

<b>Committee(s):</b> Finance Committee – For Information	<b>Dated:</b> 1 <sup>st</sup> July 2025
<b>Subject:</b>  Revenue Outturn 2024/25 – Finance Committee Operational Services	<b>Public report:</b>  For Information
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• provides statutory duties</li> <li>• provides business enabling functions</li> </ul>	
<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; The Town Clerk; The City Surveyor; The Remembrancer; and Director of Community and Children's Services	
<b>Report author:</b> Dawit Araya, Finance Business Partner, Chamberlain's Department	

### Summary

This report presents a comparison between the 2024/25 revenue outturn for the services managed by your Committee and the budget for the year. It also includes details of the carry forward requests that have been submitted for consideration.

The budget for 2024/25 was set at £66.2m, reflecting an increase of £8.9 m (15%) from the initial budget of £57.3m. Appendix 1 provides a detailed breakdown of the main variations.

The total net expenditure on operational services managed by your committee was £66.3m, which is an overspend of £128,000 or 0.2%, compared to the budget of £66.2m. This comprised an underspending on local risk budgets of £801,000 and overspending on central risk budgets of £847,000 and a net overspending of £82,000 on Cyclical Works Programme (CWP) and Capital and Support Services recharges.

Appendix 3 compares in detail local risk outturn against the 2024/25 budget for each Chief Officer by division of service, including explanations of significant variations. Appendix 4 does the same for the central risk outturn.

A detailed review of local risk underspending reveals that the Chamberlain was £446,000 underspent due to staff vacancies and additional income and the Remembrancer was underspent by £1.073m mainly due to additional event income. Both have requested carry-forwards which total £508,000. These are detailed in Appendix 2. The City Surveyor had a minor underspending of £57,000 for the year, but has made no carry-forward request.

The Town Clerk was overspent by £758,000 principally at Mansion House largely due to additional security costs, some extra costs for building surveys for future works and some unrealised savings targets. On investigation it was felt that that budget allocation for 2024/25 for Mansion

House was insufficient and for 2025/26 it has been agreed that the budget will be uplifted to cover the identified shortfall pending a full zero-based budget exercise to inform budget setting for the Mansion House going forward.

## Recommendations

Members are asked to note:

- the 2024/25 revenue outturn which reveals a net £128,000 unfavorable variance from the budget.
- The proposed local risk carry-forwards totaling £508,000 to the fiscal year 2025/26.

## Main Report

### Budget Position for 2024/25

- The 2024/25 initial budget for services was £57.3m. This later increased to £66.2m to form the 2024/25 budget. The £8.9m increase is detailed below and by Chief Officer in Appendix 1.

<b>Table-1 Summary of Movements from Initial Budget to Budget 2024/25</b>	<b>Net £000</b>
<b>Initial Budget 2024/25</b>	<b>(57,346)</b>
Changes in the timing of cyclical repairs and maintenance works programme	(3,767)
Budget Transfer from other Committee to Commercial, change & Portfolio Delivery following the new structure	(1,794)
Contingency Allocations	(1,639)
Supplementary Revenue Projects and budget adjustments	(1,446)
Carry Forwards 2023-24 to 2024-25	(677)
Net movements including pay award, energy & contract inflation, apprentice funding and other minor changes	(497)
Reduction in Recharge Budgets	944
<b>Budget 2024/25</b>	<b>(66,222)</b>
Expenditure and unfavourable variances are presented in brackets.	

\*These variations are either approved within Chamberlain's delegations or by committee/court during the 24/25 budget setting process

### Revenue Outturn for 2024/25

- The actual net expenditure for operational services overseen by your committee was £66.3m, £128,000 more than the budget of £66.2m. Below is a summary comparison with the budget.

