

Committee:	Date:
Corporate Services Committee	22 nd October 2025
Subject: Revenue Outturn 2024-25	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	No
Report of: The Deputy Town Clerk, The Chief People Officer, The Chamberlain, The Comptroller and City Solicitor	For Information
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Summary

This report compares the revenue outturn for the services overseen by your Committee in 2024-25 with the final budget for the year. It also details the approved carry forward.

The outturn presented in this report are for the services, which are summarised below:

- i) **Deputy Town Clerk** – Town Clerk's Department, Corporate Services and Health and Safety.
- ii) **Comptroller and City Solicitor** – Comptroller and City Solicitor's Office
- iii) **Chief People Officer** – Corporate HR.

Overall total net expenditure during the year was £12.640m whereas the budget was £14.050m representing an overspend of £1.411m as summarised below.

Chief Officer	Final Agreed Budget 24/25 £000's	Revenue Outturn 24/25 £000's	Variance (Worse)/Better against Final Budget £000's
Comptroller and City Solicitors	(1,673)	(2,608)	(0,935)
Deputy Town Clerk	(4,717)	(4,396)	0,321
Executive Director of HR & Chief People Officer	(6,250)	(7,047)	(0,797)
Net Expenditure	(12,640)	(14,051)	(1,411)

Expenditure and unfavourable variances are presented in brackets.

The overall outturn overspends of £1.411m comprises variations across several services which are detailed later in this report. The main variations are:

- **Comptroller and City Solicitor - increased net expenditure of £0.935m-** Overspend by £0.735m this was due to the following unbudgeted pressures, external advice on an employee relations issue £0.085m, an additional pension strain of £0.150m, unfunded external legal fees £0.050K, additional locum staffing costs of 4 FTE's to deal with long-term sickness absences and a significant increase in property work £0.450m (Externalising this work would have an estimated minimum cost of £1.600m even at discounted LBLA rates and significantly higher costs at open market rates). These posts were essential to manage additional work related to property projects including London Museum, Salisbury Square, Barbican, Smithfield development and markets. £200k pressure due to no commercial property transaction related legal fee income being received.
- **Deputy Town Clerk's - decreased net expenditure of £0.321m –** This underspend relates to £0.109m within Health & Safety mainly due to £0.070 carry-forward request related to work on the Health and Safety strategy. Also, Corporate Services had an underspend of £0.241m due to an underspend on Computer Licences and payments to Other Bodies. The Town Clerk's office had a slight pressure of £0.030m due to staffing costs which was offset against above underspends.
- **Chief People Officer- increased net expenditure of £0.797m –** Pressure has arisen due to £0.659m overspend in HR in conjunction with the ongoing restructure with additional agency costs and consulting fees. This should be reduced in 25/26 as an updated, increased, budget to match this new HR structure is implemented. £0.138m overspend on staff training was due to the additional resource needed for the enhanced training offer and will be ongoing through the implementation of the People Strategy.

The Deputy Town Clerk has carry-forward amounts of £0.070m agreed and these are detailed on page 5.

Recommendations

Members are asked to note the:

- Revenue outturn for 2024/25 showing an overall adverse variance to final budget of £1.411m; and
- Agreed carry forward requests of local risk budgets of £0.070m to 2025/26.

In Report

Budget Position for 2024-25

1. The 2024-25 original budget for the services overseen by your Committee was £9.688m as endorsed by the Court of Common Council in March 2025. This has subsequently been increased to a final budget of £12.64m. An analysis of

the increase of £2.952m is provided in Appendix 1. Note: Chief Strategy Officer budgets moved from Corporate Services Committee to Policy and Resources Committee as stated in the Estimates report on the 8th of January 2025.

Revenue Outturn for 2024-25

2. As indicated in the table in the summary, actual net expenditure for your Committee's services during 2024-25 totalled £14.051m compared to a budget of £12.640m, resulting in an overspend of £1.411m. A comparison of the final budget with the revenue outturn by Chief Officer is shown in the Summary and is analysed by risk in the table below.

