

<b>Committee(s):</b> Barbican Estate Residents Consultation Committee - For Information Barbican Residential Committee - For Decision	<b>Dated:</b> 3 November 2025  17 November 2025
<b>Subject:</b> 2024/25 Barbican Estate Service Charges Actuals	<b>Public</b>
<b>This proposal:</b>	To review the accounts for the Barbican Estate Service Charges for the period 01/04/2024 – 31/03/2025
<b>If so, how much?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b> The Executive Director of Community & Children's Services	<b>For Decision</b>
<b>Report author:</b> Daniel Sanders – Director of Property & Estate Management	

### Summary

This report presents the actual expenditure against the billed Estimate for the period 1<sup>st</sup> April 2024 – 31<sup>st</sup> March 2025. The report provides narrative against the major variances.

The year was one of transition. In considering the outturn the following points need to be borne in mind:

- It was agreed following the BEO Review and Altair Report that the BRE should have a dedicated Assistant Director managing it. Previously the Assistant Director had been responsible for the Barbican Residential Estate (BRE) and all other Corporation housing.
- It was also agreed, on the recommendation of the new Assistant Director (now Director of Property & Estate Management Barbican) and in line with the Altair report that Property Services should move away from the shared service with other Corporation housing to join the dedicated BEO workforce.
- The implementation of these decisions, which RCC were consulted upon and BRC approved, took place during the year as existing staff left and new staff were recruited to the emerging organisation structure.

The changes above mean that for the financial year 2024/25 the "Barbican Estate Office - Costs of Management & Supervision" have increased but are largely offset by savings achieved within "General Repairs & Maintenance and Technical Services".

## Recommendations

The Barbican Residential Committee and Barbican Estate Residents Consultation Committee are asked to:

- Members of the RCC are to note the contents of this report.
- Members of the BRC are asked to approve the outturn report for 2024/2025.

## Main Report

The consolidated accounts for the Barbican Estate are underspent against the billed estimate (see appendix 1 for detail). The total figures for the period are as follows:

Billed Estimate: £16,296,044

Actual Spend: £14,911,608

Underspend: **£1,384,436**

It is important to note that an estate-wide underspend does not always translate to an individual block being underspent, as that is dependent on block-specific activity throughout the financial year.

### Barbican Estate Office - Costs of Management & Supervision:

Billed Estimate: £678,914

Actual Expenditure: £941,624

Overspend: **£262,710**

This variance is primarily due to two key factors. We previously relied on external project management support, but we are now fully resourced to manage this internally at the Barbican Estate Office. This shift has given us greater control and accountability and has also resulted in a saving of approximately £150k under the Technical Services budget line. Through investing in the team, we are also yielding benefits in other areas such as Repairs & Maintenance which is over £500k underspent for this financial year partly owing to tighter levels of control and scrutiny directly linked to investment in this area.

In this financial year, leaseholders will recall there were several temporary staff within the BEO whilst we undertook significant recruitment activity to build our current permanent team. This led to one-off costs including recruitment fees, agency cover, and expenses related to setting up a new office and onboarding new staff whilst retaining the delivery of services across the Estate.

### Resident Staff (Resident Engineers):

Billed Estimate: £404,000

Actual Expenditure: £329,146

Underspend: **£74,854**

This underspend represents the decision not to replace the fourth resident engineer position slightly offset by additional overtime payments made to the three existing resident engineers who now cover the out of hours service gap on a rota basis.

#### **Cleaners:**

Billed Estimate: £1,386,582

Actual Expenditure: £1,322,679

Underspend: **£63,903**

This underspend reflects the positive impact of tighter management of staff absence protocols, improved rostering and overtime controls, and a more disciplined approach to workforce planning. These measures have contributed to greater operational efficiency and cost control without compromising service delivery. The cleaning team was reviewed first which is partly why the same outcome is not yet apparent in accounting terms in the Car Park Attendants actuals below.

#### **Car Park Attendants:**

Billed Estimate: £772,498

Actual Expenditure: £998,822

Overspend: **£226,324**

The sickness absence management protocols were not sufficiently robust, leading to increased reliance on overtime to cover absences. In response, we have tightened absence management procedures, improved workforce planning, and introduced closer monitoring and approval of overtime to prevent recurrence. These measures are already yielding improved cost control, and we are confident that future expenditure will align more closely with budgeted levels while maintaining operational effectiveness.

