

City of London Corporation Committee Report

Committee(s): Epping Forest and Commons Committee	Dated: 26/01/2026
Subject: Operational Finance Progress Report - Quarter 2 (September 2025) 2025/26 – Epping Forest	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:	Chamberlain
Report author:	Clem Harcourt, Chamberlain's Department

Summary

This report provides an update on the operational finance position for Quarter 2 for 2025/26 for Epping Forest charity (charity registration no: 232990). This includes the charity's revenue budget to date to the end of September 2025 and projected year-end outturn position, current live capital projects and outstanding debt position. It also provides additional information on the various reserve funds held and other relevant finance information for Epping Forest charity.

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

Recommendation(s)

Members are asked to:

- Note the content of this report and its appendices.

Main Report

Background

1. For additional context, various financial appendices and commentary have been produced to enable greater clarity of revenue budgets and other financial information needed to allow greater scrutiny of the financial performance of the Epping Forest charity (charity registration no: 232990) as well as to provide assurance that the Executive Director Environment remains within her local risk resources for 2025/26.
2. To ensure your Committee is kept informed, an update on progress made against budgets as well as other financial matters will be reported to you on a periodic (quarterly) basis. This approach will allow Members to ask questions and have a timely input into areas of particular importance to them.
3. Please be advised that in the report below, income and favourable budget variances are represented by brackets, whereas figures without brackets indicate expenditure or adverse budget variances in line with the convention used across the Financial Services Division. Members should also note that generally only budget variances above £50k have been commented on in the report and in Appendix 1.

Revenue Operating Budget – 2025/26

4. The budget for Epping Forest for 2025/26 amounts to £8.426m net expenditure. Actual net expenditure as at September 2025 amounted to £2.65m with a current forecast outturn for 2025/26 of £8.416m net expenditure. This amounts to a projected net underspend for 2025/26 of (£10k), equivalent to 0.12% of the total net expenditure budget.
5. A summary of the 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. Information has also been presented in a way that distinguishes between expenditure and income budgets in line with best practice for the financial reporting of charities. Please note that the information presented below comprises operating revenue budgets (local and central risk) as well as budgets for recharges and support services and repairs and maintenance budgets managed by the City Surveyor.

Table 1 – Revenue Operating Budget Summary – 2025/26 – Epping Forest

	Budget £'000s	Actual – Sep 2025 £'000s	Forecast Outturn £'000s	Budget Variance £'000s	Variance %
Gross Expenditure	11,508	4,224	11,691	183	1.59
Gross Income	(3,082)	(1,574)	(3,275)	(193)	(6.26)
Net Expenditure	8,426	2,650	8,416	(10)	(0.12)

