Committee(s): Residents Consultation – For Information Barbican Residential – For Information	**Dated:** 26/10/2026 16/11/2026
Subject: Report of the Reporting Committee	**Public**
This report: Provides updates on the work of the reporting committee	The report includes information on the Reporting Committee
If so, how much?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Executive Director of Community & Children's Services	**For Information**
Report author: Dan Sanders – Director of Property & Estate Management	

Purpose of the Report

This report provides Members with an overview of the work undertaken by the Reporting Committee in recent months in relation to key estate policies, strategies, financial performance and operational reviews.

Recommendations

Members are asked to:

- Note the programme of work undertaken by the Reporting Committee.
- Note the detailed reports and supporting documents presented separately on this agenda.
- Support the continued development and implementation of this work to strengthen estate management, resident engagement, governance and service delivery.

Overview of Work Undertaken

1.) Service Charge Audit

The procurement process for an independent review of Barbican Estate service charge expenditure is ongoing. The review will focus on invoices, supporting documentation and expenditure, providing assurance to leaseholders. It will not constitute a conventional financial statement audit producing an audited balance sheet, as the Estate does not prepare a balance sheet for this purpose.

An initial approach to six firms resulted in three submissions. A subgroup of the Reporting Committee, comprising Dan Sanders (BEO Director), Shruti Sonawane

(Service Charge and Revenue Manager) and three resident representatives with accounts backgrounds, reviewed the proposals. Following the assessment, concerns regarding quality and pricing led to the decision to return to the market to broaden the pool of suitable firms.

Two further good-quality quotations have since been received. The panel will evaluate the submissions, with the intention of appointing a firm before the end of 2026 and commencing the review in early 2027.

2.) Service Charge Outturn 2025/26

The consolidated accounts for the Barbican Estate show an overall underspend of £1,289,602 against the billed estimate for 2025/26. This reflects lower expenditure than anticipated during the financial year.

- Billed estimate £14,934,831
- Actual expenditure £13,645,229
- Overall underspend £1,289,602

The following sections explain the principal areas of variance where expenditure differed from the estimate by 10% or more.

Electricity

- Billed estimate £981,425
- Actual expenditure £649,619
- Underspend £331,806

The underspend reflects lower energy costs and 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. The arrangement provides greater price stability and generates credits for excess energy exported to the grid, valued at the prevailing market rate.

The budget anticipated credits from the PPA, but actual credits exceeded the estimate by approximately £65,000. In addition, electricity used for car park boxes, fans and lighting within individual blocks is separately metered. Resident Engineers take meter readings at the financial year-end, allowing the relevant consumption to be deducted from the electricity costs allocated to each block and reducing the amounts charged to leaseholders.

The remaining underspend reflects changes in energy prices and consumption.

Heating

- Billed estimate £5,065,150
- Actual expenditure £3,401,760
- Underspend £1,663,390

The underspend reflects the benefits of the PPA, as described above. The remainder is attributable to changes in energy prices and consumption.

Leaseholders should note that the value of export credits is linked to prevailing wholesale electricity market prices. If market prices fall, the value of these credits will reduce accordingly.

Lifts

- Billed estimate £434,587
- Actual expenditure £488,627
- Overspend £54,040

The overspend reflects the maintenance requirements of the Estate's ageing lift infrastructure. Obsolete components and specialist repairs have contributed to increased costs.

A lift modernisation and renewal programme has been developed, with Phase 1 scheduled to commence in 2027. In the interim, ongoing maintenance remains necessary to ensure that lifts are safe, compliant and operational.

General Repairs and Maintenance

- Billed estimate £1,941,000
- Actual expenditure £2,282,786
- Overspend £341,786

The overspend reflects expenditure on repairs and maintenance across the Estate. Most reactive repairs are specific to individual blocks, meaning that expenditure can vary according to the maintenance requirements and issues arising during the year.

Soft Services: Window Cleaning, Garden Maintenance, Internal Cleaning and Pest Control

- Billed estimate £486,000
- Actual expenditure £560,969
- Overspend £74,969

The overspend is primarily attributable to increased window-cleaning and other cleaning-related costs, including cleaning materials.

These areas will be reviewed as part of the 2027/28 budget-setting process to ensure that future estimates appropriately reflect inflation, contractual commitments and anticipated service requirements.

