

BARBICAN ESTATE OFFICE

FINANCE REPORT

WILLOUGHBY HOUSE



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& Shruti Sonawane

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Service Charge Management

As Director of Estates and Property Management, I remain committed to delivering service charges that are clearer, more concise, and supported by strong narrative and transparent accountability. Over the past year, we have been taking important steps to improve the way service charges are presented, managed, and explained to leaseholders.

This transformation is now being led by Shruti, a highly qualified and experienced accounting and finance professional who joined us six months ago. Shruti brings a wealth of technical expertise and a fresh perspective to how we account for, forecast, and report service charge expenditure. Her leadership is central to driving the improvements we are making, ensuring both accuracy and clarity in our processes.

This booklet contains two key elements:

- The actual accounts for 2023/2024 – a full record of expenditure incurred in delivering services during that year.
- The budget for 2025/2026 – a forward-looking plan that sets out the expected costs of service provision for that period.

We know there is still more work to do. The complexity of managing a large and unique estate such as the Barbican means there are challenges to overcome, and we recognise that clarity, detail, and transparency must continue to improve. However, with the dedicated work of our team and the expertise now in place, we are confident in our ability to deliver the high standards of financial reporting and accountability you rightly expect.

Thank you for your continued engagement as we progress this important work.

Daniel Sanders
*Director of Property and
Estate Management – Barbican*

Shruti S.
Service Charge & Revenues Manager

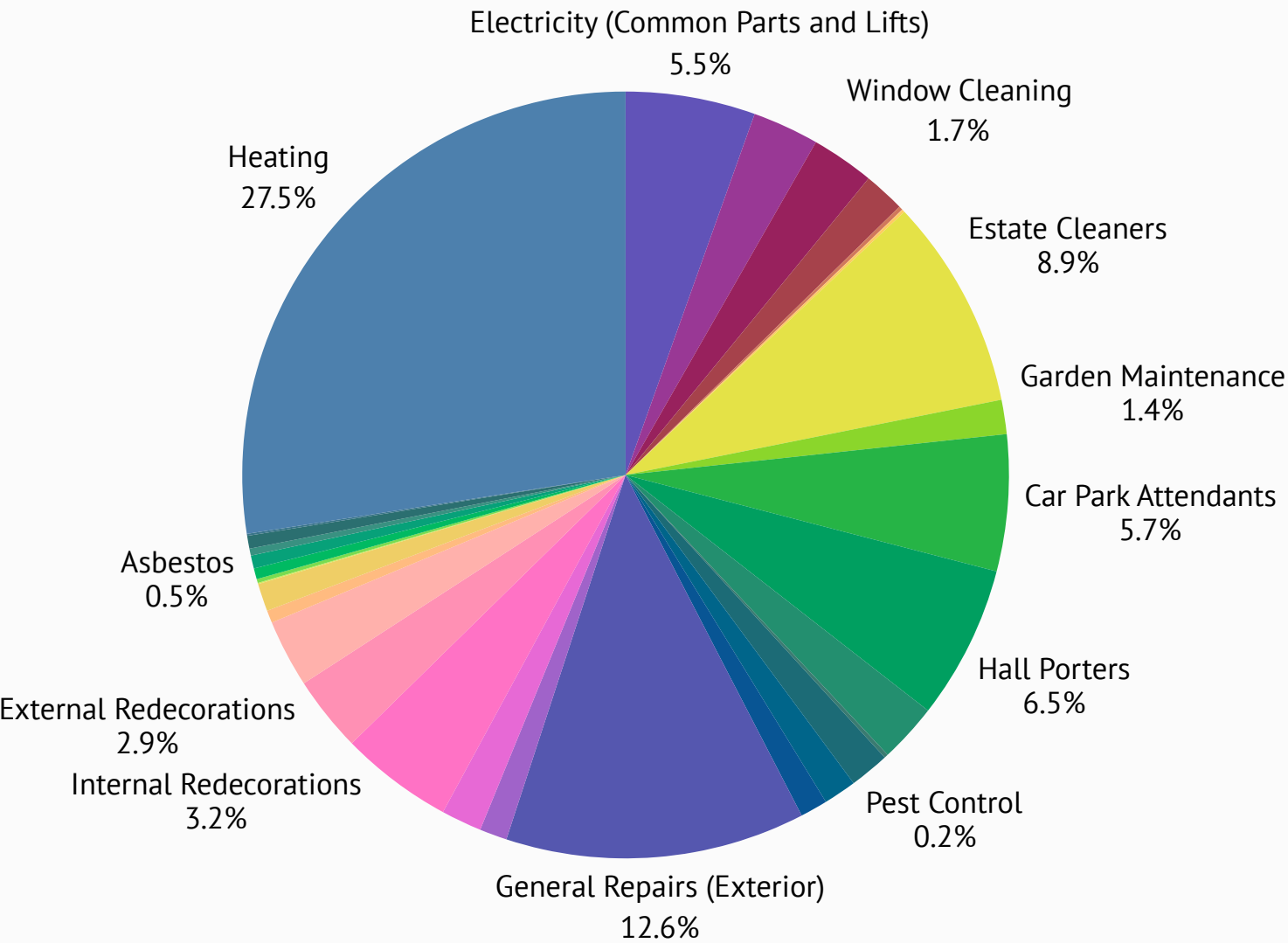


Estate wide expenditure 2023/24

The below chart and table opposite compare the combined expenditure for all blocks across the estate, covering the period from 1 April 2023 to 31 March 2024.

Estimates:	Actuals:	Underspend:
£16.9m	£14.1m	£2.77m

How was the budget split?



Particulars	Estimates	Actuals	Variation
