



Natural Environment Charities Framework Document (Grant Funding)

Natural Environment
Charities



Approved v1.0: 29 May 2026

Framework Document

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Introduction and background

1. Purpose of document

- 1.1. The Mayor and Commonalty and Citizens of the City of London (also referred to as ‘the City Corporation’ or ‘the City of London Corporation’) is a corporate body acting by its Court of Common Council (“Common Council”). As set out in section 3 of this document, the City Corporation acts in different capacities to discharge a range of functions.
- 1.2. This framework document (the “framework document”) sets out the organisational arrangements that apply regarding the provision of grant funding by the City Corporation as grant funder (from City’s Estate) to the Natural Environment Charities (“NE Charities”) as grant recipient(s). It summarises core responsibilities and how the day-to-day relationship works in practice, in particular regarding the payment of grant funding and associated financial matters.
- 1.3. The framework document reflects the agreed arrangements between:
 - the City Corporation acting in its general corporate capacity as grant funder; and
 - the City Corporation acting in its capacity as sole trustee (“Trustee”) of each of the eight NE Charities (specified in paragraph 3.4) in receipt of grant funding.
- 1.4. The City Corporation, in the exercise of its different functions, is accountable within its corporate governance framework for complying with the relevant obligations set out in this framework document. For the avoidance of doubt the arrangements set out in this framework document are not legally binding.
- 1.5. Copies of the document and any subsequent amendments have been made available to members of the public on the City of London Corporation website here: [Natural Environment - City of London](#).
- 1.6. This framework document (and the grant funding mechanism described in it) have been approved by the City Corporation in both its capacity as grant funder and its capacity as Trustee of each of the eight NE Charities, through the appropriate corporate governance approval process.
- 1.7. This framework document should be reviewed and, if necessary, updated at least every 3 years unless there are exceptional reasons that have been agreed with the Chamberlain and Chief Financial Officer of the City Corporation and the Executive Director Environment that render this inappropriate. This arrangement is effective from 1 April 2026 (financial year 2026/27) and the document is to be reviewed and the grant agreed for the next grant period by April 2029.
- 1.8. Additionally, the application of the grant funding mechanism will be subject to formal review after the first year of this agreement to provide assurance that the associated arrangements and principles are relevant and appropriately applied, recognising that the first three-year grant period is one of transition to the revised grant funding model as detailed in this framework document.

2. Objectives

- 2.1. The objectives of each of the NE Charities are set out in section 4, and generally comprise the preservation of various open space, ancient woodland and park land around London in perpetuity for public recreation. The objective of this framework document is to facilitate the effective operational delivery of the activities of the NE

Charities (thereby contributing to the furtherance of their objectives) by clearly setting out the funding arrangements between the City Corporation in its capacities as grant funder and Trustee of the NE Charities in receipt of funding.

3. Organisational status and functions

- 3.1. The City Corporation is an ancient, common-law corporation by prescription capable of acting in different capacities in the discharge of a broad range of functions (both public and private). For the purposes of this document, as grant funder, the Corporation is acting in its general corporate (private) capacity, in which it enjoys all the ordinary legal capacity of a natural person (except so far as has been restricted or augmented by statute or custom). The City Corporation is not acting in its local authority capacity in relation to the matters contained in this document and does not draw on its local authority funding.
- 3.2. In its general corporate capacity, the City Corporation is steward of an endowment fund, 'City's Estate', which has been built up over the last eight centuries; the incomes of that fund are derived mainly from property, supplemented by investment earnings (subject to market variance). City's Estate is used by the City Corporation to contribute to the financing of activities for the benefit of London as a whole, but which are also of relevance nationwide. These activities include the provision and management of the open spaces held by the NE Charities. As grant funder, the City Corporation will allocate funds from City's Estate to the NE Charities as set out in section 9 of this document.
- 3.3. The NE Charities are each separately registered on the Register of Charities maintained by the Charity Commission for England and Wales. They are all unincorporated charities, and have a single trustee: the City Corporation.
- 3.4. The eight NE Charities are listed below, with links to the information published about each charity on the Charity Commission's website, including copies of recent accounts:
 - [Epping Forest \(charity number 232990\);](#)
 - [Hampstead Heath \(charity number 803392\);](#)
 - [Highgate Wood and Queen's Park, Kilburn \(charity number 232986\);](#)
 - [West Ham Park \(charity number 206948\);](#)
 - [Ashted Common \(charity number 1051510\);](#)
 - [Burnham Beeches and Stoke Common \(charity number 232987\);](#)
 - [Coulston and other Commons \(charity number 232988-1\); and](#)
 - [West Wickham Common and Spring Park Wood \(charity number 232988\).](#)

