

City of London Corporation Committee Report

Committee(s): Market Board – For decision	Dated: 06/11/2025
Subject: Revenue and Capital Budgets 2026/27	Public report: For Decision
Does this proposal require extra revenue and/or capital spending?	Yes
If so, how much?	
What is the source of Funding?	City Cash and City's Fund Reserves
Has this Funding Source been agreed with the Chamberlain's Department?	Yes, within cash limits
Report of:	The Chamberlain The Director of Markets
Report author:	Afsana Rahman Chamberlain's Department

Summary

This report is the annual submission of the revenue and capital budgets overseen by your Board. It is asking Members to note the approved revised revenue budget for 2025/26 and approve the draft revenue and capital budgets for 2026/27, for subsequent submission to Finance Committee

The draft budget for 2026/27 has been prepared in line with the budget guidelines set by the Resource Allocation sub Committee (RASC).

The 2026/27 Draft Estimate, presented in this report, totals net expenditure of £1.341m, compared to the 2025/26 Original Budget net expenditure of £1.509m, a decrease of (£168k).

The report also presents the staffing statement for 2026/27 as well as an Operating Statement for both the Approved Revised Budget for 2025/26 and the Original Budget for 2026/27 for the areas under the Boards control. This is included at Appendix 4.

The 2025/26 Budget is also presented in this report in Appendix 1 for information. This totals net expenditure of £1.378m, a decrease of £131k compared with the 2025/26 Original Budget of net expenditure of £1.509m.

Recommendation(s)

Members are asked to:

- i) note the revenue budget for 2025/26 for Markets Board.
- ii) critically review and approve the Markets Board draft revenue budget for 2026/27, which has been composed in line with RASC guidelines, for submission to Finance Committee.
- iii) review and approve the Markets Board draft capital and supplementary revenue projects budgets for 2026/27 for submission to Finance Committee.
- iv) agree that any amendments for 2025/26 and 2026/27 budgets arising from changes to recharges, energy costs and any other minor changes be delegated to the Chamberlain in consultation with the City Surveyor.

Main Report

Background

1. This report sets out the approved revenue budget for 2025/26 and the draft revenue and capital for 2026/27 for your board and under the control of the City Surveyor, analysed between:
 - a. **Local Risk Budgets** – these are budgets deemed to be largely within the Chief Officer's control.
 - b. **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.
 - c. **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 this and subsequent tables, figures without brackets indicate expenditure, decreases in income, or increases in expenditure. Figures with brackets represent income, increases in income, or decreases in expenditure.
3. The 2025/26 budget and draft 2026/27 budget, summarised in Table 1 below, are analysed by risk, fund, and Chief Officer in Appendix 1.

Table 1 –Revenue Budget 2025/26 & 2026/27				
	Original Budget 2025/26 £'000	Approved changes 2025/26 £'000	Budget 25/26 £'000	Draft Budget 2026/27 £'000
Expenditure (Income)	17,552 (19,653)	(181) 37	17,371 (19,616)	17,691 (19,970)
Net	(2,101)	(144)	(2,245)	(2,279)
Support Services and Capital Charges	3,610	13	3,623	3,620
Total Net Expenditure / (Income)	1,509	(131)	1,378	1,341

Latest Revenue Budget for 2025/26

- Appendix 1 provides shows the budget movements between the 2025/26 Original Budget as agreed by Markets Committee in November 2024, the 2025/26 Budget and the 2026/27 Draft Estimate.

Draft Revenue Budget for 2026/27

- Total net expenditure for 2026/27 amounts to £1.341m, a decrease of £168k compared with the Original Budget for 2025/26 of £1.509m net expenditure as agreed by Markets Committee in November 2024.
- As advised by Resource Allocation Sub Committee, the 2026/27 Draft Estimate includes a 3% uplift for inflation. The build up to the full 2026/27 Local Risk cash limit it set out below.

Local Risk Cash Limit	Billingsgate	Smithfield	Spitalfields	Car Park	Directorate	Total
	£000's	£000's	£000's	£000's	£000's	£000's
2025/26 base	222	1,304	156	(216)	436	1,902
Mobile saving					(3)	(3)
Adj. July 24 Pay Award	24	48	24		7	103
Adj. Emp NI increase	14	1	17		4	36
Inflation 3%	8	42	6	(6)	13	62
2026/27 base	268	1,394	203	(222)	457	2,100

Other items to note:

- Members should note that the Cyclical Works Programme (CWP) figures included in this report relate to the Market's Board elements of the newly approved £133m programme for the City overall. The Capital projects that are being delivered as part of the 5 year programme are set out in Appendix 5.

- Support services, City Surveyor managed costs and capital charges budgets reflect the attribution and cost of central departments. However, the full budgets for these departments have not yet been finalised, so further changes to these budgets may be required. Members are asked to agree that the decision as to the changes required to these budgets are delegated to the Chamberlain in consultation with the City Surveyor.

Operating Statement

7. The operating statement which shows the financial position of the budgets controlled by this Board is shown in Appendix 4.

Staffing Statement

8. The below table analyses the movement in manpower and related staff costs. This shows a reduction of 13 FTE's from 110.1 to 97.1 and a decrease in total employee costs of (£649k) from £6.63m to £5.981 due to the transfer of staff from Billingsgate Market cleaning team to the new Cleaning supplier and staff employed for the Market re-location project now having left CoL.

Table 2 - Staffing Statement OR 2025/26- OR 2026/27

	Original Budget 2025/26		Original Budget 2026/27		Movement £'000
	Manpower Full-time Equivalent	Estimated Cost £'000	Manpower Full-time Equivalent	Estimated Cost £'000	
Directorate	4.5	512	3.5	401	(111)
New Spitalfields Market	31.3	1,728	31.5	1,821	93
Smithfield Market	38.7	2,231	37.5	2,230	(1)
Billingsgate Market	35.6	2,159	24.6	1,529	(630)
Total Markets	110.1	6,630	97.1	5,981	(649)

Draft Capital Project Budgets for 2025/2026

9. The latest estimated costs of the Board's current approved capital and supplementary revenue projects (which are formed of new Cyclical Works approvals) are summarised in Appendix 5.
10. 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.

Conclusion

This report presents the draft 2026/27 budgets for Markets Board for Members to consider and approve.

Appendices

- Appendix 1 – Board Summary Budget by Risk, Fund and Chief Officer
- Appendix 2 – Original Budget 2025/26 to Original Budget 2026/27
- Appendix 3 - Original Budget 2025/26 to Original Budget 2026/27 Movement Notes
- Appendix 4 – Wholesale Markets Operating Statement 2025/26 Approved Revised Budget and 2026/27 Draft Estimate
- Appendix 5 – Capital Forecast 2025/26 and 2026/27

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