City of London Corporation Committee Report

Committee	**Dated:**
Community and Children's Services	30/06/2026
Subject: Revenue Outturn 2025/26 – City Fund – Community and Children's Services Committee (City Fund) excluding Housing revenue Account (HRA)	**Public report:** For Information
This proposal: • **delivers Corporate Plan 2024-29 outcomes** • **provides statutory duties** • **provides business enabling functions**	Statutory responsibilities for financial stewardship, accountability and reporting
Report of:	The Chamberlain; and the Executive Director of Community and Children's Services
Report author:	Beatrix Jako, Finance Business Partner – Chamberlain's Department

Summary

This report compares the 2025/26 revenue outturn for the non-Housing Revenue Account (HRA) services overseen by this Committee with the final agreed budget for the year. The Executive Director of Community and Children's Services' local risk budget was overspent by £219,000, while the total overspend across all risk areas, including recharges, amounted to £381,000. A summary of these figures is presented in the table below.

Summary Comparison of 2025/26 Revenue Outturn with Final Agreed Budget – Community & Children's Services Committee			
	Final Agreed Budget £000	**Revenue Outturn £000**	**Variations (Increase) / Reduction £000**
Local Risk	**12,852**	**13,071**	**219**
Central Risk	4,192	4,057	(135)
Surveyors R&M	5	161	156
Total all Risks	17,049	17,289	240
Recharges	3,407	3,548	141
Overall Totals	**20,456**	**20,837**	**381**

(i) The local risk overspend of £219,000 was mainly attributable to Adult Social Care pressures (para 5).

(ii) The favourable central risk variance of £135,000 was mainly attributable to a year-end IFRS 16 accounting adjustment (para 6).

(iii) The adverse variance of £156,000 within Surveyor Repairs and Maintenance Cyclical Works was mainly due to costs associated with Golden Lane Leisure Centre (para 7).

Recommendation

Members are asked to:

- Note this revenue outturn report for 2025/26.

Main Report

Revenue Outturn for 2025/26

1. Actual net expenditure for this Committee's services during 2025/26 totalled £20.837 million. A summary comparison with the final agreed budget for the year of £20.456 million is tabulated below. Members should note that **income and favourable variances are shown in brackets** which is a change from previous reports. This change shifts focus to adopting the new SAP system instead of adapting. Only significant variances (generally those larger than £100,000) have been commented on in the following paragraphs.

	Final Agreed Budget £000	**Revenue Outturn £000**	**Variations to Final Agreed Budget (Increase) / Reduction £000**	**Paragraph**
Local Risk				
Supervision & Management	1,899	1,899	-	
Partnerships & Commissioned Services	1,347	1,353	6	
Education and Skills	1,203	1,137	(66)	
People's Services	7,430	7,708	278	5
Housing Services	973	974	1	
Total Local Risk	**12,852**	**13,071**	**219**	
Central Risk	4,192	4,057	(135)	6
Surveyors R&M	5	161	156	7
Recharges	3,407	3,548	141	10
Overall Totals	**20,456**	**20,837**	**381**	

2. A reconciliation of original local risk budget to the final agreed local risk budget 2025/26 is provided in Appendix A.

3. Revenue account reserves levels at start and end of 2025/26 are provided in Appendix B.

4. The 2025/26 final approved budget incorporated several adjustments during the year. These included centrally funded provision of £71,000 for the July pay award and National Insurance increases, together with £52,000 of centrally funded apprenticeship costs. Additional funding of £439,000 was allocated from the Finance Contingency to address increased housing pressures. Other budget adjustments included a virement of (£50,000) to Libraries, an £80,000 adjustment relating to the Operational Property Review, £82,000 for recharge amendments, and a net £3,000 of other minor adjustments.

Reasons for significant variations

5. People's Services reported an adverse variance of £278,000. The overspend was mainly attributable to demand-led pressures within Adult Social Care, including high placement costs and backdated provider fee uplifts (£120,000), together with increased Occupational Therapy equipment expenditure and a one-off contract exit fee (£143,000).

6. The favourable variance within Central Risk is primarily attributable to a year-end accounting adjustment relating to the treatment of lease liabilities under IFRS 16.

7. The adverse variance within Surveyor Repairs and Maintenance Cyclical Works is primarily due to expenditure incurred in relation to Golden Lane Leisure Centre, including interim repair works, condition surveys and associated professional fees required to address water ingress and support the development of longer-term remedial solutions.

8. In general, it should be noted that the social care, homelessness and asylum budgets remain demand-led and are therefore subject to significant volatility, with small changes in client numbers potentially having a material impact on the outturn.

9. The Homes for Ukraine Scheme continued during the year. The costs involved with these programmes have been fully met from government grants and have had no impact on the Executive Director's overall net outturn.

10. The table below shows a breakdown of the Capital and Support Services budgets and expenditure.

	Final Agreed Budget £000	Revenue Outturn £000	Variation (Increase)/ Decrease £000
CAPITAL & SUPPORT SERVICES			
Capital Charges	518	576	**58**
Support Services, including Chamberlains, Comptrollers* & Town Clerks	1,902	1,902	**-**
Surveyors Employee Recharges	1	1	**-**
IS Recharges	665	665	**-**
Guildhall Admin Buildings	228	294	**66**
Insurances, including premises & liability	67	99	**32**
Other recharges	58	43	**(15)**
Corporate & Democratic Core	(32)	(32)	**0**
TOTAL CAPITAL & SUPPORT SERVICES	**3,407**	**3,548**	**141**

*The Comptrollers and City Solicitors Department continue to recharge departments for any external legal fees that they have incurred.

11. Recharges have a corresponding contra entry in their own accounts. Consequently, these charges have no overall impact on net expenditure for the Corporation as a whole.

Local Risk Budget Carry Forward to 2026/27

12. Chief Officers can request underspends of up to 10% or £500,000 (whichever is the lower) of the final agreed local risk budget to be carried forward provided the underspending is not fortuitous and the resources are required for a planned purpose. Such requests are subject to the approval of the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resources Allocation Sub Committee.
13. There were no carry forward requests submitted by the Executive Director of Community and Children's Services that relate to this Committee.

Corporate & Strategic Implications

14. Financial implications: None
15. Resource implications: None
16. Legal implications: None
17. Risk implications: None
18. Equalities implications: None
19. Climate implications: None
20. Security implications: None

Appendices

- Appendix A – A reconciliation of 2025/26 original local risk budget to the final agreed local risk budget 2025/26
- Appendix B – Revenue account reserves levels at start and end of 2025/26

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