

<b>Committee(s):</b> Barbican Estate Residents Consultation Committee (For Discussion) Barbican Residential Committee (For Decision)	<b>Dated:</b> 26 January 2026 16 February 2026
<b>Subject:</b> Service Charge Expenditure and Income Account - Latest Approved Budget 2025/26 and Original Budget 2026/27	<b>Public</b>
<b>This proposal:</b> • provides statutory duties	Barbican Service Charge
<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 Discussion</b>
<b>Report author:</b> Daniel Sanders Assistant Director - Barbican Community and Children's Services	

### Summary

This report sets out the original budget for 2025/26 and 2026/27 for revenue expenditure included within the service charge in respect of dwellings. This does not include any expenditure or income pertaining to car parking or stores. The amount charged to individual lessees will depend on the percentages set out in their lease.

The original budget for 2026/27 total expenditure including net recharges is £15,340,000 compared to the 2025/26 original approved budget of £15,116,000 an increase of £224,000.

This is only the budget for the years in question and the actual amount charged to lessees will depend on the actual amount spent and the percentage set out in the individual leases.

<b>Summary Of Table 1</b>	<b>Original Budget 2025/26 £'000</b>	<b>Original Budget 2026/27 £'000</b>	<b>Movement £'000</b>
Expenditure	13,785	14,194	409
Recharges	1,331	1,146	(185)
Other Income	(15,116)	(15,340)	224
Total Net Expenditure	0	0	0

### Recommendations

The Committee is requested to:

- Review the provisional 2026/27 net £Nil revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee.
- Authorise the Chamberlain to revise these budgets to allow for further implications arising from departmental reorganisations and other reviews, and corporate projects.

## Main Report

### Introduction

1. This report sets out the proposed revenue budget for 2026/27. The revenue budget management arrangements are to:
  - Place responsibility for budgetary control on departmental Chief Officers
  - Apply a cash limit policy to Chief Officers' budgets
2. The budget has been analysed by service expenditure and compared with the latest approved budget for the current year.

### Proposed Revenue Budget for 2026/27

The proposed Revenue Budget for 2026/27 is shown in table 1 overleaf.

- Local Risk budgets – these are budgets deemed to be largely within the Chief Officer's control.
- Central Risk budgets – these are budgets comprising specific items where a Chief Officer manages the underlying service, but where the eventual financial outturn can be strongly influenced by external factors outside of his/her control or are budgets of a corporate nature (e.g. interest on balances and rent incomes from investment properties).
- Support Services and Capital Charges – these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk.

Table 1 - Analysis of Service Expenditure	Local, Central Risk or Recharges	Actual 2024-25 £'000	Original Budget 2025-26 £'000	Latest Approved Budget 2025-26 £'000	Original Budget 2026-27 £'000	Movement 2025-26 to 2026-27 £'000	Paragraph Reference
Expenditure							
Employees	L	3,293	3,163	3,163	3,793	630	3
Premises Related Expenses							
Repairs and Maintenance	L	4,367	3,692	3,692	4,017	325	4
Supp. Revenue Projects	C	1,030	85	735	78	(7)	5
Energy Costs	L	4,722	6,062	6,062	5,515	(547)	6
Rents	L	70	120	120	120	0	
Rates	L	9	18	18	18	0	
Water Services	L	0	3	3	3	0	
Cleaning and Domestic Supplies	L	307	302	302	302	0	
Grounds Maintenance	L	192	212	212	212	0	
Supplies and Services							
Equipment, Furniture & Materials	L	65	71	71	80	9	
Catering	L	0	1	1	0	(1)	
Uniforms	L	12	16	16	15	(1)	
Printing, Stationery & Office Exp.	L	7	6	6	7	1	
Fees and Services	L	23	1	1	1	0	
Contributions to Provisions	L	0	0	0	0	0	
Communication and Computing	L	52	33	33	33	0	
<b>Total Expenditure</b>		<b>14,149</b>	<b>13,785</b>	<b>14,435</b>	<b>14,194</b>	<b>409</b>	
<b>Income</b>							
Total Income	L/C	(15,979)	(15,116)	(15,491)	(15,340)	(224)	
<b>Net Income</b>		<b>(1,830)</b>	<b>(1,331)</b>	<b>(1,056)</b>	<b>(1,146)</b>	<b>185</b>	
<b>Recharges</b>							
Expenditure	R	1,973	1,457	1,182	1,272	(185)	
Income	R	(143)	(126)	(126)	(126)	0	
<b>Total Recharges</b>		<b>1,830</b>	<b>1,331</b>	<b>1,056</b>	<b>1,146</b>	<b>(185)</b>	
<b>Total Service Charge Account</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

The direct employment costs have increased following the BEO restructure but are offset in reduction of technical recharges. The repairs budget has increased due to planned preventative maintenance activity designed to support the longevity of the Barbican structures. There has been a reduction in energy costs based on the PPA credit projections.