Charitable purposes and aims

4. Purposes, powers and duties

- 4.1. The NE Charities primarily exist to preserve various open space, ancient woodland and park land in and around London in perpetuity for the recreation and enjoyment of the public.
- 4.2. Most of these charities have their origins in the late 19th century and most were initially financed by the City Corporation from a duty levied on grain brought into the City of London. The governing documents of the charities vary, and include Acts of Parliament, secondary legislation, conveyances and Charity Commission schemes.
- 4.3. The charitable purposes of each of the NE Charities can be summarised as follows:
 - Epping Forest (charity number 232990) - The preservation of Epping Forest in perpetuity as an open space for the recreation and enjoyment of the public (including preserving, as far as possible, the natural aspect of the Forest and protecting the timber and other trees etc. growing thereon).
 - Hampstead Heath (charity number 803392) - The preservation of Hampstead Heath in perpetuity as an open space for the recreation and enjoyment of the public (including preserving, as far as possible, the natural aspect of Hampstead Heath).
 - Highgate Wood and Queen's Park, Kilburn (charity number 232986) - The preservation in perpetuity of Highgate Wood, Highgate and Queens Park, Kilburn as public parks or open spaces for the perpetual use thereof by the public for exercise and recreation (including protecting the timber and other trees etc. growing on the open spaces, and preserving, as far as possible, the natural aspect of Highgate Wood).
 - West Ham Park (charity number 206948) - The maintenance of West Ham Park as open public grounds and gardens for the resort and recreation of adults and as playgrounds for children and youth.
 - Burnham Beeches and Stoke Common (charity number 232987) - The preservation in perpetuity of the open spaces known as Burnham Beeches and Stoke Common for the recreation and enjoyment of the public (including preserving, as far as possible, the natural aspect of the open spaces, and protecting the timber and other trees etc. growing thereon).
 - Ashted Common (charity number 1051510) - The preservation in perpetuity of the open space known as Ashted Common for the recreation and enjoyment of the public (including preserving, as far as possible, the natural aspect of the Common, and protecting the timber and other trees etc. growing thereon).
 - Coulsdon and other Commons (charity number 232988-1) - The preservation in perpetuity of the open spaces known collectively as Coulsdon Commons for the recreation and enjoyment of the public (including preserving, as far as possible, the natural aspect of the open spaces, and protecting the timber and other trees etc. growing thereon).
 - West Wickham Common and Spring Park Wood (charity number 232988) - The preservation in perpetuity of the open spaces known collectively as West Wickham and Spring Park Wood for the recreation and enjoyment of the public (including

preserving, as far as possible, the natural aspect of the open spaces, and protecting the timber and other trees etc. growing thereon).

