

Committee:	Date:
Housing Management & Almshouses Sub-Committee	28 November 2016
Subject:	Public
City of London Almshouses Revenue and Capital Budgets 2016/17 and 2017/18	
Report of:	For Decision
The Chamberlain and The Director of Community and Children's Services	

Summary

1. This report is the annual submission of the City of London Almshouses revenue budgets overseen by your Committee. In particular it seeks approval for the revenue budget for 2017/18.
2. The overall budget position is summarised below:-

Table 1 : Overall Position	Latest Budget 2016/17 £'000	Original Budget 2017/18 £'000	Movement 2016/17 to 2017/18 £'000
Income	(376)	(376)	0
Expenditure	350	348	(2)
Surplus on income and expenditure account	(26)	(28)	(2)
Increase in market value of investments	(75)	0	75
Reserve brought forward	(1,458)	(1,559)	(101)
Reserve carried forward	(1,559)	(1,587)	(28)

3. Overall, the 2017/18 budget indicates a surplus on income and expenditure of £28,000, an increase of £2,000 compared with the Latest Budget for 2016/17.
4. The reserve is both a contingency against unforeseen expenditure and a provision for the financing of future expenditure.

Recommendations

5. The Committee is requested to:
 - Review the 2017/18 revenue budget to ensure that it reflects the Committee's objectives.

Main Report

Management of the City of London Almshouses

6. In accordance with existing practice, the management costs of Property Services provided by the Community and Children's Services Department are excluded. However, the budgets for the Almshouses do include the costs of Support Services provided by the City of London Corporation's central departments and the Community and Children's Services Department.

Proposed Budget Position 2016/17 and 2017/18

7. The detailed budgets and reserves are set out in Table 2.
8. Income and favourable variances are presented in brackets. Only significant variances (generally those greater than £10,000) have been commented on in the following paragraphs.
9. The reduction in the opening reserves of £101,000 between the original and latest budget relates to a change in the accountancy treatment of lease income from the Sir Thomas Gresham Charity.

Table 2

Actual 2015/16 £'000	City of London Almshouses Trust	<i>Original Budget 2016/17 £'000</i>	Latest Budget 2016/17 £'000	Original Budget 2017/18 £'000	Movement 2016/17 to 2017/18 £'000	Paragraph Ref
	Expenditure					
77	Employees	85	84	86	2	
154	Repairs and maintenance	145	177	184	7	Annex A
3	Energy Costs	11	6	6	0	
7	Rents	8	8	8	0	
4	Council Tax	4	8	4	(4)	
7	Water	7	7	7	0	
6	Cleaning and Domestic Supplies	12	10	10	0	
6	Grounds Maintenance Costs	14	9	9	0	
187	Total Premises Related Expenses	201	225	228	3	
7	Equipment, Furniture and Materials	2	5	5	0	
3	Communications and Computing	7	7	7	0	
1	Fees and Services	0	5	1	(4)	
0	Advertising	1	1	1	0	
1	Clothes, Uniform & Laundry	1	1	1	0	
0	Grants & Subscriptions	0	0	0	0	
3	Hospitality	9	5	2	(3)	
15	Total Supplies and Services	20	24	17	(7)	
13	Recharges for Support Services	17	13	13	0	
2	Capital Charges	4	4	4	0	
294	Total Expenditure	327	350	348	(2)	
	Income					
(326)	Contributions and Service Charges	(327)	(326)	(326)	0	
(42)	Investment Income	(45)	(50)	(50)	0	
(368)	Total Income	(372)	(376)	(376)	0	
(74)	Net (Surplus)/Deficit	(45)	(26)	(28)	(2)	
	Reserves					
(1,448)	Balance Brought Forward	(1,549)	(1,458)	(1,559)	(101)	9
(74)	Income and Expenditure Account	(45)	(26)	(28)	(2)	
64	Increase/Decrease in Market Value of Investments	0	(75)	0	75	
(1,458)		(1,594)	(1,559)	(1,587)	(28)	

Manpower Statement

10. Analysis of the movement in manpower and related staff costs are shown in table 3 below.

Table 3

	Latest Budget 2016/17		Original Budget 2017/18	
	Manpower Full-Time Equivalent	Estimated Cost £'000	Manpower Full-Time Equivalent	Estimated Cost £'000
Housing Management	0.36	17	0.36	18
Matrons - Employees	1.05	45	1.05	46
Gardener	0.80	22	0.80	22
Total Employee Costs	2.21	84	2.21	86

