

City of London Corporation Committee Report

Committee(s): Corporate Services Committee	Dated: January 8 th 2025
Subject: Departmental Budget Estimates 2025-26 – Corporate Services Committee	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	Yes
Report of: Town Clerk, Chief Strategy Officer, Comptroller & City Solicitor, Chief People Officer, and Chamberlain	
Report author: Mark Jarvis - Head of Finance, Chamberlain’s Department Declan Greaves – Finance Business Partner - Chamberlains	

Summary

This report is the annual submission of the revenue budgets in relation to the operational services directly overseen by your committee. It is asking Members to note the latest revenue budget for 2024/25 and approve the proposed revenue budget for 2025/26. Subject to any necessary approvals Chief Strategy Officer functions are listed in this report however will be reported to the Policy and Resources Committee moving forward in alignment with that being the service committee for the portfolios listed.

The estimates presented in this report are for the services detailed in Appendix 1 by Chief Officer, which are summarised below:

- i) **The Chief People Officer** – The People & HR Team.
- ii) **Deputy Town Clerk** – Town Clerk’s Office, Governance & Member Services, Office of the Policy Chairman and Corporate Health & Safety, Business Support.
- iii) **Chief Strategy Officer** – Corporate Strategy & Performance and Equality, Diversity & Inclusion.

iv) **Comptroller and City Solicitor** – Comptroller and City Solicitor’s Office and Democratic & Election Services.

The proposed budget for 2025/26 totals net expenditure of £13.116m, which is an increase of £2.046m (18.48%) compared with the 2024/25 original budget of £10.280m, which is principally due to:

Increases:

- Net 2% inflation (£0.255m)
- An increase Chief People Officer budgets including (£0.710m) for the Graduate Scheme, (£0.153m) for the Volunteering Scheme, and (£0.056m) to Occupational Health budget.
- Chief Strategy Officer was separated from the Deputy Town Clerk at the 2024/25 Budget Estimate level (£1.068m). Alongside this, it had a (£0.401m) budget increase for additional posts.
- (£0.310m) increase to central risk for the Comptroller and City Solicitor for specialist legal advice.

Decreases:

- (£0.185) moved under P&R committee away from Deputy Town Clerk and to Communications.

The overall budget is summarised by Chief Officer in the following table.

Chief Officer and Risk	2024/25 Original Budget (£m)	2024/25 Latest Approved Budget (£m)	Movement 2024/25 Original to Latest (£m)	2025/26 Original Budget (£m)	Movement 2024/25 Original to 2025/26 (£m)
Local Risk					
The Chief People Officer	(4.081)	(4.786)	0.705	(5.087)	(1.006)
The Deputy Town Clerk	(5.509)	(5.663)	0.154	(4.373)	1.136
Chief Strategy Officer	0.000	0.000	0.000	(1.811)	(1.811)
Comptroller & City Solicitor	(1.453)	(1.763)	0.310	(1.508)	(0.055)
Total Local Risk	(11.043)	(12.212)	1.169	(12.779)	(1.736)
Central Risk					
The Chief People Officer	0.000	(0.912)	0.912	0.000	0.000
The Deputy Town Clerk & Chief Strategy Officer	(0.227)	(0.445)	0.218	(0.227)	0.000
Chief Strategy Officer	0.000	0.000	0.000	0.000	0.000
Comptroller & City Solicitor	0.200	0.200	0.000	(0.110)	(0.310)
Total Central Risk	(0.027)	(1.157)	1.130	(0.337)	(0.310)
Support Services inc Guildhall Admin Recharge	11.070	11.070	0.000	13.116	2.046
Committee Total	0	(2.299)	2.299	0	0

Recommendation(s)

Members are asked to:

1. Note the latest revenue budget for 2024/25.
2. Review and approve the estimate for 2025/26 for submission to the Finance Committee.
3. Authorise the Chamberlain, in consultation with the Town Clerk, Deputy Town Clerk, Chief Strategy Officer and the Comptroller and City Solicitor to revise these

budgets to allow for any further implications arising from Corporate Projects, other reviews and changes to the Cyclical Works Programme,

4. Authorise the Chamberlain to agree minor amendments for 2024-25 and 2025-26 budgets arising during budget setting.

Main Report

Background

1. An overview of the services provided under this Committee can be found in Appendix 1.

Estimate for 2025/26

2. This report seeks approval to the estimate for 2025/26 in relation to the operational services overseen by your committee. The overall budget is summarised in Table 1, including detail on the movement between the original and latest budget for the current financial year, and the movement between the original 2023/24 and proposed budget for 2024/25.

Assumptions

3. The estimate for 2025/26 includes a 2% uplift for inflation and the full year impact of pay increases to staff arising from the pay deal effective from July 2024 and July 2025 pay award.
4. The 2024/25 budget movements in relation to the Chief Strategy Officer, previously presented in the report under the Deputy Town Clerk, has been reflected in both the original and latest approved budgets.