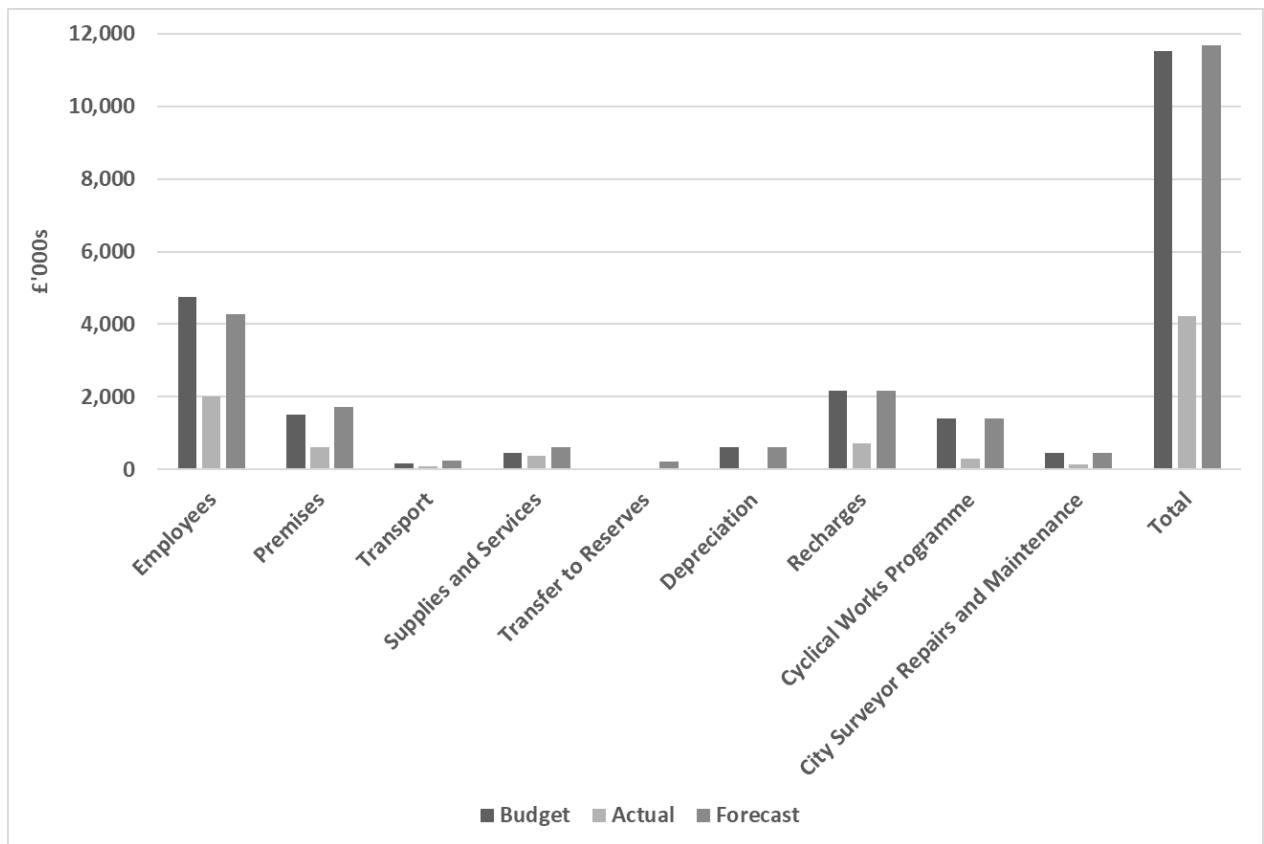
6. As can be seen from the table above, Epping Forest are currently forecasting a total net underspend of (£10k) compared with the total net expenditure budget for 2025/26. The underspend can be attributed to a (£10k) underspend on the charity's central risk budget as shown in Appendix 1.

7. The major budget variances for Epping Forest for 2025/26 are set out below and are explained further in Appendix 1:
 - (£476k) forecasted underspend on salaries as a result of a number of staffing vacancies at Epping Forest which have not yet been filled as at September 2025;
 - £200k forecasted overspend on grounds maintenance largely explained by additional works undertaken in 2025/26 with some of these works being funded from monies from the Strategic Access Management and Monitoring Strategy (SAMMS);
 - £65k additional expenditure incurred on fees and services with additional costs expected on arborist surveys and consultancy costs required for the visitor management survey; and
 - £60k overspend forecast on repairs and maintenance costs required to service vehicles at Epping Forest.
8. In addition, Members should note that as at September 2025, the charity was forecasting a £192k surplus on its local risk budget for 2024/25. This has largely arisen as a result of the projected underspend on staffing costs noted above. This surplus is due to be transferred to the charity's unrestricted (free) reserves in line with changes to the charity's funding model from 2025/26, resulting in the charity's local risk budget being within budget overall. The actual amount to transfer to the charity's unrestricted reserves will be kept under review for the remainder of the financial year.

Expenditure

9. As at September 2025, total gross expenditure for Epping Forest amounted to £4.224m. This represents 36.70% of the total gross expenditure budget for 2025/26 of £11.508m.
10. For 2025/26, the charity are currently forecasting total gross expenditure of £11.691m amounting to an overspend on expenditure of £183k, 1.59%, compared with the total gross expenditure budget for 2025/26 of £11.508m.
11. Graph 1 below provides a summary of the different categories of expenditure incurred to September 2025 along with current forecasts for 2025/26.

