

City of London Corporation Committee Report

Committee(s): Hampstead Heath, Highgate Wood & Queen's Park Committee	Dated: 21/10/2025
Subject: Operational Finance Progress Report 2025/26 (Quarter 1 April - June) – Hampstead Heath	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 provides an update on the operational finance position as at period 3 (April – June) 2025/26 for the Hampstead Heath charity (charity registration number: 803392) and sets out the charity's revenue operating budget position to date and projected year-end outturn, current live capital projects and outstanding debt position. It also provides additional information on the various reserve funds held and other relevant finance information relevant to the charity.

As part of the ongoing Charity Review, future training sessions will continue to be developed for both Members and Officers on key aspects of charity finance.

Recommendation

Members are asked to:

- Note the content of this report and its appendices.

Main Report

Background

1. In order to improve financial reporting related to the Hampstead Heath charity (charity registration number: 803392), a set of financial appendices and commentary has been produced to enable greater clarity of revenue and capital budgets, reserve balances and other financial information needed to allow greater scrutiny of the financial performance of the charity as well as to provide assurance that the Executive Director Environment remains within her overall local risk resources for 2025/26.
2. To ensure your committee is kept informed about the financial performance of the charity, an update on progress made against budgets as well as other financial matters will be reported to you on a quarterly basis. This approach will allow Members to ask questions and have a timely input into areas of particular importance.
3. Please also note that in the report below, income and favourable variances are represented by brackets, whereas figures without brackets indicate expenditure or adverse variances.

Revenue Operating Budget – 2025/26

4. The latest budget for Hampstead Heath charity for 2025/26 currently amounts to £6.476m net expenditure. As at June 2025, actual net expenditure amounted to £982k, with a current forecast outturn for 2025/26 of £6.338m net expenditure. This amounts to a projected net underspend of (£138k), equivalent to 2.13% of total budget.
5. A summary of the latest revenue budget position for 2025/26 is shown in Table 1 below, with further detailed information provided in Appendix 1, including reasons for significant budget variances. Budgetary information has been separated to show more clearly the different elements of the budget, comprising direct operating budgets (local and central risk), recharges & support service budgets and City Surveyor managed repairs and maintenance budgets. Information has also been presented in a way that distinguishes between the charity's expenditure and income budgets.

Table 1 – Revenue Operating Budget Summary – June 2025

	Latest Budget £'000s	Actual Jun 2025 £'000s	Forecast Outturn £'000s	Budget Variance £'000s	Variance %
Gross Expenditure	11,825	2,415	11,778	(47)	0.40%
Gross Income	(5,439)	(1,432)	(5,440)	(91)	(1.70%)
Net Expenditure	6,476	982	6,338	(138)	2.13%

Expenditure

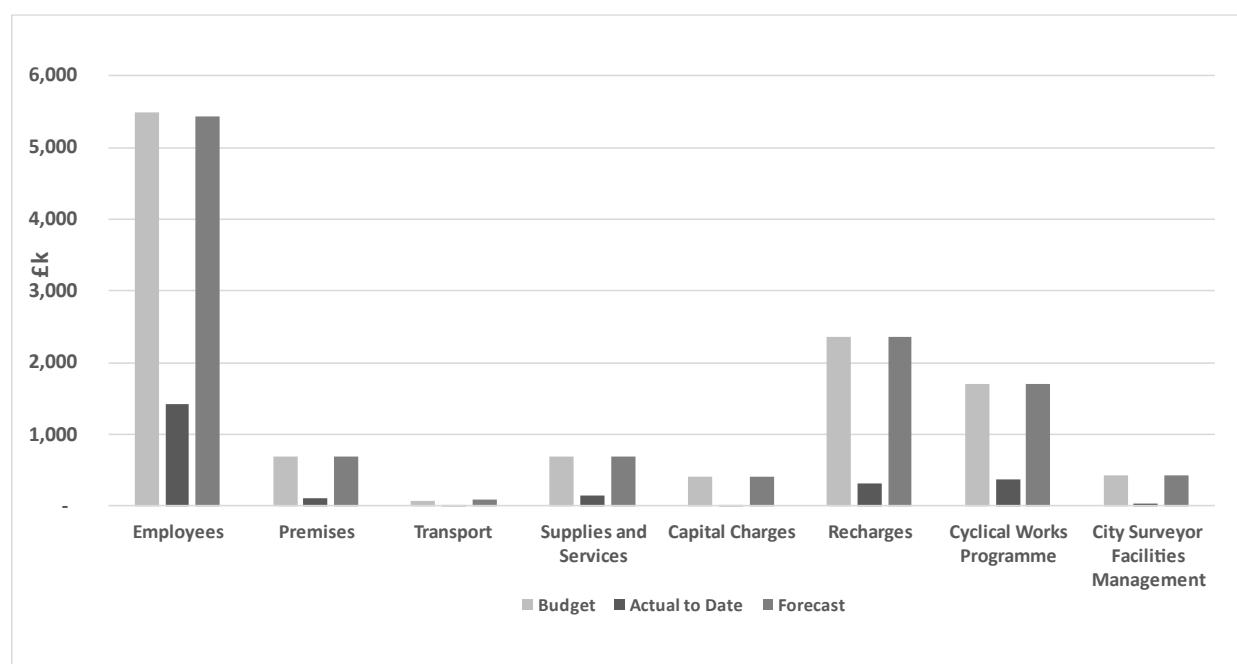
6. A breakdown and analysis of the latest gross expenditure position for 2025/26 is set out in Table 2 below:

Table 2 – Expenditure Summary – June 2025

	Latest Budget £'000s	Actual Jun 2025 £'000s	Forecast Outturn £'000s	Budget Variance £'000s	Variance %
Direct Operating Budgets	7,342	1,692	7,295	(47)	(0.64%)
Recharges and Support Services	2,349	312	2,349	0	0.00%
City Surveyor Repairs and Maintenance	2,134	411	2,134	0	0.00%
Total Gross Expenditure	11,825	2,415	11,778	(47)	(20.42%)

7. As shown in Table 2, total gross expenditure to the end of June 2025 amounted to £2.415m, amounting to 20.42% of the total gross expenditure budget for 2025/26 of £11.825m. Graph 1 below also provides a graphical summary of the categories of expenditure incurred by the charity for April to June 2025.

Graph 1 – Expenditure Categories – April to June 2025



8. The charity is currently forecasting total gross expenditure for 2025/26 of £11.778m, a projected underspend of (£47k) equivalent to (0.40%) compared with a total gross expenditure budget of £11.825m. This underspend is primarily explained by the following:

- (£65k) direct employee underspend due to recruitment of vacant operative ranger roles and Head of Business Development;
- £5k indirect employee overspend to support recruitment of vacant roles and training of new staff;
- £13k overspend in transport costs required for additional service and repair of vehicles

Income

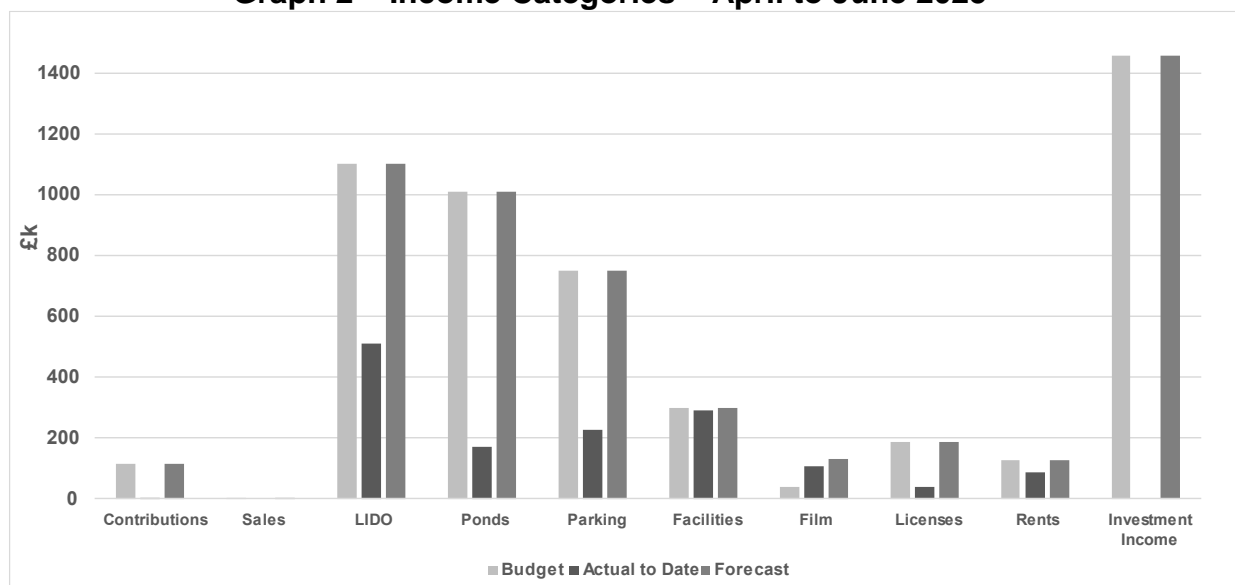
9. A breakdown and analysis of the latest gross income position for 2025/26 is set out in Table 3 below:

Table 3 – Income Summary — June 2025

	Latest Budget	Actual – June 2025	Forecast Outturn	Budget Variance	Variance
	£'000s	£'000s	£'000s	£'000s	%
Direct Operating Budgets	(5,086)	(1,432)	(5,177)	(91)	(1.79%)
Recharges and Support Services	(263)	0	(263)	0	0.00%
Total Gross Income	(5,349)	(1,432)	(5,440)	(91)	(1.70%)

10. As shown in Table 3, total income to the end of June 2025 amounted to (£1,432m), amounting to 28.16% of the total gross income budget to be achieved for 2025/26 of (£5.349m). Graph 2 below also provides a graphical summary of the categories of income generated by the charity for April to June 2025.

Graph 2 – Income Categories – April to June 2025



11. The charity is currently forecasting gross income for 2025/26 of (£5.177m), amounting to (£91k) in increased income (1.79%) compared with a total gross income budget of (£5.086m) for the current financial year. This is largely explained by significant filming activities that took place on site in June.

Capital Projects

12. Table 4 below outlines the current list of live capital projects in progress against their currently approved budget. It should be noted that the “current approved budget” is the amount currently agreed by Members to progress the project to either the next project gateway or until officers request further release of capital funds to progress the scheme and may not equal the total estimated cost of the project to finalisation.
13. Out of a current approved budget of £1.304m, £1,135m has been spent or committed to date, leaving a remaining budget of £169k to progress the various projects to the next project gateway, release of further capital funds or completion.

Table 4 – Live Capital Projects

Capital Projects - Hampstead Heath	Total Estimated Cost of Project £'s	Current Approved Budget £'s	Prior Year Actual Spend £'s	In Year Actual Expenditure £'s	In Year Committed Expenditure £'s	Current Approved Budget Unspent £'s
HH Swimming Facilities - Safety, Access & Security Improvements	1,010,654	1,010,654	944,453	(19,506)	72,181	13,526
Parliament Hill Lido Photovoltaic Panels (Climate Action Strategy)	293,530	293,530	136,839	900	0	155,791
TOTAL HAMPSTEAD HEATH	1,304,184	1,304,184	1,081,292	(18,606)	72,181	169,317

Outstanding Invoiced Debts

14. At the end of June 2025, total outstanding invoiced debt was £27,714. Table 5 analyses the current level of outstanding debt for the charity according to the age of the debt:

Table 5 – Analysis of Outstanding Invoiced Debts – June 2025

Age of Debt	Outstanding Debts	% of Total Debt Outstanding
0-30 Days	£2,793	10.08%
31-60 Days	£3,934	14.19%
61-90 Days	£9,156	33.04%
91-120 Days	£1,172	4.23%
121-365 Days	£483	1.74%
Over 365 Days	£10,175	36.71%
Total Outstanding Debts	£27,714	100.00%

15. As part of a previous best value review into outstanding debts, the maximum age of debt set by the Chamberlain to fully recover outstanding sums was set at 120 days. During this period automatic debt reminder letters, physical debt chasing of customers and liaison with Comptrollers & City Solicitors takes place to ensure debts are resolved within the corporately agreed debt repayment terms. Graph 3 below sets out the trend of the charity's outstanding debts over 120 days over the previous six-month period. As can be seen, debts over 120 days amounted to £10,658 in June 2025, a decrease of £789 compared with May 2025.
16. The debts over 120 days relates mainly due to £9,331 owed in outstanding rent and wayleave invoices and is mostly specific to one debtor. Letters have been issued for immediate payment.