Table 2 - Manpower statement	Original Budget 2025/26		Original Budget 2026/27	
	Manpower Full-time equivalent	Estimated cost £'000	Manpower Full-time equivalent	Estimated cost £'000

Service Charge Account	59	3163	62	3793
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### Appendices

Appendix 1 = Analysis of Repairs, Maintenance and Minor Improvements

Appendix 2 = Support Services and Capital Charges

Appendix 3 = Estate Cost

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**Caroline Al-Beyerty Chamberlain**

**Judith Finlay Executive Director of Community and Children's Services**

## Appendix 1 Analysis of Repairs, Maintenance and Minor Improvements

Costs to be charged to Long Lessees and Landlord. (The latter responsible for short term tenancies and voids)	Original Budget 2025/26 £000	Latest Budget 2025/26 £000	Original Budget 2026/27 £000
Responsive and Contract Servicing including Building Miscellaneous Works	1,425	1,572	1,675
IRS maintenance	40	20	40
Responsive and Contract Servicing - Lifts	481	400	556
Fire Equipment	0	350	0
Drainage Repairs / Remedial Work	205	250	205
Electrical Repairs	0	150	0
Water Penetration	845	500	845
<b>Sub Total Responsive and Contract Servicing</b>	<b>2,996</b>	<b>3,242</b>	<b>3,321</b>
Asbestos Removal/Management	110	150	110
Water Supply Works	110	100	110
Electrical Testing	44	10	44
Contract Servicing	0	30	0
Upgrade Safety/Security Installations	44	0	44
Consultants Fees	273	150	273
Property Maintenance	0	10	0
Emergency lighting to stairs, corridors and plant rooms	15	0	15
Windows Replacements	100	0	100
<b>TOTAL</b>	<b>3,692</b>	<b>3,692</b>	<b>4,017</b>

## Appendix 2 Analysis of Support Services and Capital Charges

Support Service and Capital Charges from/to Barbican Service Charges	Actual 2024/25 £000	Original Budget 2025/26 '£000	Latest Approved Budget 2025/26 £000	Original Budget 2026/27 £000
<b>Support Service and Capital Charges</b>				
Insurance	79	73	73	81
IS Staff Recharge	192	214	214	226
<b>Total Support Services</b>	<b>271</b>	<b>287</b>	<b>287</b>	<b>307</b>
<b>Recharges within Committee</b>				
Cleaning and Lighting	(115)	(126)	(126)	(126)
Barbican Supervision and Management	1,373	711	711	711
<b>Recharges Within Funds</b>				
DCCS	301	459	184	254
Contributions to Funds and Provisions				
<b>TOTAL SUPPORT SERVICE AND CAPITAL CHARGES</b>	<b>1,830</b>	<b>1,331</b>	<b>1,056</b>	<b>1,146</b>

## Appendix 3

<b>Barbican Estate</b>	<b>Estimate 2025-26</b>
<b>Customer Care</b>	
Costs of Management and Supervision	786,000
<b>Estate Management</b>	
Resident Staff	390,000
Furniture & Fittings	28,000
Window Cleaning	248,000
Cleaning	1,405,000
Car Park Attendants	819,000
Lobby Porters	941,000
Residential Services Team	188,000
<b>Sub Total</b>	<b>4,805,000</b>
<b>Property Management</b>	
Garchey Maintenance -	324,000
General Repairs	2,278,000
Technical Services	230,000
Lift Maintenance	481,000
Electricity (Common Parts and Lifts)	1,030,540
Heating	5,031,460
<b>Sub Total</b>	<b>9,375,000</b>
<b>Open Spaces</b>	
Garden Maintenance	212,000
<b>Total Annually Recurring Items</b>	<b>14,392,000</b>
<b>Non-Annually Recurring Items - Major Works</b>	
Building Safety Data	50,000
Water Supply Works	50,000
Asbestos Works	250,000
Safety /Security works	50,000
Redecorations 2020-2025 Programme	0
Electrical Testing	100,000
Roof /Drainage repairs	0
Replacement Window & Door Frames	250,000
Emergency Lighting	25,000
Lobby refurbishment - Shakespeare Tower	0
Lift refurbishment - Tower blocks	75,000
<b>Total Non-Annually Recurring Items</b>	<b>850,000</b>
<b>TOTAL</b>	<b>15,242,000</b>

