

City of London Corporation Committee Report

Committee(s): Natural Environment Board	Dated: 23/10/2025
Subject: Natural Environment Board Revenue Outturn 2024/25	Public report: For Information
This proposal: <ul style="list-style-type: none"> • 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:	Clem Harcourt, Chamberlain's Department

Summary

This report compares the revenue outturn for the services overseen by your Board in 2024/25 with the final budget for the year. In total, there was an adverse budget position of £285k for the services overseen by your Board compared with the final budget for the year as set out in the table below.

The Natural Environment Board is the strategic overarching committee for the entire Natural Environment Division and whilst this report details the 2024/25 revenue outturn position for the Natural Environment Directorate, Learning Programme, City Gardens and Bunhill Fields (see table below), the report also provides a summary of the revenue outturn for all of the sections within the Natural Environment Division (excluding Keats House and The Monument which are reported to the Culture, Heritage and Libraries Committee) as provided in Appendix 2.

	Final Budget	Revenue Outturn	Variation (Better)/Worse
	£000	£000	£000
Local Risk			
Executive Director Environment	3,532	3,648	116
City Surveyor	507	576	69
Total Local Risk	4,039	4,224	185
Central Risk	22	12	(10)
Recharges	(903)	(793)	110

Total Net Expenditure	3,158	3,443	285
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Explanations for significant budget variances are detailed in paragraphs 5 to 8.

The Executive Director Environment had an overall local risk overspend of £116k (excluding City Surveyor) for activities overseen by your Board. The Executive Director Environment also had a net local risk underspend totalling £355k (excluding City Surveyor) on activities overseen by other Committees within her remit, after adjusting for unspent carry forwards from 2023/24. The Executive Director Environment proposed that £200k be carried forward into 2025/26, none of which related to your Board.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Budget Position for 2024/25

1. The 2024/25 original budget for services overseen by your Board (received in December 2023) was £2.487m net expenditure. This budget was endorsed by the Court of Common Council in March 2024 and subsequently updated for approved net increases of £671k resulting in a final budget for 2024/25 of £3.158m net expenditure. This is explained by the following budget movements:
 - £475k removal of Learning Team recharges to Natural Environment charities which are no longer being recharged effective from 2024/25;
 - £201k rephasing of projects falling under the Cyclical Works Programme (CWP) at Bunhill Fields and City Gardens;
 - £116k funding for Natural Environment Charities Review related to costs incurred by the Natural Environment Division in 2024/25 for staffing and consultancy costs;
 - £65k net additional funding provided to local risk budgets to cover centrally funded apprentices, additional costs from the July 2024 pay award and film liaison costs at City Gardens;
 - £3k net change in inter-departmental recharges for 2024/25 relating to the Natural Environment Directorate and the Cleansing section;
 - £2k agreed central risk carry forward bid from the Transformation Fund for IT Transformation work at City Gardens;
 - (£95k) reduction in central support recharges from corporate departments following a corporate review of recharges during 2024/25;
 - (£61k) local risk contribution provided to the Finsbury Circus Reinstatement capital project; and
 - (£35k) funding provided from the Natural Environment Directorate local risk budget for the 150th anniversary at West Ham Park.

2. A reconciliation between the original budget and the final budget for 2024/25 is provided in Appendix 1.

Revenue Outturn 2024/25

3. Actual net expenditure for your Board's services during 2024/25 totalled £3.443m, an adverse budget variance of £285k compared with the final budget of £3.158m net expenditure.
4. A summary comparison with the final agreed budget for the year is tabulated below. In the tables, brackets are used to denote income, decreases in expenditure, or increases in income. Please note that this is a departure from the convention used in previous reports and has been adopted across the Financial Service Division. Only significant variances (generally those greater than £50k) are commented on.

Natural Environment Board

Comparison of 2024/25 Revenue Outturn with Final Budget

	Original Budget £000	Final Budget £000	Revenue Outturn £000	(Better)/ Worse £000	Para
LOCAL RISK					
Executive Director Environment					
City Gardens	1,495	1,426	1,676	250	5
Bunhill Fields	122	124	132	8	
Directorate	1,381	1,530	1,397	(133)	6
Learning Programme	449	452	443	(9)	
Total Net Expenditure	3,447	3,532	3,648	116	10
City Surveyor's Local Risk (Repairs and Maintenance)	44	44	42	(2)	
City Surveyor's (Cyclical Works Programme)	262	463	534	71	7
	306	507	576	69	
TOTAL LOCAL RISK	3,753	4,039	4,224	185	
CENTRAL RISK					
City Gardens	20	22	12	(10)	
TOTAL CENTRAL RISK	20	22	12	(10)	
RECHARGES					
Insurance	23	23	28	5	
Admin Buildings	82	24	24	0	
Support Services	515	407	407	0	
Surveyor's Employee Recharge	65	87	87	0	
IT Recharges	61	110	110	0	
Capital Charges	26	26	12	(14)	
Recharges Within Fund (Directorate, Democratic Core, & Learning)	(2,896)	(2,609)	(2,418)	191	
Recharges Across Fund (Directorate Recharges)	838	1,029	957	(72)	