Investments

11. The Trust holds 135,697 units in the Corporation's Charities Pool with a market value as at 30 September 2016 of £ 1,131,713. The distribution rate for the first six months of 2016/17 was 4.3%. Cash is held by the Chamberlain on behalf of the Trust and is invested with other City of London funds on the London Money Markets. In this way, the Trust benefits from the higher interest rates that the City of London can obtain. The budget assumes interest on cash balances of 0.50% for 2016-17 and 0.50% for 2017-18 onwards. Interest is credited annually based on the Trust's average cash balance.

Draft Capital and Supplementary Revenue Budgets

12. The latest estimated costs for the Committee's draft capital and supplementary revenue projects are summarised in the Table 4 below.

Table 4

Project	Exp. Pre 01/04/16 £'000	2016/17 £'000	2017/18 £'000	Later Years £'000	Total £'000
<u>Pre-implementation</u>					
Sheltered Units refurbishment		7			7
TOTAL CoL ALMSHOUSES	0	7	0	0	7

13. Pre-implementation costs comprise consultancy fees to identify the refurbishment works required. The implementation phase will be subject to further approvals including the identification of funding.

14. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2017.

Background Papers:

Estimate Working Papers Chamberlain's

Contact:

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Annex A1

REPAIRS, MAINTENANCE AND IMPROVEMENTS		<i>Original Budget</i>	B	C
		<i>2016/17 £'000</i>	<i>Latest Budget 2016/17 £'000</i>	<i>Original Budget 2017/18 £'000</i>
<u>Breakdown and Emergency Repairs</u>				
Building	E	44	54	55
Electrical	E	8	8	8
		52	62	63
<u>Contract Servicing</u>				
Building	E	5	2	2
Electrical	E	10	7	7
Heating & Ventilating	E	0	8	8
		15	17	17
<u>Cyclical Works</u>				
Asbestos Data	E	0	3	3
Adaptations for the Disabled	E	6	3	3
Redecorations Works	A	5	5	5
		11	11	11
<u>Projects</u>				
External repairs & redecoration	E	5	0	0
Asbestos Management	E	5	0	0
Road repairs/Landscaping	D	25	0	0
Five year electrical test and inspections	E	2	0	0
Warden Call-Out System	E	30	0	0
Brickwork and Concrete Repairs	E	0	0	93
Roofing Works	E	0	47	0
Gutter Repairs	A	0	40	0
		67	87	93
Total Repairs, Maintenance and Improvements		145	177	184

Key: E = Essential A = Advisable D = Desirable

2016/17 REPAIRS, MAINTENANCE AND IMPROVEMENTS -
EXPLANATION OF WORKS

Projects

Roofing Works - £47,000

To repair existing roofing following surveys and to prevent future leak.

Gutter Repairs - £40,000

To repair existing gutters following surveys and to prevent future damp issues.

2017/18 REPAIRS, MAINTENANCE AND IMPROVEMENTS -
EXPLANATION OF WORKS

Breakdown and Emergency Repairs

Building - £55,000

Responsive repairs currently undertaken by Wates Living Space.

Electrical - £8,000

Responsive repairs currently undertaken by Wates Living Space.

Contract Servicing

Building - £2,000

Servicing and Maintenance of building related components. Currently undertaken by Wates Living Space.

Fire extinguishers: The current contractor is Allied Protection.

Chlorination of water tanks: The current contractor is Hertel UK. The contract is market tested annually.

Electrical - £7,000

Fire Alarms and Warden Call Systems: The current contractor is Allied Protection. Also included is the rental of a British Telecom line in respect of the fire alarm system

Heating & Ventilating - £8,000

Servicing and Maintenance of Gas Appliances: The current contractor is Carillion - Planned Maintenance Engineering operating under a partnering agreement.

Cyclical Works

Asbestos Data - £3,000

Inspection /removal of asbestos. Current contractor Eton Environmental.

Adaptations for the Disabled - £3,000

Works to properties to accommodate those with a disability. Currently provided by GB Adaptions.

Redecorations Works - £5,000

Various redecoration works – contractor to be determined.

Projects

Brickwork and Concrete Repairs - £93,000

Concrete testing and remedial works – contractor to be determined.