5. Aims and strategies

- 5.1. For almost 150 years, the City Corporation has been the proud conservator and principal funder of some of the UK's most treasured green spaces. In its capacity as Trustee of the NE Charities (with the charitable purposes summarised under paragraph 4.3 above), the City Corporation holds nearly 11,000 acres of green space across London and south-east England – including woodlands, parks, and nature reserves, significant parts of which are designated as Special Areas of Conservation, Sites of Special Scientific Interest, National Nature Reserves, or contain protected heritage sites – and welcome over 47 million visitors each year.
- 5.2. The open spaces held by the NE Charities are managed, for and on behalf of the City Corporation as Trustee, by the Natural Environment Division, which has developed a vision and four key strategies (which together form the “Natural Environment Strategy”) to provide cohesive, strategic direction to its management of each of the NE Charities. These are available on the City Corporation's website ([Natural Environment - City of London](#)), and support and inform the development of management strategies and business plans for each of the NE Charities.
- 5.3. The vision is for open spaces that are rich in diversity, conserving nature, creating memories, and enhancing lives. The Natural Environment Division's mission is to achieve this vision by protecting and improving these spaces, working in partnership with relevant external stakeholders to ensure they are more accessible, sustainable and preserved for the benefit of the public.
- 5.4. The four key strategies that support the vision for the management of each of the NE Charities are:
 - Nature Conservation and Resilience - to conserve the special biodiversity and habitats of the open spaces and manage them to secure their future.
 - Community Engagement - to act as stewards of the open spaces in partnership with communities to ensure their responsible use and conservation in perpetuity.
 - Access and Recreation - to conserve, enhance and sustainably manage the open spaces' special natural environments and their heritage; and to welcome, encourage and inspire visitors to enjoy and protect these spaces for future generations.
 - Culture, Heritage and Learning: to take care of the charities' cultural assets, and deliver a culture, heritage and learning offer which will develop participation, confidence, connection, opportunity and wellbeing of, and support from, our priority audiences.
- 5.5. The Natural Environment Strategy is set within the context of the City of London Corporate Plan 2024-2029 and its six stated outcomes:
 - Diverse Engaged Communities
 - Dynamic Economic Growth
 - Leading Sustainable Environment
 - Vibrant Thriving Destination
 - Providing Excellent Services
 - Flourishing Public Spaces.

5.6. The NE Charities deliver significant outcomes in furtherance of the charitable objects of the relevant charity. These outcomes incidentally support the City Corporation in its wider role, protecting, enhancing and sharing the unique landscape and cultural heritage of the City of London and its environs to deliver a flourishing, world class destination for residents and visitors, now and for future generations; and as a leader in environmental sustainability, nature conservation, climate action, community engagement and learning, building economic resilience and growth.

Governance and accountability

6. Role of the City of London Corporation as charity trustee

- 6.1. Subject to requirements in law (whether under the charity's governing documents, statute or common law), the City Corporation exercises its functions as Trustee of each of the NE Charities within its corporate governance framework. The City Corporation's internal governance framework includes the following corporate governance documents approved by the Common Council - the "White Paper" and Committee Terms of Reference approved by the Common Council in April each year, Standing Orders of the Common Council, and Financial Regulations, Procurement Code and Regulations, the Projects, Programme and Portfolio (P3) Policy Framework, and the Chief Officer Scheme of Delegations, etc. These are all available here: <https://www.cityoflondon.gov.uk/about-us/plans-policies/corporate-governance>.
- 6.2. As Trustee of the NE Charities, the City Corporation has duties to:
 - comply with each charity's governing documents and the law;
 - ensure that each charity is carrying out its purposes for the public benefit;
 - act in each charity's best interests;
 - manage each charity's resources responsibly;
 - act with reasonable care and skill; and
 - ensure that each charity is accountable, including being able to demonstrate each charity is well run, efficiently and effectively.
- 6.3. The City Corporation, as Trustee, maintains charity-specific policies (or it operates corporate policies and procedures with amendments) where charity-specific considerations apply (in accordance with each charity's own governing document), to supplement and operate alongside corporate policies and procedures.
- 6.4. Consistent with its duties as Trustee, policies and procedures ensure that the City Corporation's decision-making includes discrete consideration of relevant matters in the interests of the individual charities, and that any conflicts of interest or loyalty are appropriately managed.
- 6.5. The NE Charities, as unincorporated charities, do not have separate legal personality to the City Corporation. This means that all assets are held, legal relationships entered into, staff employed, and suppliers engaged, in the name of the Trustee (i.e. the City Corporation).
- 6.6. As Trustee of each of the NE Charities, the City Corporation may be reimbursed from the relevant charity's funds, or may pay out of the charity's funds, expenses properly incurred by the City Corporation when so acting on behalf of the charity. The City Corporation must, therefore, demonstrate value for money in the provision of services to each charity, including through the use of Service Level Agreements.
- 6.7. The City Corporation, as Trustee, must have regard to each charity's governing document and any relevant guidance issued by the Charity Commission, in complying with reporting and regulatory requirements and in the financial management of each charity.
- 6.8. The City Corporation, as Trustee, has duties to keep proper financial records, to ensure that timely forecasts and monitoring information on performance and finance are