Graph 3 – Outstanding Debts Over 120 Days – January to June 2025



Charity Reserve Funds

17. Table 6 below provides a summary of the different reserves held by Hampstead Heath charity as at the end of June 2025, including movements in reserve funds since the start of 2025/26:
18. Further detail is provided in Appendix 2 which lists the individual restricted, unrestricted and designated funds held by Hampstead Heath charity and Hampstead Heath Trust Fund. It details the opening balance for 2024/25 and any movements in the current financial year to date. Appendix 2 also provides a technical definition for each of the different types of reserve funds held.

Table 6 - Reserve Funds Summary – June 2025

Hampstead Heath	Opening Balance 2025/26	Income	Expenditure	Current Balance
Restricted Funds	£79,633	£630	£0	£80,263
Unrestricted Funds	£11,180	£0	£0	£11,180
Designated Funds	£22,492,553	£0	£0	£22,492,553
Total	£22,583,366	£630	£0	£22,583,996

Hampstead Heath Trust Fund	Opening Balance 2025/26	Income	Expenditure	Current Balance
Permanent Endowment	£38,667,859	£0	£0	£38,667,859
Expendable Endowment	£874,362	£0	£0	£874,362
Unrestricted Funds	£916,451	£0	£0	£916,451
Total	£40,458,672	£0	£0	£40,458,672

19. The funds received during 2025/26 are made up as follows:

- £630 in Restricted Donations received towards the Golders Hill Park Zoo

Contributions from City of London

20. The current funding model is for the charity's total net expenditure to be fully funded from City's Estate. This also includes the cost of any capital expenditure incurred during the year as well as any works managed under the CWP. It should be noted that any change to the amount of expenditure incurred or income generated over the course of the year will have an impact on the overall level of contribution from the City required by the charity at year end. The total contribution is therefore calculated based on the charity's **actual total net running costs for the year** in addition to any capital expenditure and CWP costs incurred during the year.

21. The table below sets out the contribution provided from City's Estate to the charity over a five-year period. This includes a forecast of the contribution currently expected to be required for 2025/26. This is broken down by the level of gross expenditure and income generated as well as any CWP works and capital expenditure funded through City's Estate.

Table 7 – Contributions from City's Estate – 2020/21 to 2024/25

Hampstead Heath	2021/22	2022/23	2023/24	2024/25	2025/26 (Est.)
	£'000s	£'000s	£'000s	£'000s	£'000s
Gross Expenditure	8,772	8,963	9,459	10,270	9,663
Cyclical Works Expenditure	540	569	565	1,708	1,707
Capital Expenditure	429	62	3,233	385	169
Gross Income	(4,533)	(4,605)	(4,666)	(6,128)	(5,280)
Total Contribution from City of London	5,208	4,989	8,591	6,235	6,259

22. As can be seen from the Table 7, 2024/25 saw a significant decrease in the contribution from City's Estate to Hampstead Heath charity compared with the

previous year. This was mainly driven by an increase in capital expenditure on the Parliament Hill Athletics Track Resurfacing project as well as an increase in gross expenditure relating to staff and premise costs which required an increase in the level of deficit funding provided by City's Estate.

23. Members should note that for 2025/26, both Epping Forest and West Ham Park have moved to a grant funded model with all other Natural Environment charities except for Keats House becoming grant funded from 2026/27. This will mean that each charity will receive a grant for its operational (local risk) activity with other elements of the charity's budgets continuing to be deficit funded for the time being.

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 1 – Hampstead Heath Charity – Revenue Operating Budget – 2025/26

Appendix 2 – Hampstead Heath Charity - Reserve Funds – June 2025

Contact

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