TOTAL RECHARGES	(1,286)	(903)	(793)	110	8
OVERALL TOTAL NET EXPENDITURE	2,487	3,158	3,443	285	

Reasons for Significant Variations

5. The £250k overspend at City Gardens is explained by £122k additional costs incurred by the Highways Division on general repairs and maintenance expenditure. This was in addition to extra equipment and material purchases being incurred which were £140k greater than budgeted with part of these costs being funded from a contribution from the On Street Parking Reserve (OSPR). Although staffing costs were predicted to come in under budget, to offset the planned overspend in materials, the late notification of a staffing budget adjustment accumulated from previous years of £179k led to a £63k overspend in total staffing costs at City Gardens. An additional £43k was incurred on other expenditure items including internal legal fees and consultancy fees such as an archaeological historic environment assessment funded from the OSPR contribution. The overspend was partly mitigated by extra income received consisting of (£56k) in additional Section 106 contributions, (£33k) from fees and charges and (£29k) increased transfers from reserves compared with budget.
6. There was a (£133k) underspend on the Natural Environment Directorate's local risk budget for 2024/25. This is explained by a (£135k) underspend on staffing costs as a result of vacant posts not being filled as well as a (£107k) variance due to the Director's contingency budget not being fully utilised for 2024/25. This was partly offset by £104k reduced income from self-funded posts as a result of these posts not being filled for the whole of 2024/25. This was in addition to a £5k overspend on other areas of expenditure within the Directorate.
7. Expenditure on projects falling under the CWP managed by the City Surveyor was £71k greater than the final budget for 2024/25 comprising an overspend of £51k at City Gardens and £20k at Bunhill Fields. The variance was due to the rephasing of projects such as wall repairs at Bunhill Fields and works taking place at St. Bride Churchyard. Please note that 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.
8. Total net income from recharges for your Board was £110k less than budgeted for 2024/25. This is largely due to reduced recharges from the Natural Environment Directorate to other sections of the division attributable to an underspend on the Directorate for 2024/25 resulting in less costs being recharged.

Local Risk Carry Forward to 2025/26

9. Chief Officers can generally request underspends of up to 10% or £500,000 (whichever is the lesser) of the final agreed local risk budget to be carried forward, so long as the underspending is not fortuitous and the resources were for a planned purpose that was prevented from happening during the year. Such requests are subject to the approval of the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resources Allocation Sub Committee. In accordance with Financial Regulations, any overall

Departmental overspends are carried forward in full and are met from the agreed 2025/26 budgets.

10. The Executive Director Environment had a local risk overspend of £116k on the activities overseen by your Board. The Executive Director also had a net local risk underspend totalling (£355k) on activities overseen by other Committees within her remit, after adjusting for unspent carry forwards from 2023/24. The Executive Director Environment has proposed that £200k of her eligible underspend of (£239k) be carried forward, none of which relates to activities overseen by your Board.

Natural Environment Division Revenue Outturn – 2024/25

11. Appendix 2 provides a summary of the outturn for the whole Natural Environment Division and City Gardens for 2024/25 which is analysed between the different sections of the Division and provides explanations for significant variances above £50k. Appendix 2 shows total net expenditure of £25.019m for 2024/25 for the Natural Environment Division, amounting to an overspend of £2.543m compared to the final net expenditure budget of £22.476m. Please note that the summary excludes the outturn position for both Keats House and The Monument which are reported separately to the Culture, Heritage and Libraries committee. Further detail has been provided in the various outturn reports to the individual Natural Environment service committees.

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

Conclusion

12. This report presents the revenue outturn position for 2024/25 for the Natural Environment Board for Members to note.

Appendices

- Appendix 1 - Movement between 2024/25 Original Budget and 2024/25 Final Budget
- Appendix 2 – Natural Environment Division – Summary Revenue Outturn – 2024/25

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