Latest Approved Budget 2024/25

5. The latest approved budget for 2024/25 totals net expenditure of £13.369m which is an increase of £2.299m (20.76%) compared with the original budget of £11.070m. The main reasons for this increase are:
 - i) **Deputy Town Clerk (£0.210m net increase)** – A (£0.100) realignment of allocation within the Office of the Policy Chairman to accurately depict the previously approved budget and align to the relevant budget sources. A transfer of (£0.110) for the Health and Safety team.
 - ii) **Chief People Officer (£0.705m net increase)** – The (£0.705m) increase in the 2024/25 budget relates to a number of initiatives under the department including; (£0.380m) for the Graduate Scheme, (£0.153m) for the Volunteering Scheme, (£0.116m) from Finance Committee Contingency for Agency resources and (£0.056m) permanent increase to the Occupational Health budget for Occupational Therapist.

- iii) **Comptroller & City Solicitor (£0.310m net increase)** – The increase in the current year budget relates to a carry forward of legal fees.

Estimate 2025/26

- 6. The proposed budget for 2025/26 totals net expenditure of £13.116m, which is an increase of £2.046m (18.48%) compared with the 2024/25 original budget of £10.280m, which is principally due to:
 - i. **The Chief People Officer (£1.006m net increase)** - Net 2% inflation £0.087m, £0.710m for the Graduate Scheme, £0.153m for the Volunteering Scheme, and £0.056m permanent increase to the Occupational Health budget. It was agreed at November Committee that a bid to the Finance Committee Contingency would be submitted to cover pressures arising in 24/25 and a bid to the transformation fund would cover future year pressures. Additional resources for Training and Development are under review to manage the organisations development in line with the Peoples Strategy Framework as well as its commitment to carry out five strategy framework underpinning The Corporations principles and values.
 - ii. **Deputy Town Clerk (£1.068m net decrease)** – budget reduced as the Chief Strategy Officer has been removed onto a separate reporting line.
 - iii. **Chief Strategy Officer (£1.811m net increase)** - £1.068m moved across from Deputy Town Clerks'. £0.401m permanent budget increase for the Equalities Director post and 2 other additional posts as well as a £0.028m inflation 2% increase.
 - iv. **Comptroller and City Solicitor (£0.365m net increase)** – The main drivers for the uplift include the full effect of 2% inflation £0.030m and the £0.310m increase to central risk budgets for specialist legal advice.

Potential Further Budget Adjustments

- 7. The provisional nature of the revenue budgets recognises that further revisions maybe required to realign funds for:
 - i) Central and departmental support services apportionments; and
 - ii) Decisions of the Resource Allocation Sub Committee in relation to the Cyclical Works Programme.
- 8. It should be noted that there are additional time-limited resource requirements yet to be quantified relating to requirements associated within the Human Resources team. This is highlighted in the departmental business plan and should be noted that the revenue budgets may evolve to build the department to deliver on Member ambitions and commitments. There may be a Transformation Fund bid to cover this two-year period of additional funding in due course.

Staffing Statement

9. A summary of the employee related costs and FTEs by department are shown in the table below.

Corporate Services Committee staffing statement by Chief Officer	Estimate 2024-25 Staffing Full-time equivalent	Estimate 2024-25 Estimated Cost (£m)	Estimate 2025-26 Staffing Full-time equivalent	Estimate 2025-26 Estimated Cost (£m)
The Chief People Officer	63.6	4.557	85.4	5.639
Deputy Town Clerk	69.7	5.835	55.8	4.307
Comptroller and City Solicitor	59.3	5.44	55.7	5.546
Chief Strategy Officer	0	0	18.5	1.763
TOTAL	192.6	15.832	215.4	17.255

10. Staffing levels as represented in this statement show a reduction 13.9 FTE this reflects a correction to the previous reporting whereby all Chief Strategy Officer staff were recorded under the Deputy Town Clerk function, and they have now been split out. For the Comptroller and City Solicitor there was a decrease in staff between 2024/25 and 2025/26 by 3.6 FTEs. The HR department is currently undergoing a restructure with an increase in staffing projected within its Business Plan which went to Committee in November 2024.

Corporate & Strategic Implications

11. The Town Clerk's Office lies at the centre of the City Corporation's strategic management processes, helping to shape the development of corporate policy and strategy. It provides corporate leadership and co-ordination at officer level. The Town Clerk's Office is also responsible for promoting high standards of corporate governance and providing support to Members and Committees.

Security implications

12. There are currently no Security Implications identified as a result of the budgets.

Financial implications

13. Finance Committee and the Court of Common Council has proposed that a 2% inflationary increase on the Original 2024-25 net local risk budgets should be allocated to all departments within their 2025-26 local risk budgets.
14. The budgets within this report have been prepared in accordance with guidelines agreed by the Corporate Services and Finance Committees.