- provided, and to ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control, including financial controls.
- 6.9. The City Corporation, as Trustee, prepares the Annual Report and Financial Statements for each of the NE Charities in accordance with applicable law and regulations, and submits a copy to the Charity Commission within ten months of the relevant charity's financial year, i.e. by 31 January. The Annual Report and Financial Statements for each charity are adopted and signed for on behalf of the Trustee by the Chair and Deputy Chair of the Finance Committee and the Chamberlain of London and Chief Financial Officer of the City Corporation respectively, having first been reviewed and approved by the Audit and Risk Management Committee. For reporting purposes, the accounts of the NE Charities are consolidated within City's Estate as the City Corporation exercises operational control over their activities.
- 6.10. The City Corporation, as Trustee, has established arrangements for internal audit and will maintain those arrangements.
- 6.11. The City Corporation, as Trustee, commissions and receives an annual external audit, or independent examination, as appropriate, in accordance with the Part 4 of the Charities (Accounts and Reports) Regulations 2008 and the Charities Act 2011.

7. Natural Environment Charities governance and accountability

- 7.1. Within the framework outlined in paragraph 6.1 above, the Common Council has delegated its responsibility for the exercise of its functions in respect of the day-to-day administration and management of each of the NE Charities to various committees and sub-committees of the Common Council. The Natural Environment Board has an overarching, strategic role in relation to all of the NE Charities. Independent and co-opted members (i.e. who are not Members of the Court of Common Council, but bring relevant community, industry or technical expertise) may be appointed to committees, and there is an appropriate framework for managing conflicts of interest.
- 7.2. Three key committees have governance responsibility for specified NE Charities. In some cases, the composition of the committee and its functions (together with any provision for additional consultative committees/groups) are prescribed by the governing document of the relevant NE Charity. The three key committees are:
- the Epping Forest and Commons Committee;
 - the Hampstead Heath, Highgate Wood and Queens Park Committee; and
 - the West Ham Park Committee.
- 7.3. The Common Council retains oversight and decision-making authority in relation to the exercise of its functions as Trustee (having regard to the specific provisions regarding committee roles and constitution in relevant governing documents). Officers (acting individually) may also exercise delegated authority under the City Corporation's corporate governance framework (such as the Officer Scheme of Delegations, and the procedure for decision between meetings (in consultation with the Chair and Deputy Chair of the relevant committee).
- 7.4. Under the City Corporation's Officer Scheme of Delegations, the Executive Director Environment has primary delegated officer responsibility for: the oversight of the day-to-day operations and management of each of the NE Charities (within the Natural Environment Division which forms part of the Environment Department); for

undertaking the Trustee's duties which include acting in the best interests of each of the NE Charities and furthering their charitable purposes; and for developing and recommending the Natural Environment Strategy, business plans and management plans. These will, as appropriate, align with and refer to the City Corporation's strategic aims and agreed priorities.

- 7.5. In accordance with the City Corporation's Financial Regulations, all staff within the NE Charities have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the management and use of these resources is legal, is properly authorised, provides value for money and achieves best value. Chief Officers are responsible for ensuring that all staff are aware of the existence and content of the Financial Regulations and that they comply with them.
- 7.6. It is the responsibility of each budget manager, Chief Officer and relevant committee to manage the NE Charities' budgets under their responsibility and spend should not be committed without the relevant approval in accordance with the Financial Regulations.
- 7.7. To the extent that there is expected to be a variance between the budget agreed with City Corporation in its capacity as grant funder and the likely spend, this should be reported to City Corporation as grant funder as early as possible, along with proposals to progress with potential mitigations. Any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, should be notified to City Corporation as grant funder in a timely fashion, in line with agreed corporate governance processes (which will include notification of NE Committees for and on behalf of the City Corporation as Trustee).
- 7.8. The City Corporation undertakes certain support activities on behalf of the NE Charities, including finance and accounting services, human resources, digital services, legal support, committee administration, public relations, asset management and maintenance, office premises and directorate management costs. The costs associated with these activities are recharged to the charities and the basis of the cost allocation is set out in their Annual Reports and Financial Statements. Major capital works are managed centrally by the City Corporation.