<b>Summary comparison of 2024-25 Revenue Outturn with Budget 2024/25</b>			
	<b>Budget 2024/25</b>	<b>Revenue Outturn £000</b>	<b>Variation Better / (Worse) £000</b>
<b>Direct Net Expenditure (local and central risk)</b>			
The Chamberlain	(36,610)	(36,248)	362
The Town Clerk	(2,852)	(3,991)	(1,139)
The City Surveyor	(16,432)	(16,756)	(324)
The Remembrancer	(259)	814	1,073
Director of Community and Children's Services	(65)	(83)	(18)
<b>Total Direct Net Expenditure</b>	<b>(56,218)</b>	<b>(56,264)</b>	<b>(46)</b>
Cyclical Works Programme	<b>(4,406)</b>	<b>(5,085)</b>	<b>(679)</b>
Capital and Support Services' Recharges	<b>(5,598)</b>	<b>(5,001)</b>	<b>597</b>
<b>Total Net Expenditure</b>	<b>(66,222)</b>	<b>(66,350)</b>	<b>(128)</b>

Expenditure and unfavourable variances are presented in brackets.

The total net overspend is £128,000 and the primary variations are as follows:

- Chamberlain's - £362,000 net expenditure decreased due to saving from vacant posts.
- Town Clerk – £1.139m higher net expenditure principally due security costs, some extra costs for building surveys for future works and some unrealized savings targets at Mansion House and to additional AV costs, electoral costs, and a number of other administrative items. It was felt the budget for Mansion House was insufficient in 2024/25 and this has been uplifted for 2025/26 pending a detailed budget review.
- City Surveyor - net expenditure increased by £324,000, primarily due to increased rates and reduced rental income.
- Remembrancer - net expenditure decreased by £1.073m due to higher event income, savings from vacant posts, and equipment costs.
- Director of Community & Children's Services – the £18,000 overspending relates to the additional cost of maintenance works on the Gresham almshouses
- Cyclical Works Programme (CWP) – increased expenditure on services covered by this committee of £679,000, particularly at the Guildhall Hall, due to a change in phasing of CWP projects and utilisation of savings from completed projects within the overall plan. In 2024/25 the overall CWP programme, across the City, was within budget. The overall outturn for the CWP is reported to Resource Allocation Sub-Committee.
- Capital and Support Service Recharges – reduction in net expenditure of £597,000. This variance primarily relates to the Guildhall complex where the provision for repayment of the City Fund notional loan for the 1950s Guildhall Reconstruction Project was no longer required as it has now been fully repaid. This provision has been removed for the 2025/26 budget.

Appendix 3 and Appendix 4 provide a detailed analysis of the variances over £50,000 in local and central risk budgets by chief officer and division of service.

### **Carry Forwards to 2024/25**

3. The Chamberlain and the Remembrancer have requested budget carry-forwards totaling £508,000 in respect of your committee. The details of these are shown in Appendix 2.

### **Appendices:**

Appendix 1 – Assessment of Financial Changes from Initial Budget to Budget 2024/25

Appendix 2 – Proposed Carry Forwards to 2025/26

Appendix 3 – Comparison of 2024/25 Revenue Outturn with the Budget and commentaries for Local Risk

Appendix 4 – Comparison of 2024/25 Revenue Outturn with the Budget and commentaries for Central Risk

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**Finance Committee Operational Services**  
**Assessment of Financial Changes from Initial to Budget 2024/25**

Review of Changes from 2024/25 Initial Budget to Budget 2024/25	
<b>Local Risk Budget Movements by Chief Officer</b>	<b>£000</b>
<b>Local Risk Initial Budget (Chamberlain)</b>	<b>(14,506)</b>
Contingency Allocation for Natural Environment Charity, Commercial, Change & Portfolio Delivery & Backdate Agency Cost	(1,340)
Budget Transfer from other Committee to Commercial following the new structure	(1,110)
Carry Forwards 2023-24 to 2024-25 - FSD & Cost of Collection Transformation	(317)
2024 Pay Award, apprentice funding and income from London Councils	(192)
<b>Local Risk Budget 2024/25 (Chamberlain)</b>	<b>(17,465)</b>
<b>Local Risk Initial Budget (Town Clerk)</b>	<b>(1,394)</b>
Change in Surveyor's Repairs & Maintenance, Cleaning & Security budget	(576)
Pay Award 2024	98
<b>Local Risk Budget 2024/25 (Town Clerk)</b>	<b>(1,872)</b>
<b>Local Risk Initial Budget (City Surveyor)</b>	<b>(10,702)</b>
Changes in Surveyor's Repairs & Maintenance budget	(3,191)
Pay Award 2024, Vacancy Allowance & Energy & Contract inflation budget uplift	(385)
Contingency Allocation for Backdate Agency Cost	(2)
Carry Forwards deficit-CS	40
<b>Local Risk Budget 2024/25 (City Surveyor)</b>	<b>(14,240)</b>
<b>Local Risk Initial Budget (Remembrancer)</b>	<b>351</b>
Carry Forwards from 23-24	(400)
2024 Pay Award & apprentice funding	(18)
<b>Local Risk Budget 2024/25 (Remembrancer)</b>	<b>(67)</b>
<b>Total Local Risk Final Budget</b>	<b>(33,644)</b>