Graph 1 – Expenditure Categories – Epping Forest – 2025/26



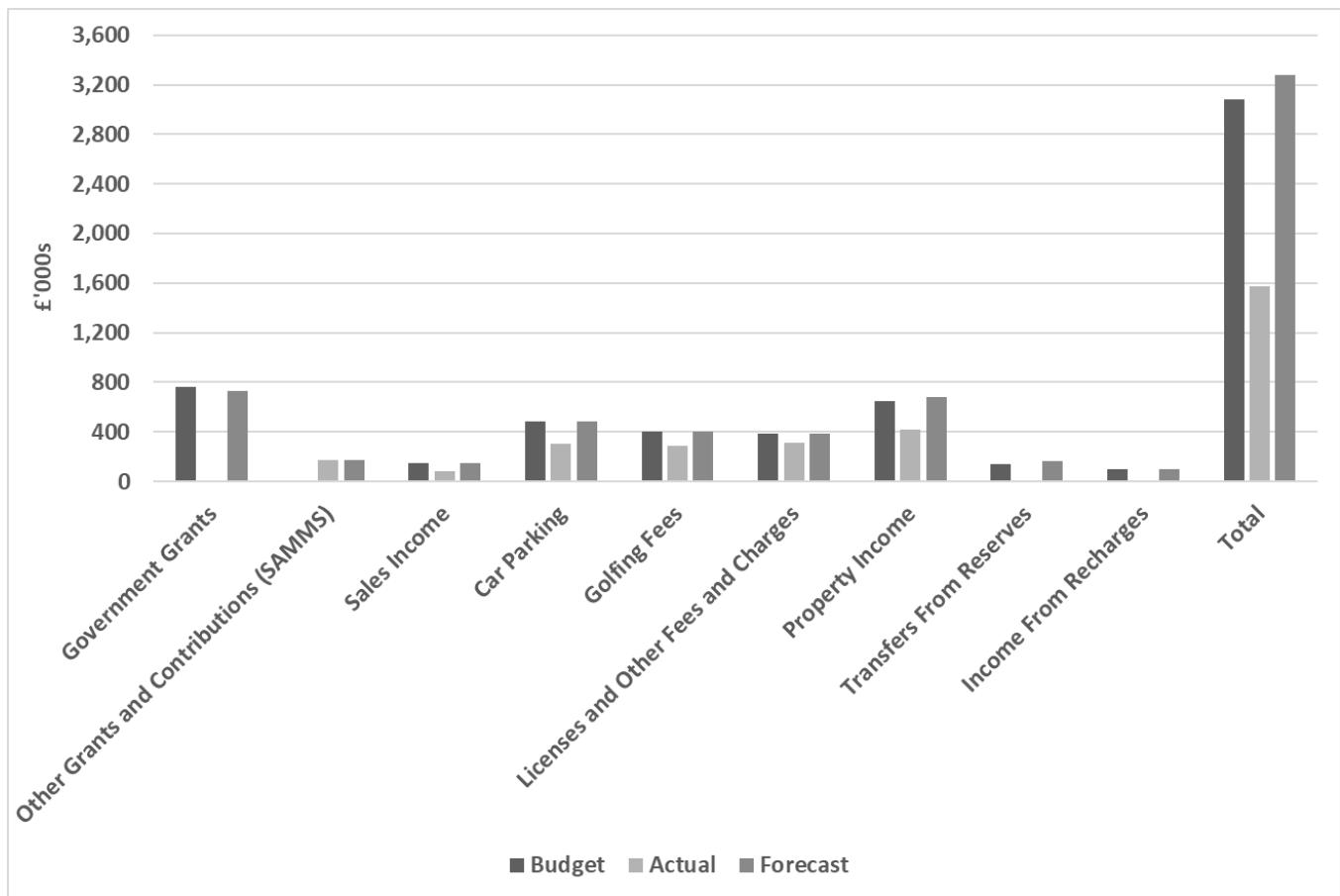
Income

12. As at September 2025, total gross income for Epping Forest amounted to (£1.574m). This represents 51.07% of the charity's total gross income budget for 2025/26 of (£3.082m).

13. For 2025/26, the charity are currently forecasting total gross income of (£3.275m), amounting to an increase in gross income of (£193k), (6.26%), compared with the gross income budget of (£3.082m).

14. Graph 2 below provides a summary of the different categories of income received to September 2025 along with current forecasts for 2025/26.

Graph 2 – Income Categories – Epping Forest – 2025/26



Capital Projects

15. Appendix 2 outlines the current list of live capital projects for the charity in progress against their currently approved budget. It should be noted that the “current approved budget” is the amount currently agreed by Committee 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.
16. Out of a current approved budget of £5.749m, £2.793m has been spent or committed to date, leaving a remaining budget of £2.956m to progress the various projects to the next project gateway, release of further capital funds or completion.