8. Role of the City of London Corporation as grant funder

- 8.1. The City Corporation, in its general corporate capacity, is responsible for ensuring that its corporate policies and governance framework facilitate the effective management of the NE Charities, with strong, appropriate governance mechanisms in place.
- 8.2. Each of the open spaces held by the NE Charities is required, under the terms of the Charities' governing documents, to be held in perpetuity by the City Corporation, as a place for public recreation. Grant funding is allocated from City's Estate to contribute to the ongoing net operational costs of each of the NE Charities and to provide for certain capital works. The City Corporation is committed to empowering the NE Charities to operate in a resilient and sustainable manner.
- 8.3. In its role as grant funder, the City Corporation provides support to the NE Charities to ensure (in respect of each NE Charity):
 - the continuance of effective operations to deliver their charitable purposes, preserving the open spaces in perpetuity for the recreation and enjoyment of the public;

- financial resilience and sustainability now and for the future;
 - an appropriate framework of strategic objectives and targets is in place;
 - an appropriate level of grant funding (agreed in a timely manner) to enable achievement of those objectives and targets, delivering value for money;
 - an appropriate balance between grant funder oversight and operational freedom;
 - that periodically, and at such frequency as is proportionate to the level of risk, an assessment is made of the risks to delivery of objectives and activities in line with its risk assessment process.
- 8.4. It is noted (per paragraph 7.8 above) that the City Corporation undertakes certain support activities on behalf of the NE Charities, and in doing so will ensure:
- corporate mechanisms providing support and services to each of the NE Charities are effective, efficient, transparent and relevant;
 - effective monitoring and reporting of activities and performance.

Grant funding and performance reporting

9. Grant funding model

- 9.1. The City Corporation has agreed the move to a revised grant funding model (from the previous deficit funding model) to strengthen the financial and operational framework and the financial sustainability of the NE Charities, which in turn will support furthering their objects for the public benefit. The key principles are:
- empowering the NE Charities to operate in a more financially sustainable way into the future;
 - agreement to permit a carry forward of accumulated grant funds over to subsequent financial years (and enable NE Charities to build and manage their reserves appropriately);
 - and encouragement of appropriate (within the context of permitted usage, charitable purposes, and the Natural Environment Strategy) diversification of income generation and co-funding opportunities for charitable activities (while continuing to operate within a value for money framework, in accordance with the City Corporation’s Financial Regulations).
- 9.2. Each of the NE Charities will be grant funded from 1 April 2026. An annual grant for a three-year period (to support effective business planning) will be agreed for each charity, sufficient to target operational breakeven based on core (unrestricted) revenue activity (i.e. excluding restricted and capital project activity). The level of grant will be informed by prior year operations, quantified operational and legal imperatives, financial challenges, the wider economic and environmental context, and agreed business plan objectives and priorities.

Core (unrestricted) revenue grant funding

- 9.3. The allocated grants for core (unrestricted) revenue activity (referred to by the City Corporation as local risk) for the three-year period from 1 April 2026 are as follows:

| CORE REVENUE GRANT | Year 1 2026/27 £000 | Year 2 2027/28 £000 | Year 3 2028/29 £000 |
|--|---------------------------|---------------------------|---------------------------|
| Epping Forest | 4,100 | 4,182 | 4,266 |
| Hampstead Heath | 1,828 | 1,865 | 1,902 |
| Highgate Wood and Queens Park, Kilburn | 1,483 | 1,513 | 1,543 |
| West Ham Park | 759 | 774 | 790 |
| Ashted Common | 465 | 474 | 484 |
| Burnham Beeches and Stoke Common | 672 | 685 | 699 |
| West Wickham Common and Spring Park Wood; and Coulsdon and other Commons | 721 | 735 | 750 |