These variations are either approved within Chamberlain's delegations or by committee/court during the 24/25 budget setting process  
Review of Changes from 2024/25 Initial Budget to Budget 2024/25 (continued overleaf)

Central Risk Budget Movements by Chief Officer	£000
<b>Central Risk Initial Budget (Chamberlain)</b>	<b>(18,461)</b>
Virement following restructuring of Commercial, Change & Portfolio Delivery restructuring	(684)
<b>Central Risk Budget 2024/25 (Chamberlain)</b>	<b>(19,145)</b>
<b>Central Risk Initial Budget (Town Clerk)</b>	<b>(683)</b>
Contingency RASC away day, Summer event & lunch	(297)
<b>Central Risk Budget 2024/25 (Town Clerk)</b>	<b>(980)</b>
<b>Central Risk Initial Budget (City Surveyor)</b>	<b>(5,152)</b>
Increase in Supplementary Revenue Projects	(1,446)
<b>Central Risk Budget 2024/25 (City Surveyor)</b>	<b>(6,598)</b>
<b>Central Risk Budget 2024/25 (Remembrancer)</b>	<b>(192)</b>
<b>Central Risk Budget 2024/25 (Director of Community and Children's Services)</b>	<b>(65)</b>
<b>Total Central Risk Budget 2024/25</b>	<b>(26,980)</b>
<b>Capital and Support Services Initial Budget</b>	<b>(6,542)</b>
Net movement in central recharges	944
<b>Capital and Support Services Budget 2024/25</b>	<b>(5,598)</b>
<b>TOTAL 2024/25 INITIAL BUDGET</b>	<b>(57,346)</b>
<b>MOVEMENT</b>	<b>(8,876)</b>
<b>TOTAL BUDGET 2024/25</b>	<b>(66,222)</b>
Figures in brackets indicate expenditure, increase in expenditure or decreases in income.	

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Requests For Budget to Be Carried Foreward From 2024/25 to 2025/26	
	Requested Carry Forward To 2025-26 £000
<i>Chamberlain's Department</i>	
<b>Internal Audit</b> - required for 3rd party/co-sourced internal audit resource to support delivery of the Internal Audit Plan. This is work not completed in 2024/25 and work that requires 3rd party provision to preserve independence.	20
<b>Chamberlain's Commercial Team</b> - To fund the ongoing need for the portfolio management implementation team in order to support the launch of the new governance framework post-recess	198
<b>Total Chief Financial Officer and Chamberlain</b>	<b>218</b>
<i>Remembrancer's Department</i>	
<b>Guildhall Functions</b> - Replacement AV in Guildhall event spaces to ensure high level commercial events and City uses can be delivered to ensure facilities remain fit for purpose and competitive when attracting commercial clients.	190
<b>Parliamentary</b> - £100k is requested to fund the City Corporation's ongoing partnership with the Standing International Forum of Commercial Courts (SIFoCC) in 2025/26.	100
<b>Total Remembrancer</b>	<b>290</b>
<b>Total</b>	<b>508</b>

### Note of Carry-Forward Rules

Financial Regulation 2.16 provides that any surpluses on a department's local risk budgets may be carried forward provided that these do not include any fortuitous savings outside the control of the Chief Officer and are carried forward for a specific purpose. The cumulative underspending which is to be carried forward is limited to 10% of the Chief Officer's local risk budget, up to a general maximum of £500,000 or £1,000,000 in the case of the City Surveyor. Carry-forward bids are agreed by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub (Policy and Resources) Committee (RASC). Any deficit on the total of a Chief Officer's local risk budget is required to be carried forward and recovered from within the department's budget allocation for the following year unless specifically waived directly by the Finance Committee.

