

## City of London Corporation Committee Report

<b>Committee(s):</b> Licensing Committee	<b>Dated:</b> 06/02/2025
<b>Subject:</b> Revenue Budget 2025/26	<b>Public report:</b> For Decision
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• provides business enabling functions</li> </ul>	n/a
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	n/a
<b>Report of:</b> The Chamberlain Executive Director Environment	
<b>Report author:</b> Jenny Pitcairn, Chamberlain's Department	

### Summary

This report presents for approval the revenue budget for the Licensing Committee for 2025/26.

Overall, the proposed revenue budget for 2025/26 totals (£350k), a decrease in net expenditure of £5k compared to the 2024/25 Budget of (£355k).

The proposed budget for 2025/26 has been prepared within the resource envelope allocated to the Executive Director Environment by Resource Allocation Sub Committee, including an inflation increase of 2%.

The resource envelope must be adhered to, as failure to do so will impact Finance Committee's ability to set Council Tax rates for the year ahead and the requirement in law for the City to set a balanced budget.

## Recommendation(s)

Members are asked to:

- Review and approve the proposed revenue budget for 2025/26 for submission to Finance Committee.
- Agree that amendments for 2024/25 and 2025/26 budgets arising from changes to recharges, or any further implications arising from subsequently approved savings be delegated to the Chamberlain in consultation with the Executive Director Environment.

## Main Report

### Background

1. This report sets out the budget for 2024/25 and the proposed revenue budget for 2025/26 for your Committee and under the control of the Environment Department, analysed between:
  - **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 his/her control or are budgets of a corporate nature. (None within Licensing Committee)
  - **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.
2. In the various tables, income, increases in income, and reductions in expenditure are shown as positive balances, whereas brackets will be used to denote expenditure, increases in expenditure, or reductions in income.
3. The 2024/25 budget and provisional 2025/26 budget are summarised in Table 1 below.

<b>Table 1 Summary Revenue Budgets 2024/25 and 2025/26</b>	<b>Budget 2024/25 £'000</b>	<b>Proposed Budget 2025/26 £'000</b>
Expenditure	(999)	(1,054)
Income	637	682
Support Services and Capital Charges	7	22
<b>Total Net Expenditure</b>	<b>(355)</b>	<b>(350)</b>

### Proposed Revenue Budget for 2025/26

4. The proposed 2025/26 budget is net expenditure of (£350k), a decrease of £5k in net expenditure compared to the 2024/25 budget.

## Proposals

5. For 2025/26 budgets include a 2% uplift for inflation in accordance with Resource Allocation Sub-Committee guidelines. The resulting resource envelope must be adhered to, as failure to do so will impact Finance Committee's ability to set Council Tax rates for the year ahead and the requirement in law for the City to set a balanced budget. The budget has been prepared within the resource envelope allocated to the Executive Director Environment
6. Table 2 below summarises movements between the 2024/25 budget and the 2025/26 proposed budget.

<b>Table 2 Provisional Revenue Budgets 2025/26</b>	<b>Budget 2024/25 £'000</b>	<b>Proposed Budget 2025/26 £'000</b>	<b>Movement 2024/25 to 2025/26 £'000</b>	<b>Para Ref</b>
<b>LOCAL RISK</b>				
<b>Expenditure</b>				
Employees	(832)	(867)	(35)	7(i)
Premises Related Expenses	(34)	(35)	(1)	
Supplies and Services	(47)	(66)	(19)	7(ii)
Third Party Payments	(86)	(86)	0	
<b>TOTAL Expenditure</b>	<b>(999)</b>	<b>(1,054)</b>	<b>(55)</b>	
<b>Income</b>				
Customer, Client Receipts	637	682	45	7(iii)
<b>TOTAL Income</b>	<b>637</b>	<b>682</b>	<b>45</b>	
<b>TOTAL LOCAL RISK</b>	<b>(362)</b>	<b>(372)</b>	<b>(10)</b>	
<b>RECHARGES</b>				
Central Recharges	(146)	(132)	14	7(iv)
Recharges within Fund	(15)	(20)	(5)	
Recharges across Funds	168	174	6	
<b>TOTAL RECHARGES</b>	<b>7</b>	<b>22</b>	<b>15</b>	
<b>TOTAL NET EXPENDITURE</b>	<b>(355)</b>	<b>(350)</b>	<b>5</b>	

7. The significant movements (greater than £10k) between the budgets shown in Table 2 are attributable to:
  - i) Increases in pay costs due to pay awards and incremental progression.
  - ii) Mainly due to reinstatement of provision for the Safety Thirst Awards, and an increase of (£10k) in the cost of Environmental Health support for Massage & Special Treatment licence applications (reflecting current activity, and met by income).
  - iii) An anticipated increase in fee income reflecting current activity levels.
  - iv) The increase in net support services and capital charge income reflects changes in the budgets of departments and their apportionment between committees.

## Potential Further Budget Adjustments

8. The provisional nature of the 2025/26 Estimate recognises that further revisions may be required to realign funds for changes to central and departmental support

services apportionments as a result of the agreement of the estimates for these services (no changes are at present anticipated).

### Staffing Statement

9. Table 2 below shows the movement in employee numbers and related costs.

<b>Table 2 Staffing Summary</b>	<b>Budget 2024/25</b>		<b>Proposed Budget 2025/26</b>	
	Employees Full-time Equivalent	Estimated Cost £'000	Employees Full-time Equivalent	Estimated Cost £'000
<b>Service</b>				
<b>Total Licensing</b>	<b>10.7</b>	<b>(832)</b>	<b>10.7</b>	<b>(867)</b>

### Conclusion

10. This report presents the proposed budgets for 2025/26 for the Licensing Committee for Members to consider and approve.

### Appendices

- none

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