#### **House Officer:**

Billed Estimate: £145,042

Actual Expenditure: £198,855

Overspend: **£53,813**

The variance primarily reflects transition costs within this department. While we recognise that there has been a step change in how this service is being delivered, during the reporting period the resources remained within this budget line to support essential operational activities, including inspections, balcony checks, and ongoing service provision. There will be no "House Officer" costs from the 26/27 budget as they will form part of the Resident Service line which will be clearly broken out within "Barbican Estate Office Charges".

## **General Repairs:**

Billed Estimate: £3,144,000

Actual Expenditure: £2,586,717

Underspend: **£557,283**

This underspend reflects the significant improvements made in contractor management, operational oversight, and quality assurance processes. Focused efforts on enhancing first-time repair rates, tightening works sign-off procedures, and embedding stronger operational controls have led to more efficient delivery and reduced rework. These improvements demonstrate the benefits of a more disciplined and data-driven approach to managing repairs activity and bringing a dedicated property services team in-house.

While these outcomes demonstrate clear progress, we recognise that further improvements are still needed to fully embed consistent best practice and sustain performance over the long term. Our Planned Preventative Maintenance Program will drive an increase in annually recurring charges moving forward but in tandem prolong the life of assets and provide a better-quality maintenance/service for residents. Our Planned Preventative Maintenance Program and Capital Expenditure plan are within this agenda pack, and we will be working closely with the SCWP and Reporting Committee on how this translates to future budgets.

A backlog of over 2,000 water penetration cases were identified by the new management, working with a group of resident representatives. The corporation agreed to finance the emergency remedial works to make the apartments watertight at no charge to the leaseholders.

## **Technical Services:**

Billed Estimate: £450,215

Actual Expenditure: £296,164

Underspend: **£154,051**

The underspend within the Technical Services budget line is primarily due to a reduction in the external project management support and is reflected in the overspend on the BEO Management & Supervision line as we now have dedicated project management resource within the Barbican Estate Office. This transition has enhanced control, accountability, and operational efficiency.

## **Lift Maintenance:**

Billed Estimate: £396,329

Actual Expenditure: £567,740

Overspend: **£171,411**

The lifts across the estate are aged and increasingly difficult to maintain, with many components now obsolete or requiring specialist sourcing. As a result, maintenance and repair costs are high, and service reliability can be challenging to sustain. Work

is ongoing to review long-term renewal and upgrade options to ensure the lifts remain safe, compliant, and fit for purpose while managing costs effectively.

To help manage this, we are developing a high priority, small-scale replacement project targeting a limited number of lifts. This initiative will not only address the most urgent cases but also allow us to recover critical spare parts to support ongoing maintenance until the wider, long-term lift replacement programme is implemented.

### **Electricity (common parts and lifts):**

Billed Estimate: £930,804

Actual Expenditure: £719,521

Underspend: **£211,283**

£132k of this underspend reflects the benefits of the City of London's Power Purchase Agreement (PPA), which secures energy from a dedicated solar farm at a fixed market rate. In addition to providing price stability and protection from market volatility, the arrangement also generates monthly credits for excess energy exported back to the grid at the current market value. Together, these factors have delivered meaningful cost savings while supporting the City's sustainability and carbon reduction objectives.

The BEO and Energy colleagues from the City are going to provide a full and detailed breakdown of the PPA mechanics to all leaseholders as soon as possible.

The remaining underspend reflects changes in energy price and usage.

### **Heating:**

Billed Estimate: £4,581,233

Actual Expenditure: - £3,797,954

Underspend: **£783,279**

£450k of this underspend reflects the benefits of the PPA, as described above.

The remaining underspend reflects changes in energy price and usage.

### **Non-Annually Recurring Works:**

Non-annually recurring works are underspent by a small amount overall, but as a consolidated figure this variance is not particularly meaningful, given the block-specific nature of these works. Unlike most service areas, where expenditure typically applies across all blocks, non-annually recurring works are unique to each building's individual capital requirements. As such, the consolidated position can mask important local differences.

The City typically operates on a cash-based accounting approach rather than full accrual accounting, which can affect how certain costs are reflected in the financial year-end position. As a result, some non-annually recurring works, such as external

repairs, may appear as a nil spend within the financial year if the associated invoices were received after the financial year had closed. These delayed charges, (or those for any remaining work not completed by the end of the financial year) would then fall into the following year. This could create the appearance of an overspend against a zero budget in that period. This timing differences would not indicate a budgeting error but rather reflects the accounting treatment and timing of cost recognition within the City's financial processes.

Please also note that the 2024/25 accounts will be audited by an external accounting firm in compliance with statutory obligations. The results will be brought to a future meeting.

## **Appendices**

Appendix 1 – Consolidated Barbican Estate Accounts

Appendix 2 – Individual Block Accounts

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