Electricity (Common Parts and Lifts)	£1,138,591	£772,878	-£365,713
Lift Maintenance	£366,987	£396,338	£29,351
Resident Engineers	£415,636	£375,723	-£39,913
Furniture & Fittings	£26,000	-£9,243	-£35,243
Window Cleaning	£209,581	£245,754	£36,173
Cleaning Materials including refuse sacks	£26,000	£23,591	-£2,409
Cleaning Equipment	£4,000	£2,495	-£1,505
Additional Refuse Collection/cleaning	£15,700	£15,578	-£122
Estate Cleaners	£1,204,117	£1,258,038	£53,921
Garden Maintenance	£230,150	£204,152	-£25,998
Car Park Attendants	£708,867	£812,755	£103,888
Hall Porters	£843,864	£917,170	£73,306
Garchey Maintenance	£344,360	£351,824	£7,464
Pest Control	£0	£23,498	£23,498
General Maintenance (Estate)	£2,781,040	£236,713	-£2,544,327
Electrical Repairs (Common Parts)	£0	£196,428	£196,428
Electrical Repairs (Exterior)	£0	£0	£0
General Repairs (Common Parts)	£0	£163,082	£163,082
General Repairs (Exterior)	£0	£1,786,061	£1,786,061
House Officer	£187,758	£163,712	-£24,046
S & M Technical	£227,616	£241,945	£14,329
Estate Wide Proportion of Supervision & Management Costs	£738,132	£672,860	-£65,272
Internal Redecorations	£543,293	£451,561	-£91,732
External Redecorations	£494,161	£403,629	-£90,532
Lobby Refurbishment - Shakespeare/ Carpet Replacement	£156,000	£74,769	-£81,231
Replacement Window & Door Frames	£389,885	£165,375	-£224,510
Lift refurbishment towers - Staff Costs & Consultants	£100,000	£6,806	-£93,194
Emergency lighting	£21,100	£23,085	£1,985
Electrical testing	£46,685	£64,750	£18,065
Asbestos	£0	£77,633	£77,633
Water Tank Replacement	£0	-£4,071	-£4,071
Safety/Security	£0	£41,556	£41,556
Water supply works	£0	£76,362	£76,362
Roof Repairs	£0	£11,872	£11,872
Heating	£5,680,005	£3,882,354	-£1,797,651
Total Services & Heating	£16,899,528	£14,127,034	-£2,772,494

(Subject to block adjustments)

Willoughby House Expenditure

For the financial year 2023/24, Willoughby House recorded an overall underspend against budget. Credits for this underspend were issued with invoices in June 2024 – leaseholders would have paid significantly less (or in some instances nothing) for the first quarter of their service charge.

Electricity

£50,075 (45% under budget)

Communal Heating

£122,107 (31.9% under budget)

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.

