

City of London Corporation Committee Report

Committee(s): Policy and Resources – For decision	Dated: 16 January 2025
Subject: Departmental 2025/26 Budget Estimates - Policy and Resources 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 	Statutory duties for a balanced 25.26 budget.
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: The Deputy Town Clerk, Remembrancer, Executive Director of Innovation Growth, The Chamberlain, The Executive Director of Environment & Chief Strategy Officer and Remembrancer (Interim Chief Officers covering Corporate Communications & External Affairs).	REVIEW
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.

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

- i) Deputy Town Clerk – Strategic Security & Resilience, Town Clerk’s Charities, Grants and Contingencies (including grants to outside organisations and control of the Policy Initiative Fund and Contingency budgets).
- ii) Executive Director of Innovation & Growth – Innovation & Growth (which incorporates the Climate Action Strategy).
- iii) Managing Director Bridge House Charities – Corporate Charities Review Project.
- iv) Remembrancer – Parliamentary and Ceremonial functions including the hosting of hospitality events.
- v) Executive Director of Environment – The Small and Medium Enterprise Delivery. Formerly Small Business, Enterprise & Research Centre (SBREC).
- vi) The Executive Director of Environment & Chief Strategy Officer and Remembrancer (Interim Chief Officers covering Corporate Communications & External Affairs) – Corporate communications, external affairs & media team.

The proposed budget for 2025/26 totals net expenditure of £33.076m, which is an increase of £1.765m (5.64% increase) compared with the 2024/25 original budget of £31.311m, which is principally due to:

- A 2% inflationary increase to all Local Risk budgets (£0.248m)
- Corporate Communications & External Affairs had a total budget increase across Local Risk of (£0.821m). Please see the breakdown within point 9.
- An increase in capital and support services recharges (£1.078m)
- Major Projects and Project Governance under the Chamberlain has moved out from the Policy and Resources committee, causing a budget reduction of (£0.956m).
- Cyclical Works Programme (£3.458m net increase) – Phased delivery (over 5 years) of the backlog maintenance and forward maintenance which forms part of the £133 million programme.

Overall Budget Summarised by Chief Officer

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					
Executive Director of Environment	(0.625)	(0.625)	0.000	(0.638)	(0.013)
The Deputy Town Clerk	(0.608)	(0.623)	(0.015)	(0.619)	(0.011)
The Remembrancer	(1.570)	(1.603)	(0.033)	(1.601)	(0.031)
The Chamberlain	(0.285)	0.000	0.285	0.000	0.285
Executive Director of Corporate Communications & External Affairs	(2.079)	(2.277)	(0.198)	(2.900)	(0.821)
Executive Director of Innovation Growth	(6.497)	(6.397)	0.100	(6.276)	0.221
Managing Director Bridge House Charities	(0.305)	(0.305)	0.000	(0.344)	(0.039)
Total Local Risk	(11.969)	(11.830)	0.139	(12.378)	(0.409)
Central Risk					
Executive Director Environment	0.000	0.000	0.000	0.000	0.000
Deputy Town Clerk	(1.621)	(3.441)	(1.820)	(1.621)	0.000
The Remembrancer	(1.269)	(1.449)	(0.180)	(1.269)	0.000
The Chamberlain	(0.671)	0.000	0.671	0.000	0.671
Executive Director Corporate Communications & External Affairs	(0.747)	(1.353)	(0.606)	(0.747)	0.000
Executive Director Innovation and Growth	(6.480)	(6.400)	0.080	(5.948)	0.532
Managing Director Bridge House Charities	0.000	0.000	0.000	0.000	0.000
Total Central Risk	(10.788)	(12.643)	(1.855)	(9.585)	1.203
Capital and Support Services	(4.449)	(4.619)	(0.170)	(5.527)	(1.078)
Committee Total	(27.206)	(29.092)	(1.886)	(27.490)	(0.284)

Footnote: Chief Strategy Officer and Remembrancer (Interim Chief Officers covering Corporate Communications & External Affairs).