	Final Budget	Revenue Outturn	Variations Better/(Worse) against Final Budget	Notes
	£000	£000	£000	
Chief Officer				
Local Risk				
The Deputy Town Clerk	(4,386)	(4,210)	176	3i)
The Chief People Officer	(4,830)	(5,633)	(803)	3ii)
The Comptroller and City Solicitor	(1,873)	(2,608)	(735)	3iii)
Total Local Risk	(11,089)	(12,451)	(1,362)	
Central Risk				
The Deputy Town Clerk	(331)	(186)	145	4i)
The Chief People Officer	(1,420)	(1,414)	6	4ii)
The Comptroller and City Solicitor	200	0	(200)	4iii)
Total Central Risk	(1,551)	(1,600)	(49)	
Net Expenditure	(12,640)	(14,051)	(1,411)	

Expenditure and unfavourable variances are presented in brackets.

3. The main reasons for the variation to the **local risk budgets** are:

- i. **The Deputy Town Clerk - £0.176m underspend** - The underspend relates to underspends due to staff vacancies and £0.070m carry-forward request related to the Health and Safety Strategy.
- ii. **The Chief People Officer - £0.803m overspend** – £665k overspend in HR is in conjunction with the ongoing restructure with additional agency costs and consulting fees, this will be reduced in

25/26 as an updated, increased, budget to match this new HR structure is implemented. £138k overspend on staff training was due to the additional resource needed for the enhanced training offer and will be ongoing through the implementation of the People Strategy.

- iii. **The Comptroller and City Solicitor - £0.735m overspend** – Local Risk Budget was overspent by £0.735m this was due to the following unbudgeted pressures, external advice on an employee relations issue £0.085m, an additional pension strain of £0.150m, unfunded external legal fees £0.050m, additional locum staffing costs of 4 FTE's to deal with long-term sickness absences and a significant increase in property work £0.450m (Externalising this work would have an estimated minimum cost of £1.600m even at discounted LBLA rates and significantly higher costs at open market rates).

4. The main reasons for the variation to the **central risk budgets** are:

- i. **The Deputy Town Clerk - £0.145m underspend** – The drivers of this underspend are: Health and Safety (£0.038m), Corporate Services (£0.102m) related to underspends on Computer Licences and payments to Other Bodies & Town Clerk's Office (0.005m) underspend in relation to staffing.
- ii. **The Chief People Officer - £0.006m underspend** – minimal underspend.
- iii. **The Comptroller and City Solicitor - £0.200m overspend** was a result of no commercial property transaction related legal fee income being received.

Carry Forwards to 2025-26

- 5. . There is one carry-forward request, totalling £0.070m. This relates to local risk budget and falls within the Deputy Town Clerk's area, representing a planned carry-forward to accommodate activity associated with the development of the Health & Safety Strategy.

Year-end position and financial pressure in 2025/26

- 6. Looking forward to 2025/26 there is an identified financial risk.

Appendices

- Appendix 1 – Analysis of movements from 2024-25 Original Budget to 2024-25 Final Budget

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APPENDIX 1

Analysis of movements 2024-25 Original Budget to Final Budget	£'000
Original local risk budget (Deputy Town Clerk)	(4,127)
July '24 Pay Award	(43)
Transfer of Communications Staffing Budgets to Communications Director	185
Contingency Drawdown for Deputy Town Clerk	(210)
London Council Contribution	57
Virement from Innovation & Growth to Deputy Town Clerk	(248)
Final local risk budget (Deputy Town Clerk)	(4,386)
Original local risk budget (Chief People Officer)	(4,081)
July '24 Pay Award	(54)
Allocation for centrally funded apprentices	(98)
Allocation of Apprenticeship Budget	46
Drawdown from Contingencies	(665)
Corporate Volunteering	(40)
Staffing Budget from HR to Communications	62
Final local risk budget (Chief People Officer)	(4,830)
Original local risk budget (Comptroller and City Solicitor)	(1,453)
July '24 Pay Award	(88)
Contingency Drawdown	(332)
Final local risk budget (Comptroller and City Solicitor)	(1,873)
Original central risk budget (Deputy Town Clerk)	(227)
July '24 Pay Award	(1)
Transformation Fund Allocation from contingency	(60)
Transformation Fund Carry Forward to 2024-25	(43)
Final central risk budget (Deputy Town Clerk)	(331)
Original central risk budget (Chief People Officer)	(0)
July 24' Pay Award	(8)
Contingency Drawdown	(1,412)
Apprenticeship Contingency Budget allocated to fund Apprentices	688
Final central risk budget (Chief Operating Officer)	(1,420)
Original central risk budget (Comptroller and City Solicitor)	200
Final central risk budget (Comptroller and City Solicitor)	200
Total original budget	(9,688)
Total increase	(2,952)
Total final budget	(12,640)