## Finance Committee Operational Services

### Comparison of 2024/25 Revenue Outturn with Budget 2024/25 for Local Risk

Comparison of 2024/25 Revenue Outturn with Budget 2024/25- Local Risk				
Local Risk	Budget 2024/25 £000	Revenue Outturn £000	Variation Better / (Worse) £000	Notes
<b>By Chief Officer</b>				
<b>Local Risk</b>				
The Chamberlain	(17,465)	(17,019)	446	
The Town Clerk	(1,872)	(2,630)	(758)	
The City Surveyor	(9,834)	(9,777)	57	
The Remembrancer	(67)	989	1,056	
<b>Total Local Risk</b>	<b>(29,238)</b>	<b>(28,437)</b>	<b>801</b>	
<b>By Division of Service</b>				
Chamberlain's - General	(9,427)	(9,460)	(33)	
Chamberlain's - Internal Audit	(747)	(769)	(22)	
Chamberlain's - Business Support	(1,149)	(788)	361	i
Chamberlain's - Commercial	(4,075)	(3,877)	198	ii
Chamberlain's Court	(140)	(38)	102	iii
Chamberlain's - Cost of Collection	(1,927)	(2,087)	(160)	iv
Town Clerk - Corporate Services	(35)	(43)	(8)	
City Surveyor - Central Criminal Court	(479)	(559)	(80)	v
Town Clerk - Shrieval Support	(313)	(357)	(44)	
Town Clerk - Mansion House Premises	(1,524)	(2,230)	(706)	vi
City Surveyor - Mayor's Court	(39)	(40)	(1)	
City Surveyor - Walbrook Wharf	(1,020)	(1,027)	(7)	vii
City Surveyor - Guildhall Complex	(8,296)	(8,151)	145	viii
Remembrancer - Guildhall Complex	(67)	1,008	1,075	ix
Remembrancer - Corporate Services	0	(19)	(19)	
<b>Division of Service Totals</b>	<b>(29,238)</b>	<b>(28,437)</b>	<b>801</b>	

Figures in brackets indicate expenditure, increase in expenditure or decreases in income.

The local risk favorable variance of £801,000 compared to the budget primarily consists of:

- i **Chamberlain's Business Support reported an underspend of £361,000**, primarily due to vacant posts, including those transferred from the Chief Operating Officer and reallocated in 2025/26, and lower-than-anticipated training budget requirements.
- ii **Chamberlain - Commercial Team £198,000 underspend** –savings on salaries due to not being able to fill key roles within the commercial team. These positions are being

recruited over the next few months with a focus on bolstering internal capacity and capabilities to effectively manage change and focus on organisational preparedness for change.

- iii **Chamberlain's Court £102,000 underspend** - Underspending principally relates to increased income from Freedom ceremonies due to increased activity and charges.
- iv **Chamberlain - Cost of Collection £160,000 overspend** – mainly due to offsite processing costs for NNDR, partially balanced by recovered income from NNDR and Council Tax legal costs, salary savings from staff vacancies, and additional third-party cost recovery.
- v **City Surveyor - Central Criminal Court £80,000 overspend** – Mainly due to Increased salary, energy and repairs and maintenance costs.
- vi **Town Clerk - Mansion House Premises £706,000 overspend** – is principally due to additional security costs, some extra costs for building surveys for future works and unrealised savings targets. On investigation it was felt that budget allocation for 2024/25 was insufficient and for 2025/26 it has been agreed that the budget will be uplifted to cover the shortfall pending a full zero based budget exercise to inform Mansion House budget setting going forward.
- vii **City Surveyor - Guildhall Complex- City Surveyor £145,000 underspend** – due to less reactive repairs and maintenance works than anticipated and savings on equipment, furniture and materials budgets due to lower requirements.
- viii **Remembrancer - Guildhall Complex- Remembrancer £1.075m underspend** - The underspend is primarily attributed to increased income from hosting larger and more events in 2024/25, savings from a staff vacancy, transportation savings, and slippage on the AV upgrade project.