Cleaners

-£7,112 (6.8% over budget)

Car Park Attendants

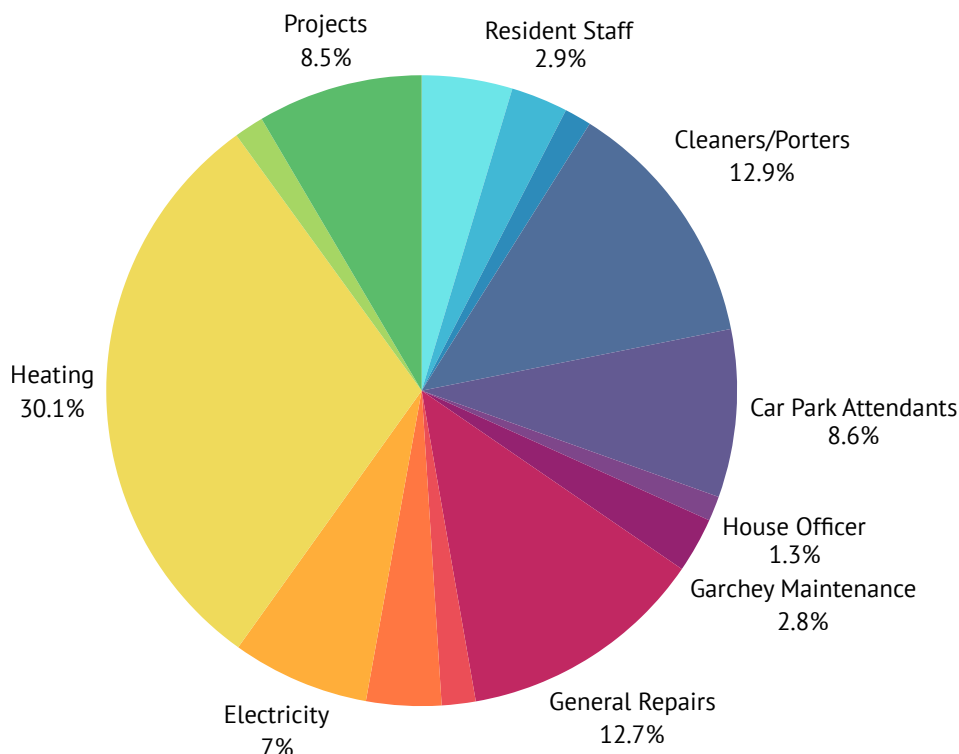
-£9,551 (14.7% over budget)

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

Lift Maintenance

-£12,836 (62.7% over budget)

This significant overrun is due to unbudgeted repairs of critical components to ensure safe operation of the lifts across Willoughby House.



Service Charge Costs 2023/24

Actual Service Charge Costs 2023/24 Willoughby House 148 FLATS (6.92% of Estate Costs)	Actual 2022/23	Actual 2023/24	Actual % Difference	Estimate 2023/24	Estimate 2024/25
Customer Care	£	£		£	£
Costs of Management and Supervision - Willoughby House & Proportion of Estate Costs	£32,414	£40,237	£0	£42,164	£41,185
Estate Management					
Resident Staff - Estate%	£24,547	£25,282	£0	£27,968	£27,185
Furniture & Fittings - Willoughby House Cost	£0	£0		£0	£0
Window Cleaning- Willoughby House Contract cost	£9,262	£11,984	£0	£10,515	£13,498
Cleaners/Porters - No of Cleaners for Willoughby House	£101,468	£111,977	£0	£104,865	£120,770
Car Park Attendants- Terrace Block %	£67,362	£74,583	£0	£65,032	£70,870
House Officer -Estate%	£11,198	£11,016	£0	£12,634	£9,760
Sub Total	£213,837	£234,842	£0	£221,014	£242,084
Property Management					
Garchey Maintenance - Estate%	£22,033	£24,488	£0	£23,957	£22,234
General Repairs - Willoughby House Cost & Estate%	£124,470	£109,955	£0	£113,820	£151,378
Technical Services - Willoughby House & no of repairs orders	£10,313	£15,052	£0	£15,476	£30,295
Lift Maintenance - Willoughby House	£20,204	£33,306	£1	£20,470	£21,804
Electricity (Common Parts and Lifts) - Willoughby House	£78,788	£61,084	£0	£111,159	£89,986
Heating - Willoughby House	£180,000	£261,098	£0	£383,205	£299,656
Sub Total	£435,808	£504,983	£0	£668,087	£615,353
Open Spaces					
Garden Maintenance - Estate %	£14,268	£13,193	£0	£14,873	£14,218
Total Annually Recurring Items	£696,327	£793,255	£0	£946,138	£912,840
Non-Annually Recurring Items - Major Works					
Electrical Testing - Willoughby House Cost	£0	£0		£1,920	£0
Water Tank Repairs/Replacement - Willoughby House cost	£0	£183		£0	£0
Asset Management/Stock Condition Survey - Willoughby House cost	£4,804	£0		£0	£0
Replacement Window & Door Frames - Willoughby House cost	£0	£9,200		£0	£0
Asbestos Works - Willoughby House cost	£3,040	£297		£0	£0
Water Supply Works - Willoughby House cost	£925	£901		£0	£0
External Redecorations - Willoughby House cost	£0	£0		£0	£226,633
Internal Redecorations - Willoughby House cost	£11,458	£62,824		£70,042	£0
Total Non-Annually Recurring Items	£20,227	£73,404		£71,962	£226,633
TOTAL	£716,554	£866,659		£1,018,100	£1,139,473

