

City of London Corporation Committee Report

Committee(s): Hampstead Heath, Highgate Wood & Queen's Park Committee	Dated: 16/07/2025
Subject: Hampstead Heath Revenue Outturn 2024/25	Public report: For Information
This proposal: delivers Corporate Plan 2024-29 outcomes provides statutory duties	Providing Excellent Services Flourishing Public Spaces
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£0
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Executive Director Environment Chamberlain
Report author:	Niranjan Shanmuganathan, Chamberlain's Department

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2024/25 with the budget for the year. In total, there was an unfavourable budget position of (£1.527m) for the services overseen by your Committee compared with the budget for the year as set out below.

Summary Comparison of 2024/25 Revenue Outturn with Budget			
	Budget £'000	Revenue Outturn £'000	Variance Better/ (Worse) £'000
Direct Net Expenditure			
Executive Director Environment	(931)	(2,163)	(1,232)
The City Surveyor (including Cyclical Works Programme)	(1,762)	(2,122)	(360)
Total Direct Net Expenditure	(2,693)	(4,285)	(1,592)
Support Service Recharges	(1,847)	(1,782)	65
Overall Total	(4,540)	(6,067)	(1,527)

The Executive Director Environment has submitted a request to carry forward local risk underspendings within the Department, of which £53,000 relates to your Committee, and this will be considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of Resource Allocation Sub Committee.

Recommendation

Members are asked to:

- Note the report.

Main Report

Revenue Outturn for 2024/25

1. Actual net expenditure for your Committee's services during 2024/25 totalled (£6.067m), with an unfavourable budget variance of (£1.527m) compared with the budget of (£4.540m).
2. A summary comparison with the budget for the year is tabulated below. In the tables, income, increases in income and reductions in expenditure are shown as positive balances, whereas brackets are used to denote expenditure, increases in expenditure, or shortfalls in income. Only significant variances (generally those greater than £50,000) are commented on.

Table 1 - Summary Comparison of 2024/25 Revenue Outturn with Budget			
	Budget £'000	Revenue Outturn £'000	Variance Better/ (Worse) £'000
Local Risk			
Executive Director Environment	(3,208)	(3,155)	53
The City Surveyor	(417)	(414)	3
Total Local Risk	(3,625)	(3,569)	56
Central Risk	2,277	992	(1,285)
Cyclical Works Programme	(1,345)	(1,708)	(363)
Support Service Recharges	(1,847)	(1,782)	65
Overall Total	(4,540)	(6,067)	(1,527)

Reasons for Significant Variations

3. The central risk adverse variance of (£1.285m) is driven primarily by the decrease in central risk investment income of (£1.098m) due to the initial budget target calculated on a set inflexible formula which calculates the maximum contribution (as laid out in the London Government Reorganisation Order 1989) available to transfer to the Hampstead Heath Trust Fund each year. This resulted in an unrealistic target to achieve, rather than the variance being caused by downturns in investment returns. To mitigate this problem reoccurring, we have reviewed the basis of the budget setting process for the upcoming 2025/26 estimates in conjunction with Comptrollers & City Solicitors Department to ensure we follow the correct legal rules regarding the maximum contribution transfer to Hampstead Heath Trust Fund, but also to arrive at a realistic budget target that can be achieved on the investment returns by considering whether a shortfall adjustment is needed to the maximum contribution when using this formula to calculate the budget in the future. The shortfall was offset by increased deficit funding from City's Estate reserves to meet the total net expenditure of the Hampstead Heath charity for 2024/25. The remaining central risk adverse variance is a combination of the earlier than planned depreciation of capital assets relating to the athletic track resurfacing and swimming facility improvement projects (£162,000) and additional Hampstead Heath external audit fees (£25,000) incurred for overruns on the 2023/24 audit of accounts.
4. The overspend by the City Surveyor on the Cyclical Works Programme (CWP) of (£363,000) is due to the rephasing of projects, such as phase 2 of the photovoltaic installation (£191,000), drainage overhaul and works (£83,000), works at Kenwood Ladies ponds to improve the shower and kitchen facilities (£57,000) and the repairs at Men's Pond Jetty (£32,000). The CWP does not form part of the City Surveyor's local risk budget, and any variances will be carried over to 2025/26. Under the governance of the programme, variances on budgets are adjusted for the life of the programme to allow for the completion of works which can span multiple financial years.
5. The underspend on support service recharges was mainly due to lower cost recharges of £58,000 to Hampstead Heath from the Natural Environment Directorate due to overall underspends .
6. The underspend of £53,000 on the Executive Director Environment Local Risk is due to a variety of unders and overs on income and expenditure, the main one being a vacancy for the post of Head of Business Development which wasn't recruited to during the year.
7. Appendix A shows the movement from the 2024/25 opening budget to the closing budget against which the outturn has been compared.

Local Risk Carry Forward to 2025/26

8. The Executive Director Environment has a local risk underspend of £53,000 on the activities overseen by your Committee. Across the wider Environment Department the Executive Director Environment had net local risk underspendings totalling £186,000 on activities overseen by other Committees, after adjusting for unspent carry-forwards from 2023/24. The Executive Director Environment has requested that £200,000 out of their maximum eligible underspend of £239,000 be carried forward, £53,000 of which relates to activities overseen by your Committee for the following purpose:
 - £53,000 to replace the Pond Aerators
9. Carry-forward requests will be considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of Resource Allocation Sub Committee.

Corporate & Strategic Implications

Strategic implications – none.

Financial implications – none.

Resource implications – none.

Legal implications – none.

Risk implications – none.

Equalities implications – none.

Climate implications – none.

Security implications – none.

Appendices

- **Appendix A** – Hampstead Heath Analysis of Movement in 2024/25
Opening Budget to Closing Budget

Niranjan Shanmuganathan

Finance Business Partner (Natural Environment)

Chamberlain's Financial Services Division

E: Niranjan.Shanmuganathan@cityoflondon.gov.uk