to a higher than budgeted number of repairs to critical components to ensure safe operation of the lifts across the Estate.

3. Electricity – Variance -32% (-£365,713)

- Explanation: The City of London procures energy through a Power Purchase Agreement with a solar farm in Dorset. During this budget year it was able to sell excess energy back to the grid at a significantly higher rate than original purchase cost. This surplus has been redistributed across the City of London portfolio the same way energy costs are charged resulting in a significant underspend for the Barbican who are the single largest consumer of electricity for the city.

4. Communal Heating - Variance -32% (£1,797,651)

- Explanation: The City of London procures energy through a Power Purchase Agreement with a solar farm and during this budget year it was able to sell excess energy back to the grid at a significantly higher rate than original purchase cost. This surplus has been redistributed across the City of London portfolio the same way energy costs are charged resulting in a significant underspend for the Barbican who are the single largest consumer of electricity for the City.

## Project Works

<u>Block</u>	<u>Units</u>	<u>Billed Estimate</u>	<u>Actual Expenditure</u>	<u>Difference</u>
Shakespeare Tower	116	£ 347,081	£ 178,817	£ 168,264
Lauderdale Tower	117	£ 247,081	£ 174,718	£ 72,363
Cromwell Tower	112	£ 84,959	£ 111,811	-£ 26,852
Defoe House	178	£ 18,695	£ 72,942	-£ 54,274
Andrews House	193	£ 23,065	£ 59,218	-£ 36,153
Speed House	114	£ 101,366	£ 111,919	-£ 10,553

Thomas More House	166	£ 146,017	£ 168,787	-£ 22,770
Seddon House	76	£ 58,387	£ 45,011	£ 13,376
Mountjoy House	64	£ 0	£ 10,807	-£ 10,807
Gilbert House	88	£ 44,225	£ 12,906	£ 31,319
Ben Johnson House	204	£ 67,100	£ 48,115	£ 18,985
Bunyan Court	69	£ 145,929	£ 37,203	£ 108,728
Breton House	111	£ 47,672	£ 53,389	-£ 5,717
John Trundle Court	133	£ 142,825	£ 82,910	£ 59,915
Willoughby House	148	£ 71,962	£ 73,404	-£ 1,442
Frobisher Crescent	69	£ 204,762	£ 92,583	£ 112,179
Bryer Court	56	£ 0	£ 6,287	-£ 6,287
Lambert Jones Mews	8	£ 0	£ 949	-£ 949
Brandon Mews	26	£ 0	£ 4,224	-£ 4,224
Wallside	16	£ 0	£ 316	-£ 316
Postern	10	£ 0	£ 4,372	-£ 4,372
<b>Totals</b>	<b>2074</b>	<b>£ 1,751,126</b>	<b>£ 1,350,688</b>	<b>£ 400,438</b>

## Project Works

Each block is billed a varied estimate year-on-year dependant on what the proposed cyclical works are, appendix 1 shows how the BEO would like to distribute both the operational and project budget vs. Actual in a way that provides transparency, detailed variance explanations and is easy to navigate.

We have not broken down the project work line by line for this report as there are several variations per block however and some may be held over if not spent to ensure a project can be funded at a future date.

## **Summary**

Although the operational credits of the PPA are a headline feature of this report, it is important to note that even without these credits, the BEO was on track to deliver an annual expenditure within budget.

## **Conclusion**

Leaseholders and members are asked to note that although this operational underspend is welcome, we do still have heating liabilities to bill from 2022/2023 which leaseholders have been made aware of and are approximately £1 million which we will aim to bill in Q1 2025.

## **Appendices**

- Appendix 1 – Willoughby House – 23/24 Accounts

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