

Appendix 2

2023/24 Revenue Outturn Summary for Natural Environment Division

Summary of Natural Environment Division	Original Budget £000	Final Budget £000	Revenue Outturn £000	Better/ (Worse) £000	Para
Local Risk					
Interim Executive Director, Environment					
Natural Environment Board	(2,511)	(2,597)	(2,674)	(77)	1
West Ham Park	(639)	(658)	(636)	22	
Epping Forest	(2,534)	(3,248)	(3,248)	0	
The Commons	(1,471)	(1,635)	(1,638)	(3)	
Hampstead Heath, Highgate Wood & Queen's Park	(4,948)	(4,612)	(4,374)	238	2
	(12,103)	(12,750)	(12,570)	180	
City Surveyor					
Natural Environment Board	(85)	(82)	(259)	(177)	3
West Ham Park	(65)	(109)	(146)	(37)	
Epping Forest	(896)	(971)	(524)	447	4
The Commons	(159)	(156)	(249)	(93)	5
Hampstead Heath, Highgate Wood & Queens Park	(757)	(774)	(1,377)	(603)	6
	(1,962)	(2,092)	(2,555)	(463)	
Total Local Risk	(14,065)	(14,842)	(15,125)	(283)	
Central Risk					
Natural Environment Board	(20)	(104)	(88)	16	
West Ham Park	(25)	(25)	(33)	(8)	
Epping Forest	(444)	(521)	(511)	10	
The Commons	(50)	(56)	(74)	(18)	
Hampstead Heath, Highgate Wood & Queens Park	2,039	2,037	885	(1,152)	7
Total Central Risk	1,500	1,331	179	(1,152)	
Recharges					
Natural Environment Board	723	691	683	(8)	
West Ham Park	(404)	(394)	(433)	(39)	
Epping Forest	(1,448)	(1,598)	(1,841)	(243)	8
The Commons	(480)	(485)	(535)	(50)	9
Hampstead Heath, Highgate Wood & Queens Park	(1,982)	(1,931)	(2,050)	(119)	10
Total Recharges	(3,591)	(3,717)	(4,176)	(459)	
Total Net Expenditure	(16,156)	(17,228)	(19,122)	(1,894)	

Reasons for Significant Variances

1. The (£77k) adverse variance is primarily explained by an overspend on the Directorate's budget as a result of agency costs being required to provide additional HR and health and safety support following implementation of a staffing restructure within the Natural Environment Division. This was in addition to extra internal legal fees being incurred.
2. The £238k underspend is largely attributable to savings in employment costs as a result of staffing vacancies being held whilst a staffing restructure was undertaken. The underspend can also be explained by additional income generated from tennis and car parking as well as from the Ponds and Lido swimming facilities at Hampstead Heath.
3. The (£177k) adverse variance largely relates to the Cyclical Works Programme (CWP) due to the re-phasing of CWP projects over the life cycle of the programme for conservation works at Bunhill Fields Burial Grounds.
4. The £447k underspend can predominantly be explained by the re-phasing of works falling under the CWP at Epping Forest for a range of various projects including works relating to the Copped Hall Estate.
5. The overspend of (£93k) at The Commons is attributable to the re-phasing of CWP projects at Burnham Beeches. This is in addition to extra expenditure incurred on the corporate contract for building repairs and maintenance and cleaning at both West Wickham & Coulsdon Commons and Ashted Common.
6. The (£603k) adverse variance is explained by the re-phasing of projects falling under the CWP such as works at Sandy Heath and the upgrade of the electrical system at Highgate Wood. This was on top of additional expenditure incurred on reactive works at the Lido at Hampstead Heath.
7. The (£1.152m) adverse variance is predominantly attributable to reduced investment and dividend income generated from the Hampstead Heath Trust compared with budget as a result of a lower yield generated from dividends. This was attributable to the level of inflation and interest rates during 2023/24 which had an impact on corporate earnings. In addition, strategic adjustments were made to the Trust's portfolio during 2023/24 in order to support the long-term growth of the portfolio which has resulted in lower income from dividends being achieved in the short-term.
8. Total net recharges were (£243k) higher than budgeted at Epping Forest. This can be explained by additional IT recharges as well as increased recharges from corporate departments following a review of the apportionment bases used to calculate central support recharges.
9. The (£50k) overspend is largely explained by additional recharges from the IT Division at Burnham Beeches, West Wickham & Coulsdon Commons and Ashted Common.

10. There was a (£119k) overspend in the net cost of recharges which can largely be explained by additional recharges from the IT Division as well as increased structural maintenance recharges from the District Surveyor to Hampstead Heath.