Estate Wide Budget 2025/26

Repairs and maintenance cost have been decreased by £1,125k compared to the original budget. There has been a review carried out on the pricing cost received from our contractors plus a 30% reactive tolerance has been factored into the estimates for 2025-26. Based on the cost submissions from the new Repair & Maintenance contractors we are confident we will see material change in the expenditure, through ensuring an improved rate of repairs, and costing matrix, ensuring quality of works through inspection, triggering incentive and penalisation contract clauses.

The Energy cost variance of £488 is largely due to a reduction in the unit price of electricity after the budget was set. When the budget was set the unit price for electricity was very high. When the estate wide heating was switched on, the reduced unit price for electricity was used resulting in the cost being significantly lower than budgeted for. Also, we have received power purchase agreement credits, which has further reduced the energy costs.

PARTICULARS	ESTIMATES		DIFFERENCE
	2024/25	2025/26	
Electricity (Common Parts and Lifts)	£930,804	£981,425	-£50,621
Lift Maintenance	£396,239	£434,587	-£38,348
Resident Engineers	£404,000	£447,000	-£43,000
Furniture & Fittings	£30,001	£30,000	£1
Window cleaning	£269,199	£215,000	£54,199
Cleaning Materials	£28,000	£21,000	£7,000
Cleaning Equipment	£6,000	£8,000	-£2,000
Weekend Cleaning	£14,236	£0	£14,236
Estate Cleaners	£1,352,582	£1,484,719	-£132,137
Garden Maintenance	£220,000	£212,000	£8,000
Car Park Attendants	£772,498	£804,925	-£32,427
Hall Porters	£893,407	£916,000	-£22,593
Garchey Maintenance	£321,300	£317,025	£4,275
Pest Control (include in cleaning)	£0	£30,000	-£30,000
Storekeeper	£0	£0	£0
General Maintenance (Estate)	£3,144,000	£1,941,000	£1,203,000
House Officers	£145,042	£184,000	-£38,958
S & M Technical	£450,215	£459,000	-£8,785
Adjustments (+/-) to Maint.& Repairs figures			
Sub-total of apportioned services	£9,377,523	£8,485,681	£891,842
S.& M.(Estate-wide proportion) DB	£678,914	£540,000	£138,914
S.& M.(Direct element)	£0	£844,000	-£844,000
Redecoration - Internal only	£320,084	£0	£320,084
Redecoration-External only	£1,218,290	£0	£1,218,290
Lift Refurbishment	£50,000	£0	£50,000
Intercom Renewal	£70,000	£0	£70,000
Services total	£11,714,811	£9,869,681	£1,845,130
Heating	£4,581,233	£5,065,150	-£483,917
Total Services & Heating	£16,296,044	£14,934,831	£1,361,213

