



2024 to 2027 Business Plan

Service: Other Related Financing

\$0.20

Cost per day for the average rate payer (2024 to 2027)

1.81%

Of the 2024 to 2027 City of London Net Property Tax Supported Budget

Who we are:

- Other Related Financing accounts for personnel and legal contingencies, retiree benefits, corporate insurance, reserves, tax rebates and write-offs, and professional fees (such as external audit).
- In addition, revenue that is corporate in nature such as grants and subsidies, investment income, and other taxation such as grants in lieu, supplementary taxes and other general income is accounted for in this service.

What we do:

- This service includes costs that are appropriately classified elsewhere but are nevertheless critical to the functioning of the Corporation.
- Additionally, the various sources of revenue contained in this service fund a significant portion of the Corporation's total expenditure budget, which would otherwise be funded through the property tax levy.

Why we do it:

- **Essential** - This service captures activities essential to maintaining an effective, efficient, and well-run City.

The following table provides an overview of the budget for this service:

Budget Summary (\$000's)	2024	2025	2026	2027	2024 to 2027 TOTAL
Gross Operating Expenditures	\$53,178	\$63,514	\$73,950	\$86,630	\$277,272
Other Revenues	-\$63,480	-\$48,572	-\$49,461	-\$50,208	-\$211,721
Net Tax Levy Supported Operating Budget	-\$10,302	\$14,942	\$24,489	\$36,422	\$65,551
Total Capital Expenditures	\$0	\$0	\$0	\$0	\$0
Full-Time Equivalents (FTE's)	0	0	0	0	N/A

Reflects 2024 to 2027 approved City budget as of March 1, 2024.

Linkage to the 2023 to 2027 Strategic Plan

This service supports the following Strategic Areas of Focus in the 2023 to 2027 Strategic Plan:



Reconciliation, Equity, Accessibility, and Inclusion



Economic Growth, Culture, and Prosperity



Housing and Homelessness



Mobility and Transportation



Wellbeing and Safety



Climate Action and Sustainable Growth



Safe London for Women, Girls, and Gender-Diverse and Trans People



Well-Run City

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this service:



Environmental:

- Investment income for the City's general/operating funds is reflected in the Other Related Financing Service. Integral to the City's Investment Policy is that "City has a duty to act responsibly and in the best interests of the City's constituents by ensuring the sustainability of the investment portfolio. As such, proactively considering Environmental, Social and Governance (ESG) risks and opportunities" forms an important part of the City's investment strategy.

Socio-economic Equity:

- As noted above, consideration of ESG risks and opportunities is embedded as a fundamental principle in the City's Investment Policy and strategy.
- Included in Other Related Financing are various miscellaneous revenues, such as the annual dividends received by the City as sole shareholder of London Hydro. These other revenues offset costs that would otherwise need to be funded through property taxes, thereby positively impacting affordability for all Londoners.

Governance:

- The Other Related Financing service plays an important risk management function in managing the financial affairs of the City. For example, insurance premiums, contingencies and reserve contributions (including the Self-Insurance Reserve Fund) are all components of Other Related Financing and aim to mitigate financial or physical risks faced by the Corporation.
- Other Related Financing budget variances are regularly monitored and reported through the City's semi-annual Operating Budget Monitoring report.

The following section provides an overview of the key activities the service plans to undertake from 2024 to 2027 to implement the Corporation's 2023 to 2027 Strategic Plan, as well as an overview of the risks and challenges the service is anticipated to experience during this period:

Service Highlights 2024 to 2027

- Perform regular reviews of all reserve funds and monitor progress against achieving reserve fund target balances.
- Continue to actively monitor potential personnel-related and legal contingencies to ensure sufficient funding is available as required.
- Implement the City's investment strategy aimed at maximizing investment returns (interest income) while still ensuring adherence to statutory requirements, preservation of capital, and maintenance of liquidity.

Risks and Challenges Anticipated in 2024 to 2027

- Considerable investments are anticipated through the 2024 to 2027 Multi-Year Budget in order to implement Council's 2023 to 2027 Strategic Plan. Balancing the need for community investment with the Corporation's financial policies and principles will be of paramount importance.
- Interest rates have risen significantly since 2021. While this is beneficial for the City's investment returns, it is uncertain how long these economic conditions will persist and therefore investment income budgets will need to be conservative to ensure a future decline in interest rates will not have a significant adverse budget impact. Continued efforts will be undertaken to optimize the City's investment returns within the parameters of the City's approved Investment Policy.

Other reference information and links:

- Link to the City of London website [Multi-Year Budget | City of London](#).

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