Management

- Billed estimate £6,026,669
- Actual expenditure £5,963,643
- Underspend £63,026

The underspend reflects a combination of staffing and resource changes during the year. These include vacancies and staff absences, lower Resident Engineer costs following the decision not to replace the fourth engineer, and reduced external project management support following the introduction of a dedicated project management resource within the Barbican Estate Office.

These savings were partly offset by additional overtime costs associated with providing cover for cleaning absences and the Resident Engineers covering the out-of-hours rota.

3.) Barbican Redecoration Project 2020–2025

Actual expenditure relating to the project during 2025/26 totalled £531,265. A refund of £238,673 in project management fees is being provided to leaseholders, recognising that aspects of the project management arrangements did not meet the expected standard of service.

The project took longer than anticipated to conclude, and invoices relating to some blocks continued to be received during 2025/26.

The 2025/26 accounts were issued to leaseholders within the statutory deadline of 30 September 2026. Balancing credits will be applied in time for the December billing, while balancing charges will be collected in March 2027 to avoid placing additional financial pressure on leaseholders over the Christmas period.

4.) Policies and Service Standards

The Reporting Committee received the Communications Policy prepared by the Barbican Estate Office (BEO), which is included as an appendix to the relevant agenda papers.

The policy was broadly endorsed, subject to minor amendments which officers have not made to the version in this pack owing to annual leave and RepCom being close to the RCC paper deadline. Once finalised, it will establish a consistent management standard for BEO communications and provide leaseholders with greater clarity regarding the communication they can expect from the Estate Office.

5.) Statutory Compliance Report

The Reporting Committee received and reviewed the Statutory Compliance Report at its October meeting. Members noted that some of the information was out of date by the time the report was presented.

Officers committed to improving the reporting timetable to ensure that future reports are prepared and circulated closer to the end of the relevant reporting period, enabling Members to review timely and relevant information.

The report was generally well received, with minor comments and discussion on specific items. It is included in the supporting papers.

6.) General Updates and Further Work

The Reporting Committee welcomed the continued development of estate policies, following the Repairs and Maintenance Policy earlier in the year and the more recent Communications Policy. However, Members emphasised the need for a clear timetable for the remaining policies. Officers have been asked to circulate this at the next meeting to enable progress to be monitored.

The Committee has also requested a higher-level summary of the key statistics and performance metrics used to monitor BEO activity, presented in a format suitable for board-level oversight. Officers are developing this report for consideration at the next meeting.

In addition, the Committee reiterated the need to implement the KPIs identified in the original Altair report consistently across relevant policies and procedures. The Director agreed to provide a gap analysis at the next Reporting Committee meeting, identifying:

- Which KPIs will be incorporated into individual policies.
- Which KPIs will be monitored through other reporting mechanisms.
- Any KPIs that will not be progressed, together with the rationale for that decision, for the Committee's consideration and agreement.

This work will support a more consistent approach to performance management, accountability and oversight across the Estate.

Financial Implications

The work undertaken to date has been delivered within existing resources.

Any future financial implications arising from implementation, including service improvements or changes to operational programmes, will be reported separately through the appropriate governance processes.

Risk Implications

The Reporting Committee's programme of work supports the management and mitigation of key risks, including:

- Regulatory non-compliance: particularly in relation to statutory obligations and building safety requirements.
- Inconsistent service delivery: through the development of clear policies, standards and procedures.
- Poor resident engagement and communication: by establishing consistent communication standards and improving transparency.
- Ineffective performance management: through the development of appropriate KPIs, reporting and accountability.
- Inefficiencies in project delivery and estate management: through improved governance, oversight and operational planning.

Formalising policies, strengthening reporting arrangements and improving communication will help ensure that these risks are identified, monitored and managed effectively.

Conclusion

The Reporting Committee has continued to progress work aimed at strengthening the management, governance and communication framework of the Barbican Residential Estate.

The reports and supporting documents presented alongside this paper demonstrate a coordinated approach to improving service delivery, maintaining statutory compliance, enhancing financial transparency and strengthening resident engagement.

Members are invited to note the progress made, consider the associated reports presented on the agenda and support the continued development of this programme of work.

Appendices

- Appendix 1 – Accounts Summary
- Appendix 2 – Communications Policy
- Appendix 3 – Statutory Compliance Report

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