

Barbican Estate

Dan Sanders

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Dear Leaseholder

Subject: Accounts Update – Barbican Service Charges

I trust you are all well and enjoying the turn of the weather.

We are pleased to share some financial updates regarding the Barbican Estate service charge and the steps we are taking to ensure greater transparency and efficiency moving forward.

Service charges for the Barbican Estate run from 1st April - 31st March and are billed quarterly in advance based on a budget estimate. At the end of each year, we reconcile the accounts and issue a supplementary demand/credit based on the performance of our actual expenditure against the budget. Normally these are issued around September and billed/credited in December. Following significant changes within the BEO and a desire to deliver open and transparent accounting of service charges, these were delayed for the financial year 1st April 2023 – 31st March 2024.

2023/24 Service Charge Underspend

We are pleased to report that the service charge expenditure for 2023/24 across the Estate was underspent by approximately £2.7 million (breakdown per block below). This reflects a significant reduction in energy cost following rebates from the Power Purchase Agreement.

<u>Block</u>	<u>Units</u>	<u>Billed Estimate</u>	<u>Actual Expenditure</u>	<u>Difference</u>
Shakespeare Tower	116	£1,737,864	£1,272,562	£465,302
Lauderdale Tower	117	£1,748,635	£1,375,616	£373,019
Cromwell Tower	112	£1,561,625	£1,230,816	£330,809
Defoe House	178	£1,239,626	£1,057,494	£182,132
Andrews House	193	£1,300,443	£1,089,031	£211,412
Speed House	114	£892,096	£710,285	£181,811
Thomas More House	166	£1,222,015	£1,114,886	£107,129

Seddon House	76	£560,116	£468,765	-£91,351
Mountjoy House	64	£415,721	£340,568	-£75,153
Gilbert House	88	£653,812	£475,592	-£178,220
				£0
Ben Johnson House	204	£1,461,484	£1,338,135	-£123,349
Bunyan Court	69	£616,506	£503,119	-£113,387
Breton House	111	£526,200	£516,147	-£10,053
John Trundle Court	133	£744,351	£695,378	-£48,973
Willoughby House	148	£1,018,100	£866,659	-£151,441
Frobisher Crescent	69	£454,472	£361,374	-£93,098
Bryer Court	56	£249,280	£254,602	£5,322
Lambert Jones Mews	8	£78,935	£60,787	-£18,148
Brandon Mews	26	£148,685	£135,898	-£12,787
Wallside	16	£8,208	£7,352	-£856
Postern	10	£82,657	£74,111	-£8,546
Totals	2074	£16,720,831	£13,949,177	-£2,771,654

We remind leaseholders the figures will be adjusted to reflect the outstanding approx.£1million of energy charges to be billed for the 22/23 year. We will provide detailed breakdowns per block as soon as possible and all adjustments will be made in time for the June 25 invoices.

Reduced Budget for 2025/26

Looking ahead, the budget for 2025/26 has been reduced by approximately £2.5 million compared to the 2024/25 estimates that have been billed. This is largely due to cost savings in repairs & maintenance, energy, alongside a strategic approach to non-recurring project expenses for which we have minimal costs for the year whilst we prepare and deliver our capital expenditure plan.

Commitment to Annual Audits

The City of London has committed to an external audit of the service charge accounts every year, starting from 2023/24. The audit reports will be delivered to leaseholders, ensuring full transparency. We are currently working to select an auditor for the 2023/24 financial year.

Service Charge Audit Review

The service charge audit commissioned by the City with Beever & Struthers has been reviewed by both the Barbican Estate Office (BEO) and the Service Charge Working Party (SCWP). Both groups have found that the quality and content of the report did not fully meet the agreed scope. We are working with the provider to try and come up with an equitable solution and will update leaseholders as soon as possible.

Recruitment

Since the beginning of 2025 we have been actively recruiting a replacement head of service charge and revenues. we will be interviewing shortly and hope to make an appointment in the next 2 weeks. This role will be pivotal in:

- Closing out the 23/24 accounts and issuing balancing adjustments.
- Supporting our transition to the new service charge management system allowing us to provide streamlined and instant responses to service charge queries from the 25/26 financial year.
- Closing the 24/25 financial year by 30th September 2025.

We remain committed to prudent financial management and clear communication with leaseholders.

Best wishes,
Dan Sanders

A handwritten signature in blue ink, appearing to read 'D. Sanders', with a horizontal line underneath.

Daniel Sanders
Assistant Director, Barbican Estate