**Finance Committee Operational Services**  
**Comparison of 2024/25 Revenue Outturn with Budget 2024/25 For Central Risk**

<b>Comparison of 2024/25 Revenue Outturn with Budget 2024/25 - Central Risk</b>				
<b>Central Risk</b>	<b>Budget 2024/25 £000</b>	<b>Revenue Outturn £000</b>	<b>Variation Better / (Worse) £000</b>	<b>Notes</b>
<b>By Chief Officer</b>				
<b>Central Risk</b>				
The Chamberlain	(19,145)	(19,229)	(84)	
The Town Clerk	(980)	(1,361)	(381)	
The City Surveyor	(6,598)	(6,979)	(381)	
The Remembrancer	(192)	(175)	17	
Director of Community and Children's Services	(65)	(83)	(18)	
<b>Total Central Risk</b>	<b>(26,980)</b>	<b>(27,827)</b>	<b>(847)</b>	
<b>By Division of Service</b>				
Chamberlain's - General	(19,495)	(17,807)	1,688	i
Chamberlain's - City Moiety	315	331	16	
Chamberlain's - Discretionary Expenditure	(763)	(756)	7	
Chamberlain's - Business Support	0	(215)	(215)	ii
Chamberlain's - Commercial	(684)	(571)	113	iii
Chamberlain's - Cost of Collection	1,482	(211)	(1,693)	iv
Town Clerk - Corporate Services	(791)	(1,148)	(357)	v
City Surveyor - Central Criminal Court	(952)	(865)	87	vi
Town Clerk - Mansion House Premises	(189)	(213)	(24)	
City Surveyor - Walbrook Wharf	(1,041)	(1,083)	(42)	vii
City Surveyor - Guildhall Complex	(4,605)	(5,031)	(426)	viii
Remembrancer - Guildhall Complex	204	203	(1)	
Remembrancer - Corporate Services	(396)	(378)	18	
Director of Community and Children's Services	(65)	(83)	(18)	
<b>Division of Service Totals</b>	<b>(26,980)</b>	<b>(27,827)</b>	<b>(847)</b>	

Figures in brackets indicate expenditure, increase in expenditure or decreases in income.

The Central risk unfavourable variance of £847,000 against the budget principally comprises of:

- i **Chamberlain - General £1.688m underspend** – mainly due to additional income being recognised under Finance Committee due to insufficient information being provided by the payee to allow more detailed coding. Research by City staff is continuing in the new financial year to resolve the matter.
- ii **Chamberlain Business Support £215,000 overspend** – Mainly due to increased WorldPay charges from higher transaction volumes, partially offset by higher interest

receipts from cash balances due to rising interest rates.

- iii **Chamberlain - Commercial £113,000 underspend** – primarily results from additional funding for agency costs to assist with restructuring and interim capacity to deliver strategic change programmes not being fully needed in 2024/25.
- iv **Chamberlain Cost of Collection £1.693m Overspend** - primarily attributed to decreased income from the 2024/25 national non-domestic rates cost of collection allowance.
- v **Town Clerk £357,000 overspend** - This overspend is primarily due to additional AV costs, additional costs in relation to the recent elections, and a number of other administrative items
- vi **City Surveyor Central Criminal Court £87,000 underspend** – primarily due to a successful business rate rebate appeal.
- vii **City Surveyor - Walbrook Wharf £42,000 overspend** – primarily due to higher rates and additional premises costs.
- viii **City Surveyor - Guildhall Complex £426,000 Overspend** – primarily attributed to increased rates and a reduction in rental income for 65a Basinghall Street