- 9.4. The Years 2 and 3 grant values in the table above reflect the City's inflation and pay settlement assumptions at March 2026. These grant values will be updated for the relevant charity if a re-basing business case for 2026/27 is in progress at March 2026 and is subsequently approved.
- 9.5. The total value of the core (unrestricted) revenue grants will be adjusted (upwards or downwards) to account for City Corporation annual pay settlements which are negotiated centrally by the City Corporation. This will be based on the percentage difference between the agreed annual pay award and the City advised inflationary uplift to the staff resource base assumed when the grant was set. For example, if the pay award was 4% and there was an assumed 3% uplift to the staff resource base, the charities would receive an increase to the value of the core grant equivalent to an additional 1% uplift to pay budgets. This adjustment will not, however, apply to staff roles funded by restricted funds, where the percentage difference between planned assumptions and the agreed annual pay award will need to be met by the appropriate restricted funds.
- 9.6. Reasonable adjustments upwards to grant-levels set in years 2 and 3 may be requested by the NE Charities (e.g. to reflect up-to-date inflation data, the impact of City Corporation wide initiatives, or urgent operational works to meet statutory responsibilities) which will be considered by the City Corporation as grant funder during the annual budget process for that year. The NE Charities are advised to undertake comprehensive financial risk planning and to consider all available funding sources, with any adjustments requested considered within this context.
- 9.7. Virement within the total grant approved is permitted between staff and non-staff costs, subject to NE Committee approval and prior consultation with the Financial Services Director (per the City Corporation's Financial Regulations), but the pay settlement adjustment will be based on incurred staff costs only.
- 9.8. The City Corporation will retain responsibility for the financial impact of force majeure events (e.g. a global pandemic) and the associated need for additional grant funding will be assessed and agreed as required in accordance with the City's governance framework and decision process. The assessment will be undertaken on a case-by-case basis (within an appropriate timeframe) taking into account the particular context of the request, however, it will generally be expected that the relevant NE Charity has first taken reasonable steps to support its activities through internal reprioritisation and exploration of feasible alternatives.

Additional grant funding

- 9.9. Additional grant funding will be allocated during the annual budget process for approved core (unrestricted) revenue expenditure referred to by the City Corporation as 'central risk', which is defined as centrally managed and outside of direct charity control. Cost items considered as central risk expenditure will include, for example, audit fees and insurance costs which are agreed centrally.
- 9.10. NE Charities are expected to plan appropriately to mitigate against any financial impact on operational budgets related to the variable performance of investments managed on behalf of the NE Charities through the City Corporation's Treasury team (e.g. banking interest, investment income from endowments), referred to by the City Corporation as

central risk income, but now to be reflected in the NE Charities' accounts as self-generated income.

- 9.11. Additional grant funding has been allocated to continue to fund the back log of major maintenance works for the NE Charities through its Cyclical Works Programme (CWP), which has been confirmed for the five-year period 2024/25 to 2029/30. The NE Charities may make a case for additional works through the City Surveyor to the Resource Allocation Sub-committee of the Policy and Resources Committee. Any overspends on scheduled NE Charities programmes will be considered for reprioritisation by the CWP Peer Review Group and funded by the City Corporation; underspends will be held centrally by the City Corporation to reallocate. Each year a list of programmed major CWP works is approved by the City Corporation according to agreed priorities reflective of the backlog and forward plan works.
- 9.12. Additional grant funding will be allocated for any reactive repairs and maintenance works which are currently agreed and managed centrally by City Surveyors, subject to scrutiny, prioritisation and governance by the relevant NE Committees
- 9.13. The NE Charities may make an annual application to City Corporation as grant funder for discretionary restricted funding for major capital programmes (in order to further the charity's purposes) through the City Corporation's annual capital bid process in accordance with the City's governance framework and decision process.
- 9.14. The cost of the City Corporation provision of support activities (detailed in paragraph 7.8 of this document) is allocated centrally, therefore the total annual revenue grants will be adjusted (upwards or downwards) to cover these costs.
- 9.15. In the event that City Corporation as grant funder provides the NE Charity as grant recipient with separate grant funding for specific (ring-fenced and restricted) purposes (local risk, central risk or capital) to further charitable aims, the NE Charity as grant recipient will demonstrate as required that the grant was used for the purposes authorised.
- 9.16. The use of complementary land in support of the objects and operations of the NE Charities is being explored at present, and a Complementary Land Policy is under development to summarise and agree the context and governance arrangements. The associated funding and financial treatment will depend on how each complementary land site is managed/used in support of the relevant NE Charity's operations or functions which, when clarified, may require an addition/addendum to this framework document.