Recommendation(s)

Members are asked to:

- I. Review and approve the Deputy Town Clerk's, Remembrancer's, Executive Director of Innovation & Growth, The Chamberlains, The Executive Director of Environment & The Executive Director of Corporate Communications & External Affairs proposed revenue budgets for 2025/26 for submission to the Finance Committee.
- II. Members are asked to note The Corporate Communications and External Affairs budget and Chief Officer Governance arrangements are interim and will be reviewed during FY 25/26.
- III. Authorise the Chamberlain, in consultation with the Deputy Town Clerk, Remembrancer, Executive Director of Innovation & Growth, The Executive Director of Environment & The Executive Director of Corporate Communications & External Affairs to revise these budgets to allow for any further implications arising from Corporate Projects, other reviews and changes to the Cyclical Works Programme; and
- IV. Authorise the Chamberlain to agree minor amendments for 2024/25 and 2025/26 budgets arising during budget setting.

Main Report

Introduction

1. The revenue budget management arrangements are to:
 - Provide a clear distinction between local risk, central risk and recharge budgets.
 - 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 the service expenditure and compared with the original budget for the current year.
3. 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 2024/25 and proposed budget for 2025/26.

Assumptions

4. The estimate for 2025/26 includes a 2% uplift for inflation distributed across each budget line for local risk.
5. In relation to staff costs, the estimates assume a 3% uplift for 2024/25 and 2025/26 financial years in relation to the Employers pay award.
6. Members should note that the Cyclical Works Programme (CWP) figures included in the Estimate Report relate only to elements of programmes which will be completed in 2024/25 and 2025/26. Programmes delivered by the City Surveyor which were approved prior to 2024/25 will complete by March 2025. However, the report also includes projects that were approved as part of the £133.7m which will be delivered in years 1 and 2 of the 5-year programme. A separate report will be submitted to RASC in February 2025 drawing down the funding for 2025/26 projects to be delivered and providing the phasing over the 5-year delivery period which were included in the current Medium Term Financial Plan.
7. Support services budgets reflect the attribution and cost of central departments. All support services are based on time spent or use of services and were reviewed during 2024/25 with the method of apportionment updated to reflect the latest up to date corporate information.

Current Position

Latest Approved Budget 2024/25

8. The latest approved budget for 2024/25 totals net expenditure of £31.311m which is an increase of £1.977m (6.74%) compared with the original budget of £29.334m.
- **Deputy Town Clerk (£1.835m net increase)** – (£0.609m) carried forward from 23/24 P&R contingency, (£1.153m) Policy Initiative Fund carried forward into 24/25 from 23/24 and (0.058m) carry forward from the Transformation Fund.
 - **The Remembrancer (£0.213m net increase)** – (£0.032m) local risk increase and (£0.180m) increase in provisions within central risk.
 - **Executive Director of Innovation & Growth (£0.180m net decrease)** – mainly due to a (£0.248m) budget transfer.
 - **The Chamberlain (£0.965m net decrease)** – due to the budgets under The Chamberlain being moved out from Policy and Resources.
 - **Executive Director of Corporate Communications & External Affairs (£0.804m net increase)** – Includes a (£0.137m net increase) for External Affairs, (£0.276m) carry forward from the transformation fund and (£0.193k increase) from contingencies drawdown.

Proposals

Departmental Estimates for 2025/26

9. The proposed budget for 2025/26 totals net expenditure of £33.076m, which is an increase of £1.765m (5.64% increase) compared with the 2024/25 original budget of £31.311m, which is principally due to:
- i) **Deputy Town Clerk (£0.011m net increase)** – increase due to 2% inflationary uplift (£0.011m).
 - ii) **Innovation and Growth (0.753m decrease)** – due to (£0.248m) budget virement and a reduction in the Climate Action Strategy central risk budget by (£0.452m) in line with medium-term financial plan savings.
 - iii) **Executive Director Environment (£0.013m net increase)** – The full effect of the net 2% inflationary uplift to local risk budgets.
 - iv) **The Remembrancer (£0.031m net increase)** – The full effect of the 2% inflationary uplift.
 - v) **Executive Director of Corporate Communications & External Affairs (£0.821m net increase)** – A (£0.142m) increase to support City Matters and City AM, (£0.137m) increase for external affairs, (£0.254m) increase

for election support, (£0.185m) increase due to a budget transfer from the Deputy Town Clerk, and a (0.043m) increase due to 2% inflationary uplift.