Outstanding Debts

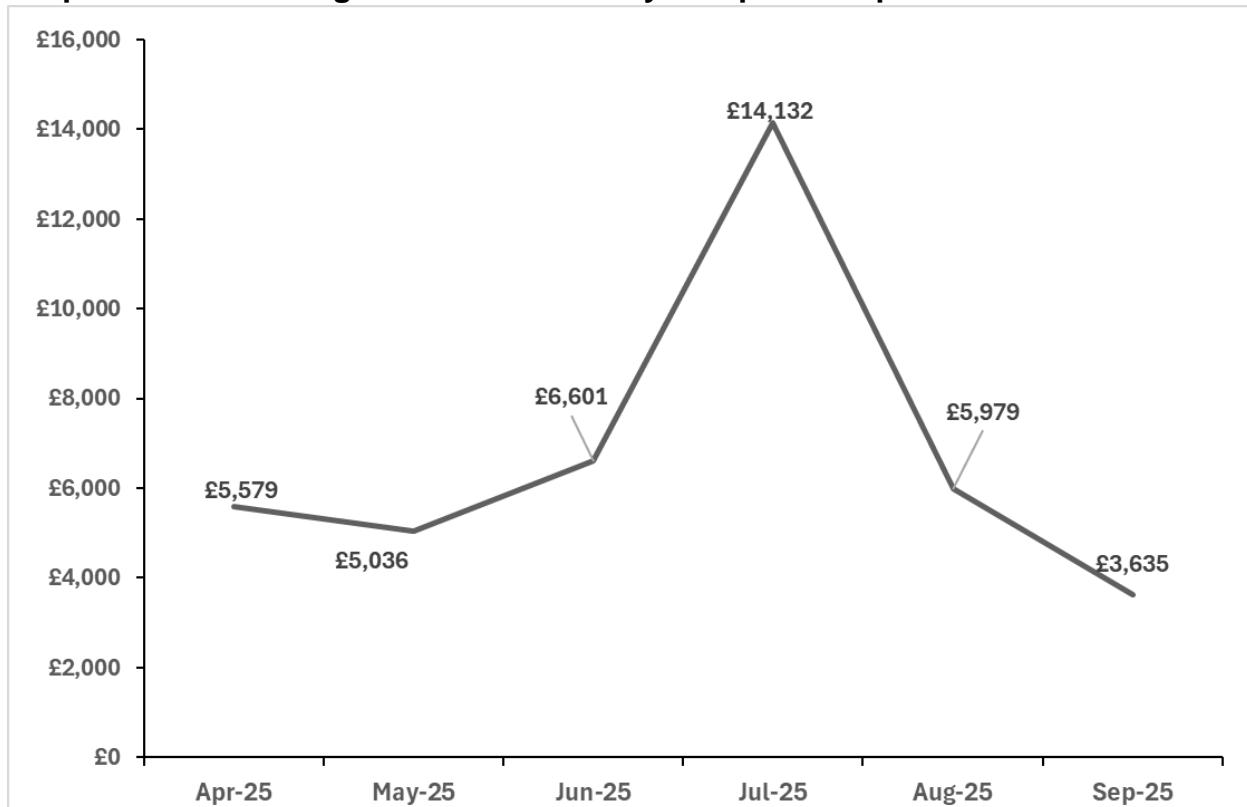
17. At the end of September 2025, total outstanding debts for Epping Forest was £67,705. A breakdown of the charity’s debts by age bracket is provided in Table 2 below:

Table 2 – Outstanding Debt Arrears Age Profile – Epping Forest

Age of Debt	Debt Arrears (£)	% of Total Debts
0-30 Days	64,095	94.67
31-60 Days	(20)	(0.03)
61-90 Days	879	1.30
91-120 Days	(884)	(1.31)
121-365 Days	168	0.25
365+ Days	3,467	5.12
Total	67,705	100.00

18. 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 from the graph, debts over 120 days amounted to £3,635 in September 2025, a reduction of £2,344 (39.20%) compared with August 2025 and a decrease of £1,944 (34.84%) over the previous six-month period. Please note that the increase in debts over 120 days for July 2025 related to an outstanding property invoice which was subsequently cleared in the following month.

Graph 3 – Outstanding Debts Over 120 Days – April to September 2025



19. Members should note that outstanding debts over 120 days at Epping Forest largely consist of historical wayleaves such as mortgages which are currently

being reviewed. Please also note that provisions for these debts are currently held in the event that there is a requirement for the debts to be written off.