Reserves policy and funds

- 9.17. The NE Charities will each have a reserves policy in place to support ongoing financial resilience and manage associated risk, and may accumulate reserves, including those designated by the relevant Committee for a specified purpose, following professional advice from the Financial Services Directorate (FSD) acting for and on behalf of the City Corporation as charity trustee.
- 9.18. Any unrestricted operational surplus may be retained in the individual charity's funds for future use.
- 9.19. The NE Charities should not commit to additional expenditure that cannot be contained within their individual existing budgets, and in the event that the charity forecasts an operational deficit during the financial year, it must take all reasonable actions to prevent the deficit from materialising; or where this is unavoidable, or planned for a

specific reason, prior approval to use existing charity reserves must be sought from the relevant Committee, further to consultation with the FSD acting for and on behalf of the City Corporation in its charity trustee capacity, with consideration given to the impact on compliance with the charity's reserves policy.

- 9.20. If a deficit is forecast at the end of the financial year, and further to consideration of the use of existing charity reserves in the light of the paragraph above, a request for additional grant funding may be made for consideration by City Corporation as grant funder.
- 9.21. Where NE Charities receive restricted funds for a specified purpose, these will be spent in year or retained for future years for that purpose.
- 9.22. Fixed assets purchased by the charity will be accounted for by the charity. Depreciation of fixed assets purchased prior to 31 March 2026, will be reflected as a planned deficit offset by the movement from reserves (Fixed Asset Fund) in the NE Charities' accounts i.e. the City fully funded purchase of these assets.

10. Corporate and business plans

- 10.1. The NE Charities shall submit annually to City Corporation as grant funder a draft of their business plans covering at least five years ahead, which reflect the Natural Environment Strategy, and the individual strategies and management plans of each charity, and will be summarised in the Environment Department's high-level Business Plan (HLBP). The draft should be submitted to align with the City Corporation's business planning process (led by the Town Clerk's Corporate Performance and Strategy Team). The business plans shall reflect the NE Charities' statutory and/or other duties, and charitable purposes. They will also, as appropriate, align with and refer to the City Corporation's Corporate Plan and priorities, performance metrics and milestones.
- 10.2. The business plans shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by City Corporation as grant funder. Subject to considerations regarding what is in the best interests of each NE Charity, (a digest of) the Strategy and business plans may be published on the City Corporation website and separately made available to staff.
- 10.3. The following key matters should be included in the plans:
 - key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives
 - a review of performance in the preceding financial year, and an estimate of performance in the current year
 - alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast
 - other matters as agreed between City Corporation as grant funder and the relevant NE Charity as recipient.

11. Budgeting procedures

- 11.1. Each year, in the light of decisions by the City of London Corporation on the updated draft corporate plan, and in line with existing corporate governance practices, City Corporation as grant funder will send to NE Charities by the end of September:

- a formal statement of the annual budgetary provision or ‘envelope’ allocated by the City Corporation in the light of expenditure priorities and with consideration of existing NE Charities’ business / management plans and priorities
 - a statement of any planned change in policies affecting NE Charities.
- 11.2. The NE Charities will prepare budgets in alignment with the City Corporation budget guidance and timelines to include a summary budget of estimated income (including an update on fees and charges where relevant) and expenditure, together with a phased profile of expected expenditure and the draw-down of any restricted or designated grant funding and/or other income over the year; and highlight any projected core operational funding gaps, risks and mitigations, and business cases for additional funding (revenue or capital) as appropriate for review and discussion.
- 11.3. The City Corporation in its role as Trustee of each relevant NE Charity will consider the detailed annual budget (within the agreed grant set, subject to any adjustments for subsequent years previously agreed), together with any proposed grant requests and adjustments (in line with this framework document) for the budget year through its committee process for approval in January/February preceding the new budget year, with a view to approving the budget and any proposed grant requests and adjustments for submission to City Corporation as grant funder.
- 11.4. The City Corporation in its general corporate capacity as grant funder will consider the NE Charities’ any proposed grant requests and adjustments for the budget year (and any adjustments for subsequent years previously agreed) through its committee process for approval in January/February preceding the new budget year.

