

Committee(s)	Dated:
Planning & Transportation Committee	19/01/2026
Subject: Revenue and Capital Budgets 2026/27	Public For Decision
This proposal: • provides business enabling functions	n/a
Does this proposal require extra revenue and/or capital spending?	N/A
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: Dipti Patel, Chamberlain's Department	

Summary

This report presents for approval the revenue and capital budgets for the Planning & Transportation Committee for 2026/27.

Overall, the proposed revenue budget for 2026/27 totals £16.178m, a decrease in net expenditure of (£2.540m) compared to the 2025/26 Budget of £18.718m.

The proposed budget for 2026/27 has been prepared in line with the budget guidelines set by Resource Allocation Sub Committee and within the resource envelope allocated to the Executive Director Environment, including an inflation increase of 3%.

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 City Fund budget.

Recommendation(s)

Members are asked to:

- i) note the budgets for 2025/26;
- ii) review and approve the Estimate for 2026/27 for submission to Finance Committee;
- iii) note the approved capital budgets for 2026/27;
- iv) agree that minor amendments for the 2026/27 Estimate arising from changes to recharges or any further implications arising from other reviews and changes to the Cyclical Works Programme (CWP) be 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 and capital budgets for 2026/27 for your Committee and under the control of the Executive Director Environment, 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 of their control or are budgets of a corporate nature (e.g. interest on balances and rent incomes from investment properties).
 - **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 negative balances, whereas positive balances will denote expenditure, increases in expenditure, or reductions in income. Only significant variances (generally those greater than £50,000) have been commented on.

3. The 2025/26 budget and 2026/27 estimates are summarised in Table 1 below and further analysed by risk, fund, and Chief Officer in Appendix 1, while Appendix 3 details the movement between the budget 2025/26 and the proposed 2026/27 Estimate.

Table 1 Summary Revenue Budgets 2025/26 and 2026/27	Budget 2025/26 £'000	Estimate 2026/27 £'000	Movement 2025/26 Budget to Estimate 2026/27 £'000
Expenditure	43,794	44,310	516
Income	(35,815)	(37,134)	(1,319)
Support Services & Capital Charges	10,739	9,002	(1,737)
Total Net Expenditure	18,718	16,178	(2,540)

Estimate for 2026/27

4. The estimate for 2026/27 is net expenditure of £16.178m, a decrease of (£2.540m) in net expenditure compared to the 2025/26 budget.

Assumptions

5. The Estimate for 2026/27 incorporates a 3% adjustment for inflation to the net local risk budgets for pay, non-pay and income. The pay award for July 2025 has been approved at 3.2% which is 1.2% above the budgetary provision. Members are to note any increase above the 2% pay inflation allocated for 2025/26 will need to be met through savings within the 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.
6. 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.
7. The budget has been prepared within the resource envelope allocated to the Executive Director Environment, with the following exceptions and assumptions:
 - Members should note that the CWP figures included in this report relate to both the newly agreed programme for the City overall and changes in works programme for the new CWP bid agreed for Off-Street car parks, which will be funded from the On-Street Parking Reserve Account, as agreed at RASC in January 2024.
8. Appendix 2 provides details on budget movements between the 2025/26 budget and the 2026/27 Estimate. Overall, there is a decrease in net expenditure of (£2.540m). The main reasons for this net expenditure decreases are:

Budget Decreases:

- Net reduction in recharges for the Department, (£1,737,000). (Para ref 11)
- Increase in local risk income budgets relating to Traffic Management fees, Planning fee income, Building Control fee income and other contributions and fee income, (£1,353,000) offset by reduction in TfL contribution for Local Implementation Plan Programme £580,000 and car park fees £191,000. (Para ref 6&7)
- Decrease to the newly agreed CWP, relating to Off Street parking works funded from the On-Street Parking Reserve Account (£1,192,000). (Para ref 3)
- Increase in central risk income budgets mainly relating to On-Street parking income, and Planning pre-app advice fees and Land Charges income, (£875,000). (Para ref 8)
- Decrease in premises related expenses (£268,000). (Para 2)
- Increased income for staff costs recharged to capital projects, (£77,000). (Para ref 10)

Budget Increases:

- Increase in net transfers from the On-Street Parking Reserve Account, £943,000. (Para ref 5&9)
- Increase in CWP to the newly agreed programme for the City Overall, relating to Highways structures works £773,000. (Para ref 3)
- Increase in employee cost provision for pay increases due to estimated July 2026 pay award, incremental, career grade progression, and other adjustments £314,000. (Para ref 1(a-c))
- Increase in parking contract costs and other increases, £180,000. (Para ref 4)

Potential Further Budget Adjustments

9. The provisional nature of the 2026/27 Estimate recognises that further revisions may be required to realign funds for:
 - Changes to central and departmental support services apportionment as a result of the agreement of the estimates for these services (no changes are at present anticipated); and
 - As noted in paragraph 6, 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

10. Table 2 below shows the movement in staffing and related costs.

Table 2 Staffing Summary	Budget 2025/26		Estimate 2026/27	
	Staffing Full-time Equivalent	Estimated Cost £000	Staffing Full-time Equivalent	Estimated Cost £000
Executive Director Environment				
Town Planning	64.3	4,862	66.3	5,003
Planning Obligations	8.2	560	9.0	625
Transportation Planning	34.3	3,037	34.3	3,049
Road Safety	1.0	109	1.0	79
Building Control	27.7	2,308	27.7	2,301
Structural Maintenance/Inspections	5.1	538	5.1	540
Highways	21.3	1,714	21.3	1,741
Traffic Management	21.4	1,445	21.4	1,472
On-Street Parking	17.8	1,133	17.8	1,133
Off-Street Parking	1.8	141	1.8	143
Drains & Sewers	7.6	555	7.6	566
Directorate	26.0	2,271	26.0	2,180
Vacancy Factor		(155)		0
Total P&T Committee	236.5	18,518	239.3	18,832

Draft Capital and Supplementary Revenue Budgets

11. The latest estimated costs of the Committee's current capital and supplementary revenue projects are summarised in Appendix 4.
12. Pre-implementation costs comprise feasibility and option appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work.
13. 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 2026.

Conclusion

14. This report presents the 2026/27 Estimate for the Planning & Transportation Committee for Members to consider and approve.

Appendices

- Appendix 1 – Committee Summary Budget – by Risk, Fund and Chief Officer
- Appendix 2 – Details of budget movement from 2025/26 Budget to 2026/27 Estimate by risk
- Appendix 3 – Summary movement from 2025/26 Budget to 2026/27 Estimate
- Appendix 4 – Draft Capital and Supplementary Revenue Budgets

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