## Appendix 4

<b>Barbican Estate Annual Operational Budget</b>	<b>Estimate 2026-27</b>
<b>Staffing</b>	
Barbican Estate Office	900,880
Garchey Team	161,629
Property Services Team	194,763
Estate Supervisors	174,141
Car Park Attendants	598,602
Lobby Porters	770,401
Cleaners	1,147,547
Integrated Sickness & Holiday Cover (Cleaners)	198,613
Integrated Sickness & Holiday Cover (CPA)	107,748
Integrated Sickness & Holiday Cover (Lobby Porters)	138,672
<b>Sub Total</b>	<b>4,392,991</b>
<b>Contracts Maintenance &amp; Services</b>	
Carpentry	121,000
Concrete Repairs	89,000
Decorating (Other Than Water Penetration)	16,000
Frames – Doors & Windows (Not Water Penetration)	110,000
Glazing	110,000
Miscellaneous Works	200,000
Metalwork	112,000
Plumbing	15,000
Roofs (Other Than Water Penetration)	250,000
Water Penetration	500,000
Tiling and Screeding	7,000
Fire Equipment – Contract	253,000
Lock Repairs and Replacement	42,000
Electrical Repairs	150,000
Emergency Lighting	11,000
IRS Maintenance	35,000
Heating	12,000
Underfloor Heating	36,000
Ventilation	54,000
Lifts	189,000
Lifts Contract Servicing	317,000
Lakes	6,000
<b>Sub Total</b>	<b>2,635,000</b>
<b>Utilities</b>	
Electricity (Communal)	865,000
Underfloor Heating	4,650,000
Water	111,000
<b>Sub Total</b>	<b>5,626,000</b>

## Appendix 4 continued

<b>Barbican Estate</b>	<b>Estimate 2026-27</b>
<b>Window Cleaning</b>	
Window cleaning	217,000
<b>Sub Total</b>	<b>217,000</b>
<b>Open Spaces</b>	
Garden Maintenance	212,000
<b>Sub Total</b>	<b>212,000</b>
<b>Insurance</b>	
Premises Insurance	4,000
Liability Insurance	21,000
Engineering Insurance	45,000
<b>Sub Total</b>	<b>70,000</b>
<b>Recharges and Consumables</b>	
Repairs Desk Contribution (Call Centre)	145,000
Compliance Support	43,680
Building Safety Support	53,271
IT Support and Equipment	226,000
Cleaning materials and light bulbs	35,000
<b>Sub Total</b>	<b>502,951</b>
<b>Total Annual Expenditure</b>	<b>13,655,942</b>

<b>Barbican Estate</b> <b>Non-Annually recurring</b>	<b>Estimate 2026-27</b>
<b>Staffing</b>	
Water Supply Works	50,000
Asbestos Works	125,000
Safey /Security works	20,000
Emergency Lighting	25,000
Lobby refurbishment - Shakespeare Tower	215,000
Lift refurbishment - Tower blocks	150,000
Drains (PPM)	600,000
Balconies (PPM)	500,000
<b>Sub Total</b>	<b>1,685,000</b>
<b>Combined Budget Total</b>	<b>£15,340,942</b>

## Appendix 4 continued

### Changes to Budget Presentation and Level of Detail

Members will note that the presentation and structure of the budget shown in Appendix 4 differs from that used in previous years (see the 2025/26 breakdown shown in Appendix 3). As a result, it may not be straightforward to read directly across between the two appendices for this year alone. This is a recognised and unavoidable consequence of moving to a more transparent and detailed budget presentation.

The most recent budget reflects a deliberate and considered commitment to improving transparency and intelligibility of service charge costs for residents. The level of detail has been significantly increased so that leaseholders are better able to interrogate individual cost lines and understand how expenditure is allocated across staffing, operational services, utilities, and maintenance activities. This includes a more granular breakdown of staffing costs and operational budgets, which were previously presented in more aggregated form.

In response to feedback from leaseholders and following detailed discussions with the Service Charge Working Party, references to recharges have been removed from the resident-facing breakdown in Appendix 4. Costs are now presented in a clearer and more direct way, removing ambiguity and enabling residents to see precisely what services and activities they are being charged for. This approach was welcomed by the Working Party as it supports clearer understanding and more meaningful scrutiny.

A further significant change is the expanded breakdown of repairs and maintenance expenditure, an area which historically comprised a large, aggregated figure. The revised presentation separates out key components of both annually and non-annually recurring works, allowing residents to better understand how funds are allocated and to engage in more informed discussion about priorities, value for money, and long-term asset management.

While the transition to this format means that year-on-year comparison between Appendices 3 and 4 is more challenging for this year, this format will be used consistently going forward. From the next budget cycle onwards, this will enable much clearer year-on-year comparison and significantly improve residents' ability to scrutinise trends and changes over time. It was recognised that achieving the level of transparency requested by leaseholders would, at some point, require a fundamental change in presentation, and this budget represents that step change.

Overall, the revised format was subject to detailed and constructive scrutiny by the Service Charge Working Party and supported a good level of granular discussion. The approach taken reflects an agreed direction of travel to improve clarity, accountability, and engagement, while continuing to meet the statutory and financial requirements of the service charge.