Equalities Implications

15. Whilst there are currently no Public Sector Equality Duty Implications arising from this specific budget report, it should be noted that there may be potential equalities implications in terms of our ability to discharge equality duties within the current resource arrangements.

Resourcing implications

16. The budgets presented in this report are within their available resource base. However, there are budget pressures from resourcing identified earlier in this report.

Conclusion

17. This report presents the budget estimates 2025-26 for the Town Clerk's, Deputy Town Clerk, Chief Strategy Officer, People & HR and Comptroller & City Solicitor's Departments for Members to consider and approve.

Appendices

- Appendix 1 – Summary of Services by Chief Officer
- Appendix 2 – Corporate Services Committee Budget – Analysis of Risk by Chief Officer

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Summary of Services by Chief Officer (relevant to this committee)

The Chief People Officer:

- The People & HR Team

Deputy Town Clerk:

- Corporate Health and Safety
- Town Clerk's Office
- Governance & Member Services
- Office of the Policy Chairman
- Business Support

It should be noted that this paper only reports on those elements of the DTC function which fall under the remit of this committee, as other elements such as The London Archives, the Police Authority, Mansion House, and so on are the subject of separate reporting to the relevant service committees and relevant figures are therefore excluded from this report.

Chief Strategy Officer:

- Equity, Equality, Diversity & Inclusion
- Corporate Strategy & Standards
- Corporate Performance & Analysis
- Business Planning
- Corporate Risk Management

Comptroller and City Solicitor Comptroller:

- Contracts and Litigation Division
- Property Division
- Public & Corporate Law Division
- Office Services Division
- Electoral Services

Appendix 2

CORPORATE SERVICES COMMITTEE Analysis of Service Expenditure By Risk	Actual 2023-24	Original Budget 2024-25	Latest Approved Budget 2024-25	Original Budget 2025-26	Movement Original 2023-24 to Original 2024-25
	£m	£m	£m	£m	£m
LOCAL RISK - EXPENDITURE					
Employees	-15,268	-15,526	-15,615	-16,601	-1,075
Premises Related Expenses	-0.005	-0.005	0.619	-0.009	-0.004
Transport Related Expenses	-0.118	-0.078	-0.124	-0.024	0.054
Supplies & Services	-0.933	-1.114	-1.923	-1.614	-0.500
Private Contractors	0	0	0	0	0
Contingency	0	0	0	0	0
Transfer to Reserve	0	0	0	0	0
Savings to be Applied	0.925	0.825	0.625	0.498	-0.327
TOTAL LOCAL RISK - EXPENDITURE	-15.397	-15.898	-16.218	-17.750	-1.852
TOTAL LOCAL RISK - INCOME					
Charges for specific services	4.745	4.855	4.006	4.971	0.116
TOTAL LOCAL RISK - INCOME	4.745	4.855	4.006	4.971	0.116
NET LOCAL RISK	-10.652	-11.043	-12.212	-12.779	-1.736
CENTRAL RISK - EXPENDITURE					
Employees	-0.903	-0.790	-0.883	-0.790	0.000
Premises Related Expenses	0	0	0	0	0
Transport Related Expenses	0	0	0	0	0
Supplies & Services	-2.084	-0.094	-1.147	-0.420	-0.326
Capital Charges	0	0	0	0	0
Childcare vouchers	0	0	0	0	0
Contingency	-0.016	-0.016	0	0	0.016
TOTAL CENTRAL RISK - EXPENDITURE	-3.003	-0.900	-2.030	-1.210	-0.310
CENTRAL RISK - INCOME					
Charges for specific services	0.200	0.200	0.200	0.200	0
Other Contributions	0.606	0.673	0.673	0.673	0
TOTAL CENTRAL RISK - INCOME	0.806	0.873	0.873	0.873	0.000
NET CENTRAL RISK	-2.197	-0.027	-1.157	-0.337	-0.310
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES	-12.849	-11.070	-13.369	-13.116	-2.046
Central Recharges	-1.859	-1.695	-1.695	-0.051	1.644
Capital Charges	0	0	0	0	0
Recharges Within Fund	0.033	0.033	0.033	0.033	0.000
Recharges Across Funds	0.117	0.117	0.117	0	-0.117
GA Recharge	12.907	12.615	12.615	13.134	0.519
TOTAL NET EXPENDITURE RECHARGED AS SUPPORT SERVICES	11.198	11.070	11.070	13.116	2.046

Notes - Examples of types of service expenditure:-

- (i) Supplies and Services – equipment, furniture, materials, uniforms, printing, stationery, professional fees, grants & subscriptions.
- (ii) Charges for specific services – printing & stationery charges, commercial property fee income, corporate recruitment, HR services to
- (iii) Employees (central risk) – includes union representatives, Chief Officers recruitment advertising, long service mementoes.
- (iv) Support services reflect the share of the Guildhall complex costs and IS charges.
- (v) Transformation Fund expenditure reallocated across all funds