

## City of London Corporation Committee Report

<b>Committee(s):</b> Hampstead Heath, Highgate Wood & Queen's Park Committee	<b>Dated:</b> 21/10/2025
<b>Subject:</b> Operational Finance Progress Report 2025/26 (Quarter 1 April - June) – Highgate Wood & Queen's Park	<b>Public report:</b> For Information
<b>This proposal:</b> <b>delivers Corporate Plan 2024-29 outcomes</b> <b>provides statutory duties</b>	Providing Excellent Services Flourishing Public Spaces
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	£0
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b>	Executive Director Environment Chamberlain
<b>Report author:</b>	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 Highgate Wood & Queen's Park charity (charity registration number: 232986) 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 Highgate Wood & Queen's Park charity (charity registration number: 232986), 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 2024/25.
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 Highgate Wood & Queen's Park charity for 2025/26 currently amounts to £2.139m net expenditure. As at June 2025, actual net expenditure amounted to £418k, with a current forecast outturn for 2025/26 of £2.133m net expenditure. This amounts to a projected net underspend of (£6k), equivalent to 0.28% 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 & 2, 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**

	<b>Latest Budget £'000s</b>	<b>Actual Jun 2025 £'000s</b>	<b>Forecast Outturn £'000s</b>	<b>Budget Variance £'000s</b>	<b>Variance %</b>
<b>Gross Expenditure</b>	<b>2,368</b>	<b>506</b>	<b>2,362</b>	<b>(6)</b>	<b>(0.25%)</b>
<b>Gross Income</b>	<b>(229)</b>	<b>(88)</b>	<b>(229)</b>	<b>0</b>	<b>0.00%</b>
<b>Net Expenditure</b>	<b>2,139</b>	<b>418</b>	<b>2,133</b>	<b>(6)</b>	<b>(0.28%)</b>

## Expenditure

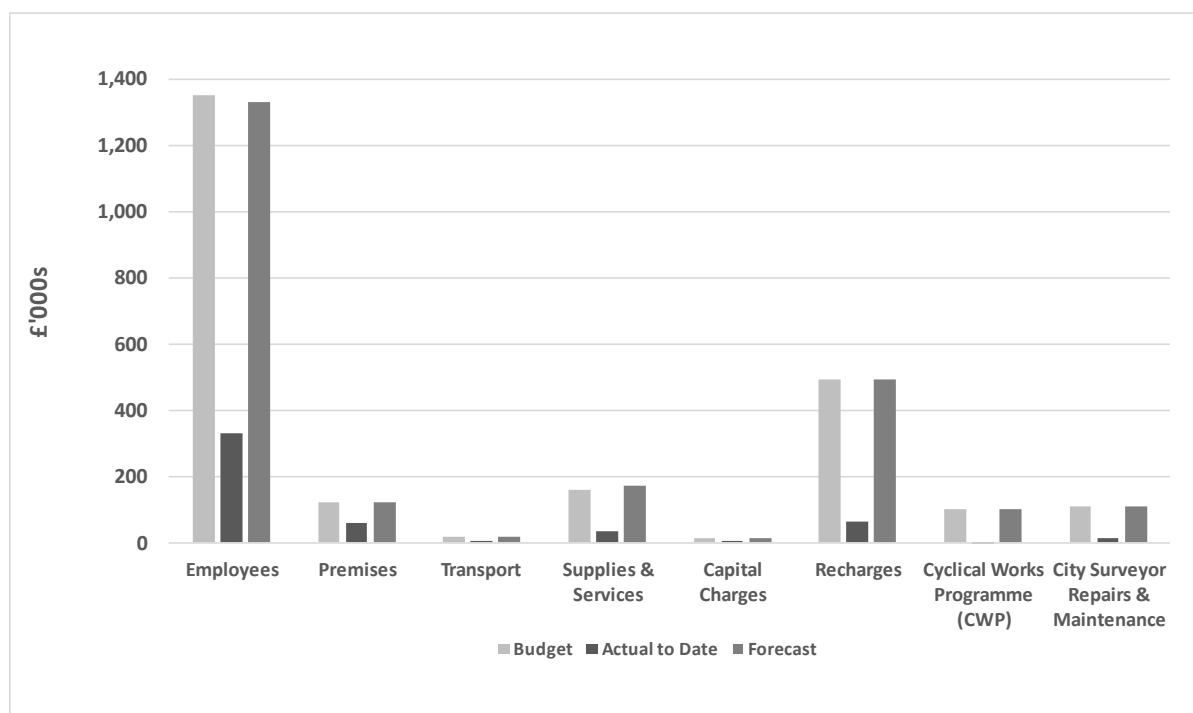
6. A breakdown and analysis of the latest gross expenditure position for 2025/26 is set out in Table 2 below:

**Table 2 – Expenditure Summary – June 2025**

	<b>Latest Budget £'000s</b>	<b>Actual Jun 2025 £'000s</b>	<b>Forecast Outturn £'000s</b>	<b>Budget Variance £'000s</b>	<b>Variance %</b>
<b>Direct Operating Budgets</b>	<b>1,668</b>	<b>427</b>	<b>1,662</b>	<b>(6)</b>	<b>(0.36%)</b>
<b>Recharges and Support Services</b>	<b>491</b>	<b>65</b>	<b>491</b>	<b>0</b>	<b>0.00%</b>
<b>City Surveyor Repairs and Maintenance</b>	<b>209</b>	<b>14</b>	<b>209</b>	<b>0</b>	<b>0.00%</b>
<b>Total Gross Expenditure</b>	<b>2,368</b>	<b>506</b>	<b>2,362</b>	<b>(6)</b>	<b>(0.25%)</b>

7. As shown in Table 2, total gross expenditure to the end of June 2025 amounted to £506k, amounting to 21.37% of the total gross expenditure budget for 2025/26 of £2.368m. Graph 1 below also provides a graphical summary of the categories of expenditure incurred by the charity for April to June 2025 against 2025/26 Forecast Outturn.

**Graph 1 – Expenditure Categories – April to June 2025**



8. The charity is currently forecasting total gross expenditure for 2025/26 of £2.362m, a projected underspend of (£6k) 0.25% compared with a total gross expenditure budget of £2.368m. This underspend is primarily explained by the following:

- (£23k) staffing underspend due to delayed recruitment of operative ranger and conservation officer roles across both Highgate Wood and Queens's Park;
- This has been offset against £17k overspend due to essential spend required for fencing as well as the purchase of equipment and other materials for extensive repair works;

## Income

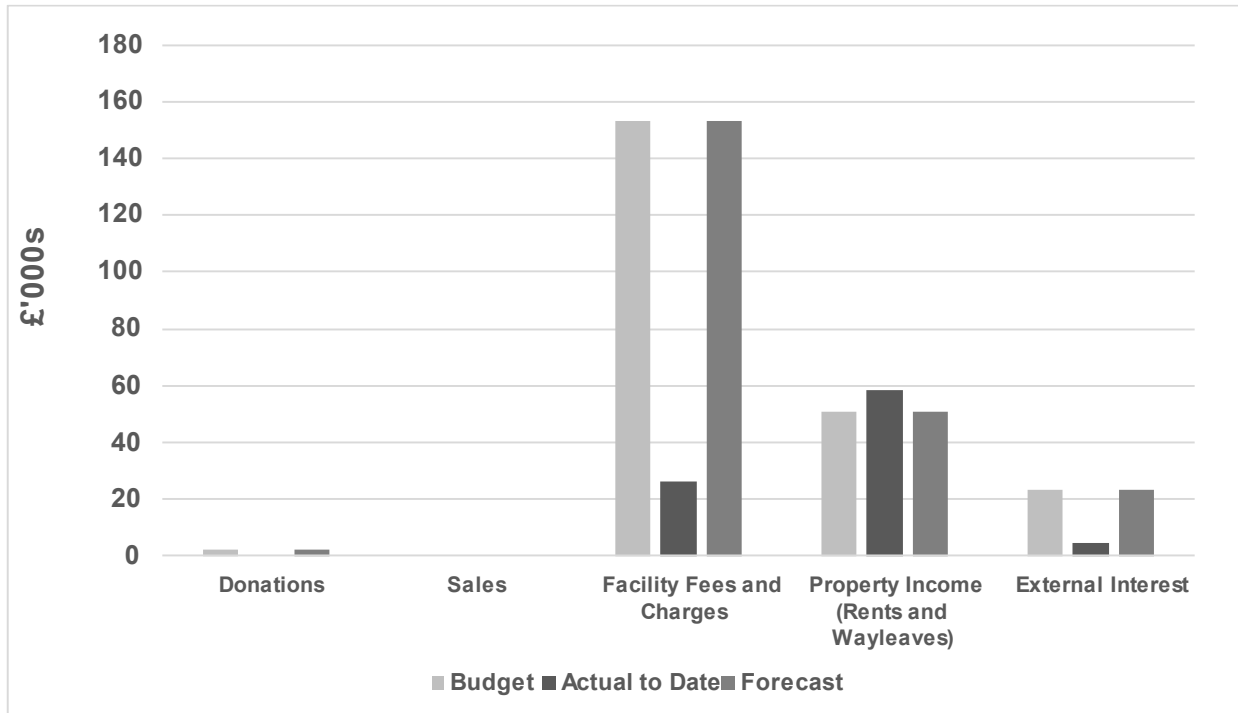
9. A breakdown and analysis of the latest gross income position for 2025/26 is set out in Table 3 below:

**Table 3 – Income Summary — June 2025**

	<b>Latest Budget £'000s</b>	<b>Actual June 2025 £'000s</b>	<b>Forecast Outturn £'000s</b>	<b>Budget Variance £'000s</b>	<b>Variance %</b>
<b>Direct Operating Budgets</b>	<b>(229)</b>	<b>(88)</b>	<b>(229)</b>	<b>0</b>	<b>0.00%</b>
<b>Recharges and Support Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>Total Gross Income</b>	<b>(229)</b>	<b>(88)</b>	<b>(229)</b>	<b>0</b>	<b>0.00%</b>

10. As shown in Table 3, total income to the end of June 2025 amounted to (£88k), amounting to 38.64% of the total gross income budget to be achieved for 2025/26 of (£229k). 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 (£229k), in line with a total gross income budget of (£229k) for the current financial year.

### 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 £152k, £148k has been spent or committed to date, leaving a remaining budget of £4k to progress the various projects to the next project gateway, release of further capital funds or completion.

**Table 4 – Live Capital Projects**

Capital Projects - Queen's Park	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
QP Play Area and Sandpit replacement of equipment	152,000	152,000	144,181	0	4,319	3,500
<b>TOTAL QUEEN'S PARK</b>	<b>152,000</b>	<b>152,000</b>	<b>144,181</b>	<b>0</b>	<b>4,319</b>	<b>3,500</b>

### Outstanding Invoiced Debts

14. At the end of June 2025, total outstanding invoiced debt was £1,937. 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	£535	27.61%
31-60 Days	£87	4.47%
61-90 Days	£592	30.58%
91-120 Days	£286	14.79%
121-365 Days	£436	22.55%
Over 365 Days	£0	0.00%
<b>Total Outstanding Debts</b>	<b>£1,937</b>	<b>100.00%</b>

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 £436 in June 2025 associated with Highgate Wood Football Coaching Fees.

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



### Charity Reserve Funds

16. Table 6 below provides a summary of the different reserves held by Highgate Wood & Queen's Park charity as at the end of June 2025, including movements in reserve funds since the start of 2025/26:
17. Further detail is provided in Appendix 3 which lists the individual restricted, unrestricted and designated funds held by Highgate Wood & Queen's Park charity. It details the opening balance for 2025/26 and any movements in the current financial year to date. Appendix 3 also provides a technical definition for each of the different types of reserve funds held.

**Table 6 - Reserve Funds Summary – June 2025**

	Opening Balance 2025/26	Income	Expenditure	Current Balance
<b>Unrestricted Funds</b>	£200,134	£0	£0	£200,134
<b>Designated Funds</b>	£296,512	£0	£0	£296,512
<b>Total</b>	<b>£396,416</b>	<b>£0</b>	<b>£0</b>	<b>£396,416</b>

### Contributions from City of London

18. 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.
19. 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**

Highgate Wood & Queens Park	2021/22	2022/23	2023/24	2024/25	2025/26 (Est.)
	£'000s	£'000s	£'000s	£'000s	£'000s
Gross Expenditure	1,294	1,338	1,728	2,268	2,214
Cyclical Works Expenditure	64	165	134	517	101
Capital Expenditure	0	0	46	54	7
Gross Income	(321)	(233)	(374)	(238)	(229)
<b>Total Contribution from City of London</b>	<b>1,037</b>	<b>1,270</b>	<b>1,533</b>	<b>2,601</b>	<b>2,093</b>

20. As can be seen from the Table 7, 2024/25 saw an increase in the contribution from City's Estate to Highgate Wood & Queen's Park charity compared with the previous year 2023/24. The increase in expenditure can be explained by an increase in employment costs following pay rises awarded to staff as well as additional expenditure incurred on fees and services, grounds maintenance and costs recharged from corporate departments. This can also be attributed to increased expenditure on CWP projects across all charities to meet the backlog of works for projects falling under the CWP
21. Table 7 also illustrates the reduced contribution projected to be provided from City's Estate for 2025/26. This decrease is explained by additional expenditure on works falling under CWP projects managed by the City Surveyor as part of the backlog of works being moved to the prior year in 2024/25.
22. 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 – Highgate Wood & Queen's Park Charity – Revenue Operating Budget – 2025/26

Appendix 2 –Queen's Park Charity – Revenue Operating Budget – 2025/26

Appendix 3 – Highgate Wood & Queen's Park Charity - Reserve Funds – June 2025

## **Contact**

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