- vi) **Managing Director Bridge House Charities (£0.039m net increase)** – increase due to 2% inflationary uplift.
- vii) **The Chamberlain (£0.965m net decrease)** – due to the budgets under The Chamberlain being moved out from Policy and Resources.
- viii) An increase in capital and support services recharges (£1.078m).
- ix) **Cyclical Works Programme (£3.458m net increase)** – increase in works in 25/26 to address the backlog as well as the current works programme.

Potential Further Budget Adjustments

10. The provisional nature of the revenue budgets recognises that further revisions may be 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.

Staffing Statement

11. A summary of the employee-related costs and FTEs by department are shown below.

Staffing Table	Original Budget 2024-25 (Staffing Full-time equivalent)	Original Budget 2024-25 (Estimated Cost £m)	Proposed Budget 2025-26 (Staffing Full-time equivalent)	Proposed Budget 2025-26 (Estimated Cost £m)
Deputy Town Clerk	6.0	0.494	6.0	0.512
Executive Director of Innovation Growth	82.4	6.983	89.0	7.770
Remembrancer	17.0	1.370	17.0	1.430
The Chamberlain	13.5	1.174	0.0	0.000
Executive Director of Environment	9.6	0.612	10.3	0.530
Executive Director of Corporate Communications	31.0	2.413	44.1	3.311
Grand Total	159.5	13.046	166.4	13.553

Footnote: Chief Strategy Officer and Remembrancer (Interim Chief Officers covering Corporate Communications & External Affairs).

12. Staffing levels have increased across Policy and Resources by 6.9 FTEs due to increases within Communications and Innovation and Growth.

Capital and Supplementary Revenue Project Costs

13. The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2025. Please refer to Appendix 3 for capital project bids.

Corporate & Strategic Implications – ‘none’

Security Implications

14. All events under the Outdoor Arts Programme will require robust Risk Assessment and Method Statements (RAMS) which will be developed in consultation with internal and external security services including the City Police.

Financial Implications

15. The proposed 2025/26 budget includes a 2% inflationary uplift based on the original 2024/25 budget after other adjustments to risk areas have been considered.
16. The budgets overseen by this Committee of the Deputy Town Clerk, Executive Director of Community and Children’s Services and Executive Director Environment have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees.

Public sector equality duty

17. Our fees and charges are regularly benchmarked with neighbouring / competing facilities, but we will continue to informally assess any negative impact on protected characteristic groups.

Resourcing implications

18. The budgets presented in this report are within their available resource base. As a result, there are currently no resourcing implications identified.

Conclusion

19. This report presents budgets overseen by this Committee for 2025/26 for the Town Clerk, Deputy Town Clerk, Executive Director of Innovation & Growth, The Remembrancer, The Chamberlain, The Executive Director of Corporate Communications & External Affairs and The Executive Director of Environment for Members to consider and approve.

Appendices

- Appendix 1 – Budgets by Service Area and Risk allocation
- Appendix 2 – Staffing Table.
- Appendix 3 – Capital Project Bids 2025/26

Contacts:

Mark Jarvis

Head of Finance: Chamberlains Department

Mark.Jarvis@cityoflondon.gov.uk

Declan Greaves

Finance Business Partner: Chamberlain's Department

Declan.Greaves@cityoflondon.gov.uk

APPENDIX 1

Summary of Services by Chief Officer

Deputy Town Clerk

Strategic Security & Resilience

The Strategic Security & Resilience team has a number of functions, all focused on making the City a safe and pleasant environment in which to work, live and visit. The team provides services internally and for the wider City community, in two main areas: Emergency and Contingency Planning and Security.

