

City of London Corporation Committee Report

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| Committee(s): Port Health & Environmental Services Committee – For decision | Dated: 20/01/2026 |
| Subject: Revenue and Capital Budgets 2026/27 | Public report: For Decision |
| This proposal: <ul style="list-style-type: none">• provides business enabling functions | N/A |
| 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? | N/A |
| Report of: | The Chamberlain Executive Director Environment |
| Report author: | Jenny Pitcairn, Chamberlain's Department |

Summary

This report presents for approval the revenue and capital budgets for the Port Health and Environmental Services Committee for 2026/27.

Overall, the proposed revenue budget for 2026/27 totals £23.825m, an increase in net expenditure of £4.254m compared to the 2025/26 budget of £19.571m.

The main changes are:

- An increase in City Surveyor repairs and maintenance, mainly relating to allocation of agreed Cyclical Works Programme in relation to your Committee's properties, £2.313m
- A net increase in central and departmental recharges, £0.534m
- Removal of Unidentified Savings balance, achieved through savings across the Environment Department, £0.753m
- Increases in pay costs due to National Insurance rate change, pay awards, incremental and career grade progression, £0.458m

The proposed budget for 2026/27 has been prepared within the resource envelope allocated to the Executive Director Environment, including an inflation increase of 3%.

Recommendation(s)

Members are asked to:

- a) Note the budget for 2025/26.
- b) Review and approve the proposed revenue budget for 2026/27 for submission to Finance Committee.
- c) Note the approved capital budgets for 2026/27.
- d) Agree that minor amendments for 2025/26 and 2026/27 budgets arising from changes to recharges or for any further implications arising from energy price increases and other reviews and changes to the capital charges during budget setting are delegated to the Chamberlain in consultation with the Executive Director Environment.

Main Report

Background

1. This report sets out the budget for 2025/26 and the proposed revenue budget for 2026/27 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 their control or are budgets of a corporate nature.
 - **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, expenditure, increases in expenditure and reductions in income are shown as positive balances, whereas brackets are used to denote income, increases in income, or reductions in expenditure. Only significant variances (generally those greater than £50,000) have been commented on.
3. The 2025/26 budget and provisional 2026/27 budget, summarised in Table 1 overleaf, are analysed by risk, fund and Chief Officer in Appendix 1.

| Table 1 Summary Revenue Budgets 2025/26 and 2026/27 | Budget 2025/26 | Budget 2026/27 | Movement 2025/26 Budget to 2026/27 Budget £'000 |
|--|---------------------------------|---------------------------------|--|
| | £'000 | £'000 | |
| Expenditure | 36,325 | 41,163 | 4,838 |
| Income | (23,654) | (24,772) | (1,118) |
| Support Services and Capital Charges | 6,900 | 7,434 | 534 |
| Total Net Expenditure | 19,571 | 23,825 | 4,254 |

4. Your Committee's approved capital budgets are detailed in Appendix 4 and are shown for information as they will be included in the overall published budget books.

Assumptions

5. The budget for 2026/27 incorporates a 3% uplift for inflation in accordance with Resource Allocation Sub-Committee guidelines.
6. The pay award for July 2025 has been approved at 3.2% which is 1.2% above the budgetary provision. Members are to note this increase above the 2% pay inflation allocated for 2025/26 will need to be met through savings within Chief Officers' local risk budgets. Any pay adjustment for 2026/27 has yet to be decided. This has therefore not been reflected in this budget.
7. Members should note this report does not include forecast energy price increases for the 2026/27 financial year, other than the 3% budgetary inflation allowed.
8. The budget for 2026/27 has been prepared within the resource envelope allocated to the Executive Director Environment.

Budget 2025/26 and Proposed Budget 2026/27

9. The proposed budget for 2026/27 totals £23.825m, an increase of £4.254m compared to the budget for 2025/26.
10. Appendix 2 provides an analysis of the budget movements by service from the 2025/26 budget to the 2026/27 budget. The main reasons for the net increase are:
 - Repairs and Maintenance budgets allocated as part of the agreed Cyclical Works Programme (CWP) to clear the backlog of repairs works across the City's operational estate, £2.313m.
 - Removal of Unidentified Savings balance, achieved through savings across the Environment Department, £0.753m
 - A net increase in central and departmental recharges, £0.534m
 - Increases in pay costs due to National Insurance rate change, pay awards, incremental and career grade progression, £0.458m
 - Cleansing contracts price inflation, £0.393m

- Establishment of a Building Safety Enforcement Team, £0.350m
- Changes in fees and charges income:
 - Animal Health Services, £0.328m
 - Cemetery & Crematorium, (£0.475m)
- An increase in transfers from reserves for Port Health, (£0.500m)

11. Appendix 3 contains an analysis of the budget movement, detailing the submissions to your Committee, the progression toward the agreed 2025/26 budget and the development leading to the proposed 2026/27 budget.

Potential Further Budget Adjustments

12. The provisional nature of the proposed 2026/27 budget recognises that further revisions may be required to realign funds for:

- a. 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)
- b. As noted in paragraph 7, the 2026/27 estimate excludes projected energy price increases for that year. A separate provision will be allocated as needed, if the Chamberlain assesses that energy cost inflation cannot be managed within local risk budgets.

Staffing Statement

13. A summary staffing statement is set out in Table 2 below.

| Table 2 Staffing Summary | Budget 2025/26 | | Budget 2026/27 | |
|---|-------------------------------------|----------------------------|-------------------------------------|----------------------------|
| Service | Staffing Full-time Equivalent | Estimated Cost £'000 | Staffing Full-time Equivalent | Estimated Cost £'000 |
| Public Conveniences | 1.3 | 104 | 1.3 | 106 |
| Public Conveniences - agency staff | - | 445 | - | 492 |
| Waste Collection | 8.2 | 667 | 9.0 | 737 |
| Street Cleansing | 6.5 | 586 | 6.3 | 585 |
| Waste Disposal | 4.9 | 407 | 4.9 | 413 |
| Transport Organisation | 2.2 | 154 | 2.2 | 158 |
| Cleansing Services Management | 5.5 | 401 | 4.5 | 410 |
| Coroner | 3.6 | 344 | 3.6 | 394 |
| City Environmental Health | 30.4 | 2,514 | 33.3 | 2,916 |
| Animal Health Services | 46.2 | 2,935 | 43.6 | 2,963 |
| Trading Standards | 5.8 | 468 | 5.7 | 476 |
| Port and Launches | 104.5 | 7,011 | 101.1 | 7,199 |
| Cemetery and Crematorium | 66.9 | 3,270 | 66.9 | 3,358 |
| Total Port Health and Environmental Services | 286.0 | 19,288 | 282.4 | 20,189 |

Draft Capital and Supplementary Revenue Budgets for 2026/27

14. The latest estimated costs of the Committee's current approved capital and supplementary revenue projects total £5.042m, with a breakdown presented at Appendix 4.

Conclusion

15. This report presents the proposed budget for 2026/27 for the Port Health and Environmental Services Committee for Members to consider and approve.

Appendices (four)

- Appendix 1 – Committee Summary Budget – by Risk, Fund and Chief Officer
- Appendix 2 – 2025/26 Budget to 2026/27 Proposed Budget
- Appendix 3 – Summary of Budget Movements from 2025/26 Budget to 2026/27 Budget (cash limit)
- Appendix 4 – Capital and Supplementary Revenue Project Budgets

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