

# City of London Corporation Committee Report

<b>Committee(s):</b> Licensing – For decision	<b>Dated:</b> 05/02/2026
<b>Subject:</b> Revenue Budgets 2026/27	<b>Public report:</b> For Decision
<b>This proposal:</b> <ul style="list-style-type: none"><li>• provides business enabling functions</li></ul>	N/A
<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 Executive Director Environment
<b>Report author:</b>	Jenny Pitcairn, Chamberlain's Department

## Summary

This report presents for approval the revenue budget for the Licensing Committee for 2026/27.

Overall, the proposed revenue budget for 2026/27 totals £414,000, an increase in net expenditure of £49,000 compared to the 2025/26 budget of £365,000.

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) 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 are summarised in Table 1 below.

<b>Table 1</b> <b>Summary Revenue Budgets</b> <b>2025/26 and 2026/27</b>	<b>Budget</b> <b>2025/26</b>	<b>Budget</b> <b>2026/27</b>	<b>Movement</b> <b>2025/26</b> <b>Budget to</b> <b>2026/27</b> <b>Budget</b> <b>£'000</b>
	<b>£'000</b>	<b>£'000</b>	
Expenditure	1,069	1,120	51
Income	(682)	(682)	0
Support Services and Capital Charges	(22)	(24)	(2)
<b>Total Net Expenditure</b>	<b>365</b>	<b>414</b>	<b>49</b>

4. The projected outturn for 2025/26 as at the end of Q3 is £352,000, an underspend of £13,000.

### 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. 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**

8. The proposed budget for 2026/27 totals £414,000, an increase of £49,000 compared to the budget for 2025/26.
9. Table 2 below provides an analysis of the budget movements by service from the 2025/26 budget to the 2026/27 budget.

<b>Table 2 Provisional Revenue Budgets 2026/27</b>	<b>Budget 2025/26 £'000</b>	<b>Proposed Budget 2026/27 £'000</b>	<b>Movement 2025/26 to 2026/27 £'000</b>	<b>Para Ref</b>
<b>LOCAL RISK Expenditure</b>				
Employees	883	926	43	9(i)
Premises Related Expenses	35	36	1	
Supplies and Services	65	71	6	
Third Party Payments	86	87	1	
<b>TOTAL Expenditure</b>	<b>1,069</b>	<b>1,120</b>	<b>51</b>	
<b>Income</b>				
Customer, Client Receipts	(682)	(682)	0	
<b>TOTAL Income</b>	<b>(682)</b>	<b>(682)</b>	<b>0</b>	
<b>TOTAL LOCAL RISK</b>	<b>387</b>	<b>438</b>	<b>51</b>	
<b>RECHARGES</b>				
Central Recharges	132	153	21	9(ii)
Recharges within Fund	20	19	(1)	
Recharges across Funds	(174)	(196)	(22)	9(iii)
<b>TOTAL RECHARGES</b>	<b>(22)</b>	<b>(24)</b>	<b>(2)</b>	
<b>TOTAL NET EXPENDITURE</b>	<b>365</b>	<b>414</b>	<b>49</b>	

10. The significant movements (greater than £10,000) between the budgets shown in Table 2 are attributable to:
  - i) Increases in pay costs due to National Insurance rate change, pay awards, incremental and career grade progression
  - ii) A net increase in central and departmental recharges reflects changes in the budgets of departments and their apportionment between committees. All support services recharges are based on time spent or use of services.
  - iii) An increase in funding from City Bridge Foundation for Bridges Enforcement offsetting an increase in costs.

11. Appendix 1 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. During the Star Chamber process, a pressure on Licensing service resources resulting from new legislative burdens, statutory policy development requirements and growth in the hospitality sector was highlighted. Plans to address this issue are currently being developed to and have therefore not been incorporated into the 2026/27 budget.

### **Staffing Statement**

13. A summary staffing statement is set out in Table 3 below.

<b>Table 3 Staffing Summary</b>		<b>Budget 2025/26</b>		<b>Budget 2026/27</b>	
<b>Service</b>		Staffing Full-time Equivalent	Estimated Cost £'000	Staffing Full-time Equivalent	Estimated Cost £'000
<b>Total Licensing</b>		<b>10.7</b>	<b>883</b>	<b>10.7</b>	<b>926</b>

### **Conclusion**

14. This report presents the proposed budget for 2026/27 for the Licensing Committee for Members to consider and approve.

### **Appendices**

- Appendix 1 – Summary of Budget Movements from 2025/26 Budget to 2026/27 Budget (cash limit)

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