Grants and Contingencies

- City's Estate - this covers certain central risk grants payable from City's Estate to outside organisations including Central London Forward and funding towards The CityUK, the Policy Initiatives Fund and the Committee's Policy and Resources contingency.
- City Fund - this mainly relates to central risk grants payable from the City Fund to outside organisations and grants under the control of Innovation & Growth (IG) which cannot be paid under IG powers.

Town Clerk's Charities

This is the budget given to the Central Grants Unit to enable it to finish carrying out the Corporate Charity Review of the charities that City of London Corporation is a Trustee.

Executive Director of Innovation & Growth

Innovation & Growth (IG)

IG's principal objective is to strengthen the City's competitiveness as the world's leading financial and professional services centre for the long-term, so that the City continues to drive prosperity across London and the UK through its offices in Guildhall, Brussels, China and India. Staff in Central London Forward and Heart of the City are not included in the Policy & Resources Service Overview as, although accommodation is provided for them within Innovation & Growth, they have external funding sources and separate business plans.

Remembrancer

Parliamentary

The Remembrancer is charged with safeguarding the constitutional position of the City of London Corporation and supports its contribution to society, the economy, and the environment. The Office holder is one of the City's four Law Officers. The Remembrancer is the City's Parliamentary Agent and the Parliamentary Agent for the Honourable the Irish Society, and the City's Chief of Protocol.

The Office is the official level channel of communication between Parliament and the City. In the contemporary context, this means day to day examination of Parliamentary business including examination of and briefing on proposed legislation and amendments to it, regular liaison with the Select Committees of both Houses and contact with officials in Government departments dealing with Parliamentary Bills. The work also includes briefings of members of both Houses for debates in which the City Corporation or City stakeholders have an interest, general liaison and intelligence gathering. The Office monitors the activities of the GLA and its associated bodies and their effect on the City and the work of the devolved administrations.

State, Diplomatic and Ceremonial functions

These include the arrangements for events and related hospitality, the budget for which enables the Remembrancer's Office to facilitate such activities on behalf of the Lord Mayor and the City, or at the request of The King in liaison with His Majesty's Government and organisations and individuals with connections to the City. These include Royal and National occasions, state banquets, other hospitality, related events for visiting Heads of State and Government, distinguished organisations, and individuals. The budget also includes the cost of the Remembrancer's staff who manage these functions.

Functions are held in the Guildhall, Mansion House and other City venues such as Livery Halls, depending on the nature of the event. The Remembrancer's Office also has responsibility for the Lord Mayor's Banquet and elements of the Lord Mayor's Day at Guildhall and the Royal Courts of Justice.

The Executive Director of Corporate Communications & External Affairs

The Corporate Communications & External Affairs Department

The Corporate Communications and External Affairs division is currently comprised of Corporate Affairs, Filming Unit, Media, and Publishing (including internal communications and digital). It sits at the heart of the organisation and oversees the communications and corporate affairs priorities of the organisation and its principals, building the reputation and impact of the City Corporation as a whole and helping it to deliver its goals.

The purpose of the division is to use the power of first-class strategic communications and external engagement across multiple channels and audiences to help deliver the ambitious goals of the City of London Corporation for all the diverse communities we serve on a local, London, national and global scale.

As a highly professional and critical enabling function, the Corporate Communications and External Affairs division supports the City Corporation's strategic commitments, including delivery of the Policy Chairman's priorities and the Lord Mayor's theme.

The Executive Director of Environment

Small and Medium Enterprise Delivery (formerly SBREC)

The Small and Medium Enterprise Delivery (SMED) is a trusted business support resource based at the Guildhall in the City of London and supports SMEs, sole traders, start-ups and pre-startups. It offers flexible workspaces with dedicated WiFi, with affordable meeting rooms for hire. It provides members with free onsite access to a wide range of specialist business research data for the UK and worldwide. It also offers a subscription membership giving remote 24/7 access to a wider range of in-depth information and data. SMED works in partnership with many not-for-profit organisations, charities and learning institutions, partnering in projects and knowledge sharing, and delivering bespoke training. SMED delivers a regular programme of affordable business events supporting small business growth and tailored business start-up 121 advice, both in-person and digitally. SMED works closely with other City Corporation departments and sections, partnering in projects offering business support.