Charity Funds (Restricted, Unrestricted and Designated)

20. Appendix 3 lists the various restricted, unrestricted and designated funds held by Epping Forest. It details the opening balance for 2025/26 and any movements in the current financial year to date. Appendix 3 also provides a definition for each type of charity reserve fund.
21. A summary of the current balances held by the charity for each type of reserve fund and movements in the reserves in 2025/26 is also shown below in Table 3:

Table 3 – Epping Forest Reserve Funds Summary – September 2025

	Restricted	Unrestricted	Designated	Total
	£'000s	£'000s	£'000s	£'000s
Opening Balance	1,896	572	7,653	10,121
Income	0	0	24	24
Expenditure	338	0	25	363
Current Balance	1,558	572	7,652	9,782

22. Members should note that the primary movements in the charity's reserve funds in 2025/26 to date relate to expenditure incurred on Epping Forest's restricted funds. This includes grounds maintenance works funded by the charity's SAMMS reserve as well as expenditure incurred on works in relation to major habitat restoration and veteran tree management which is funded by the charity's reserve for Countryside Stewardship Scheme (CSS) grant monies.
23. The other area of expenditure funded from Epping Forest reserve funds during 2025/26 to date relates to the purchase of equipment which is being funded by the charity's designated fund for golf course machinery.

Contributions from City's Estate

24. Prior to 2025/26, the funding model for the charity was for Epping Forest's total net expenditure to be fully funded from City's Estate, including the cost of any capital expenditure incurred during the year as well any works managed by the City Surveyor under the Cyclical Works Programme (CWP) carried out over the year. Any changes to the amount of expenditure incurred or income generated over the course of the year will have an impact on the overall contribution required by the charity at year end. The total contribution is therefore calculated based on the actual total net running costs for the year in addition to any capital expenditure and CWP costs incurred.

25. Members should note that for 2025/26, Epping Forest has moved to a grant funded model on its operational (local risk) budget with other elements of the charity's budgets continuing to be deficit funded for the time being.

26. The table below details the actual level of contribution provided from City's Estate to Epping Forest for the previous four financial years along with the current forecast projected for 2025/26. The table is broken down according to the different elements comprising the charity's contribution from City's Estate.

Table 4 – Contributions from City's Estate – 2021/22 to 2025/26 – Epping Forest Charity

Epping Forest	2021/22	2022/23	2023/24	2024/25	2025/26 (Est.)
	£'000s	£'000s	£'000s	£'000s	£'000s
Gross Expenditure	6,871	7,308	8,154	9,170	9,478
Cyclical Works Expenditure	480	293	199	1,035	1,395
Capital Expenditure	57	197	778	985	2,346
Gross Income	2,737	3,310	2,455	3,134	3,009
Total Contribution from City of London - Epping Forest	4,527	4,879	6,573	8,400	10,210

27. As seen from the table above, there was an increase for 2024/25 in the total contribution from City's Estate to the charity of £1.827m (27.80%) compared with the previous financial year. This increase can be attributed to increased expenditure on CWP projects to meet the backlog of works for projects falling under the CWP with expenditure incurred on a range of projects in 2024/25. This increase was in addition to extra costs being incurred on salaries following pay rises to staff and vacancies being filled as well as an increase in expenditure on repairs and maintenance and recharges from corporate departments.

28. Table 4 also illustrates the increased contribution projected to be provided to the charity from City's Estate for 2025/26. The contribution is currently forecast to increase by £1.81m (21.55%) compared with the total contribution for 2024/25. This increase is explained by extra capital expenditure forecast for Epping Forest in 2025/26 on a range of capital projects currently being undertaken with further details on these projects listed in Appendix 2. The increase is on top of additional expenditure forecast to be incurred in 2025/26 on works falling under CWP projects managed by the City Surveyor as part of the backlog of CWP works.

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

29. This report provides an update on the operational finance position for Quarter 2 for 2025/26 for Epping Forest on a range of financial related matters to the end of September 2025.

Appendices

Appendix 1 – Epping Forest Revenue Budget Summary – 2025/26

Appendix 2 – Epping Forest Capital Projects 2025/26 – Quarter 2

Appendix 3 – Charity Funds (Restricted, Unrestricted and Designated) - Epping Forest

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