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|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| <b>Committee(s):</b><br>Barbican Estate Residents Consultation Committee (For Discussion)<br>Barbican Residential Committee (For Decision) | <b>Dated:</b><br>26 January 2026<br>16 February 2026 |
| <b>Subject:</b><br>Service Charge Expenditure and Income Account - Latest Approved Budget 2025/26 and Original Budget 2026/27              | <b>Public</b>                                        |
| <b>This proposal:</b><br>• 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.

| Summary Of Table 1    | Original Budget 2025/26 £'000 | Original Budget 2026/27 £'000 | Movement £'000 |
|-----------------------|-------------------------------|-------------------------------|----------------|
| 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.

| <b>Table 1 - Analysis of Service Expenditure</b> | 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.

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

|                        |    |      |    |      |
|------------------------|----|------|----|------|
| Service Charge Account | 59 | 3163 | 62 | 3793 |
|------------------------|----|------|----|------|

### 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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**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<br>2025/26<br>£000 | Latest Budget<br>2025/26<br>£000 | Original Budget<br>2026/27<br>£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<br>Barbican Service Charges | Actual<br>2024/25<br>£000 | Original<br>Budget<br>2025/26<br>'£000 | Latest<br>Approved<br>Budget<br>2025/26<br>£000 | Original<br>Budget<br>2026/27<br>£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>                                           | 271                       | 287                                    | 287                                             | 307                                   |
| <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>                        | 1,830                     | 1,331                                  | 1,056                                           | 1,146                                 |

## Appendix 3

| <b>Barbican Estate</b>                            | <b>Estimate<br/>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                     |
| Sub Total                                         | 4,805,000                   |
| <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                   |
| Sub Total                                         | 9,375,000                   |
| <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<br/>Annual Operational Budget</b> | <b>Estimate<br/>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<br/>2026-27</b> |
|-----------------------------------------|-----------------------------|
| <b>Window Cleaning</b>                  |                             |
| Window cleaning                         | 217,000                     |
| Sub Total                               | <b>217,000</b>              |
| <b>Open Spaces</b>                      |                             |
| Garden Maintenance                      | 212,000                     |
| Sub Total                               | <b>212,000</b>              |
| <b>Insurance</b>                        |                             |
| Premises Insurance                      | 4,000                       |
| Liability Insurance                     | 21,000                      |
| Engineering Insurance                   | 45,000                      |
| Sub Total                               | <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                      |
| Sub Total                               | <b>502,951</b>              |
| <b>Total Annual Expenditure</b>         | <b>13,655,942</b>           |

| <b>Barbican Estate<br/>Non-Annually recurring</b> | <b>Estimate<br/>2026-27</b> |
|---------------------------------------------------|-----------------------------|
| <b>Staffing</b>                                   |                             |
| Water Supply Works                                | 50,000                      |
| Asbestos Works                                    | 125,000                     |
| Safety /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                     |
| Sub Total                                         | <b>1,685,000</b>            |
| Combined Budget Total                             | <b>£15,340,942</b>          |

### 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.