Appendix 2 – Summary by Risk Budget

POLICY AND RESOURCES SERVICES COMMITTEE Analysis of Service Expenditure By Risk and Chief Officer	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
LOCAL RISK - EXPENDITURE				
Employees	-9.415	-9.260	-9.745	-0.330
Premises Related Expenses	-0.181	-0.181	-0.172	0.009
Transport Related Expenses	-0.154	-0.154	-0.156	-0.002
Supplies and Services	-2.701	-2.718	-2.965	-0.264
Private Contractors	0.000	0.000	0.000	0
Contingencies	0.000	0.000	0.178	0
Transfer to Reserve	0.000	0.000	0.000	0
Savings to be Applied	0.000	0.000	0.000	0.000
TOTAL LOCAL RISK - EXPENDITURE	-12.451	-12.313	-12.860	-0.409
TOTAL LOCAL RISK - INCOME				
Charges for specific services		0.482	0.482	0.482
TOTAL LOCAL RISK - INCOME	0.482	0.482	0.482	0.000
NET LOCAL RISK	-11.969	-11.831	-12.378	-0.409
CENTRAL RISK - EXPENDITURE				
Employees	-1.672	-2.527	-2.179	-0.507
Premises Related Expenses	0.000	0.000	0.000	0
Transport Related Expenses	-0.004	-0.004	-0.004	0
Supplies & Services	-7.245	-8.245	-5.135	2.110
Capital Charges	-0.717	-0.717	-0.717	0
Contingencies	-1.150	-1.150	-1.550	-0.400
TOTAL CENTRAL RISK - EXPENDITURE	-10.788	-12.643	-9.585	1.203
CENTRAL RISK - INCOME				
Charges for specific services	0.000	0.000	0.000	0
Other Contributions	0.000	0.000	0.000	0
TOTAL CENTRAL RISK - INCOME		0.000	0.000	0.000
NET CENTRAL RISK	-10.788	-12.643	-9.585	1.203
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES	-22.757	-24.474	-21.963	0.794
Central Recharges	0.000	0.000	0.000	0.000
Capital Charges	-0.212	-0.212	-0.250	0
Recharges Within Fund	0.359	0.359	0.384	0.025
Recharges Across Funds	0.282	0.282	0.257	-0.025
Support Services	-4.878	-5.048	-5.918	-1.040
Cyclical Works Programme	-2.128	-2.218	-5.588	-3.458
TOTAL NET EXPENDITURE RECHARGED AS SUPPORT SERVICES	-6.577	-6.837	-11.113	-4.536

Appendix 3 – Staffing Table

Staffing Table	Original Budget 2024-25 (Staffing Full-time equivalent)	Original Budget 2024-25 (Estimated Cost £m)	Proposed Budget 2025-26 (Staffing Full-time equivalent)	Proposed Budget 2025-26 (Estimated Cost £m)
Resilience	5	0.399	5	0.414
Town Clerk's Charities	1	0.095	1	0.098
Deputy Town Clerk Total	6.0	0.494	6.0	0.512
Innovation & Growth	70.4	6.054	76.5	6.640
Climate Action Strategy	12.0	0.929	12.5	1.130
Executive Director of Innovation Growth	82.4	6.983	89.0	7.770
Ceremonial	17.0	1.370	17.0	1.430
Remembrancer	17.0	1.370	17.0	1.430
The Chamberlain	13.5	1.174	0.0	0.000
SME Delivery	9.6	0.612	10.3	0.530
Executive Director of Environment	9.6	0.612	10.3	0.530
Executive Director of Corporate Communication	31.0	2.413	44.1	3.311
Grand Total	159.5	13.046	166.4	13.553