ESTIMATED SERVICE COSTS 2025/26 Willoughby House 148 FLATS (6.92% of Estate Costs)	ESTIMATE	ESTIMATE
	2024/25	2025/26
Customer Care	£	£
Costs of Management and Supervision - Willoughby House & Proportion of Estate Costs	£41,185	£94,879
Estate Management		
Resident Staff - Estate%	£27,185	£30,078
Furniture & Fittings - Willoughby House Cost	£0	£0
Window Cleaning- Willoughby House Contract cost	£13,498	£13,000
Cleaners/Porters - No of Cleaners for Willoughby House & Estate%	£120,770	£131,841
Car Park Attendants- Terrace Block %	£70,870	£73,845
House Officer - Estate%	£9,760	£12,381
Sub Total	£242,084	£261,145
Property Management		
Garchey Maintenance - Estate%	£22,234	£21,938
General Repairs - House Cost & Estate%	£151,378	£129,194
Technical Services - Willoughby House & no of repairs orders	£30,295	£30,886
Lift Maintenance - Willoughby House	£21,804	£26,974
Electricity (Common Parts and Lifts) - Willoughby House	£89,986	£96,598
Heating - Willoughby House	£299,656	£343,175
Sub Total	£615,353	£648,765
Open Spaces		
Garden Maintenance - Estate %	£14,218	£13,701
Total Annually Recurring Items	£912,840	£1,018,490
Non-Annually Recurring Items - Major Works		
External Redecorations - Willoughby House cost	£226,633	£0
Internal Redecorations - Willoughby House cost	£0	£0
Electrical Testing - Willoughby House cost	£0	£0
Total Non-Annually Recurring Items	£226,633	£0
TOTAL	£1,139,473	£1,018,490

Ongoing works

Forthcoming Work on Service Charge Management

2025/26 and beyond

Final Year of “DCCS Recharges” and “Supervision of Management” Lines

As part of our ongoing commitment to improving the clarity and transparency of service charge reporting on the Barbican Estate, a number of important changes and activities will be taking place over the coming months.

The 2025/26 budget will be the final year in which you will see “DCCS Recharges” and “Supervision of Management” presented as single, high-level line items in your service charge schedule. From 2026/27 onwards, these costs will instead be broken down to individual expenditure headings. This change will give you a much clearer view of exactly where and how money is being spent, ensuring transparency and enabling full accountability for each area of expenditure.

We have been working closely with the Service Charge Working Party on this key improvement and are grateful for their ongoing input and challenge.

Heat Billing

From 2022/23

We still have heat billing of approximately £1 million from the 2022/23 financial year to apportion to leaseholders. This is a complex but essential reconciliation process, and we are committed to completing this by the end of the current financial year. This will ensure that all past usage is fully and fairly accounted for.

External Annual Audits

We are committed – and legally required – to undertake independent annual external audits of our service charge accounts. This process will begin in early 2026, with the first audits covering the previous year’s accounts. Shortlisting for potential audit firms is already underway, and we will appoint auditors with the expertise and independence needed to give leaseholders full confidence in the integrity of our reporting.

These actions are part of our wider programme of work to strengthen financial management, increase visibility over costs, and ensure that the service charges you pay are reported and explained in the clearest possible way. While we recognise there is still more progress to be made, these are important steps towards delivering the level of detail, accountability, and trust you expect.

Horizon, Our New Service Charge Management System

We have been using Horizon for some time now to manage service charge billing. From the 2026/27 financial year, we will begin using it in full – running not only billing, but also our budgets and expenditure through the system.

This will give us real-time reporting on actual costs versus budget, enabling quicker identification of variances and more informed decision-making throughout the year. It will also make budgeting, accounting, and billing far less labour-intensive, freeing up more time for the team to focus on service delivery rather than manual administration.

In addition, the system will:



Improve accuracy by reducing the potential for manual data entry errors.



Provide clearer, more consistent reporting formats for leaseholders.



Allow for easier retrieval of historical data for comparison and analysis.



Just to be clear – our Horizon has absolutely nothing whatsoever to do with the other Horizon you may have read about in the news. This one is firmly rooted in delivering accurate service charge accounting, not in causing any postal headaches!

Keep in touch

Join the Barbican mailing list to receive regular email updates and weekly bulletin.

Scan the QR code with your smartphone camera or visit bit.ly/beo-emails



Key contacts

All general enquiries (Barbican Estate Office Reception)

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Barbican.Estate@cityoflondon.gov.uk

Report a repair to Property Services

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PropertyServices@cityoflondon.gov.uk

Service Charge Queries

DCCS-BEO-ServiceCharges@cityoflondon.gov.uk