12. Reporting performance

- 12.1. The NE Charities shall operate using management, information and accounting systems within the City Corporation’s corporate governance framework, that enable them to review, in a timely and effective manner, financial and non-financial performance against the budgets and targets set out in the strategy and business plans.
- 12.2. It is noted that the core revenue grant is unrestricted in nature and therefore not dependent on an assessment of performance. However, the NE Charities shall inform the City Corporation as grant funder (through the appropriate corporate governance process) of any changes that make achievement of agreed high-level budget and business planning objectives more or less difficult. They shall report regularly on financial (including year to date actuals and full year forecast) and non-financial performance, including the achievement and progress against:
- agreed high-level business plan objectives using key performance measures (see Annex A for the Environment Department priority workstreams) in relation to the NE Charities, which are used to gain an overview of all departments, consider cross-department dependencies, common themes, and prioritisation. These are reported on a quarterly basis to the City Corporation’s Executive Leadership Board, and to the Natural Environment Board (for scrutiny on behalf of the NE Charities) at mid-year and end-of-year, supported by a narrative update where appropriate;
 - agreed high-level performance indicators (see Annex B for performance indicators, noting these are not targets) which are reported on an annual basis to the City Corporation’s Finance Committee, and to the Natural Environment Board (to support additional, overarching scrutiny of the NE Charities), together with a narrative

update where appropriate, and aligned with reporting in the Annual Report and Financial Statements (see section 13 below).

13. Annual report and accounts

- 13.1. The NE Charities have statutory obligations to publish an annual report of activities together with audited accounts (scrutinised by the Audit and Risk Management Committee acting for and on behalf of the trustee) after the end of each financial year. The NE Charities shall provide City Corporation as grant funder its draft (unaudited) accounts by 31st July of the following year; and the finalised (audited or independently examined as appropriate) accounts by 30th November of the following year, in order for the accounts to be consolidated within the City of London Corporation's City's Estate.
- 13.2. The financial statements shall be prepared in accordance with applicable accounting standards and comply with the Charities Act 2011, Statement of Recommended Practice: Accounting and Reporting by Charities SORP 2019 (Charities SORP 2026 from 1 April 2027) and FRS 102, and with specific accounts direction issued by the City Corporation.
- 13.3. The annual report must:
- outline main activities and achievements /performance during the previous financial year and set out in summary form forward plans
 - provide information on performance against key financial targets subject to the auditor's consistency opinion
 - provide information on progress against the agreed key performance indicators.

Annex A: Natural Environment Charities - Priority Workstreams (aligned with Environment Department High-level Business Plan 2025-2030)

| PRIORITY WORKSTREAMS Natural Environment Division | Performance Measure (2026/27 targets) |
|---|---|
| <p>Nature Conservation and Resilience (including climate mitigation and adaption)</p> <ul style="list-style-type: none"> • Improve or create habitats and open spaces through targeted schemes • Protect sites from encroachment and development impacts • Protect animal and plant health and contribute to recovery of protected species • Deliver the Climate Action Strategy’s Carbon Removals Project (2027) to protect and enhance carbon sequestration level. | <ul style="list-style-type: none"> • Sites with up-to-date Management Plans. Target: 75% • Statutory designated sites assessed as 'favourable' or 'recovering' condition. Target: 50% • Response rate to Government/ LPA Planning and Policy consultations with potential for significant adverse effects on the open spaces and their ecological integrity. Target: 50% • Eligible sites enrolled in Countryside Stewardship Schemes. Target: 90% • Increase carbon sequestration. Target: additional 0.21kt per annum. |
| <p><i>Access and Recreation</i></p> <ul style="list-style-type: none"> • Implement comprehensive work programmes to meet statutory obligations for public access and to provide a safe and welcoming environment • Provide and maintain compliant informal and formal recreational, sports and play for public health and wellbeing. • Plan and implement measures to mitigate the impact of visitors in sensitive areas, including SAMMs | <ul style="list-style-type: none"> • Visitor Safety Risk Assessments (by site/ compartment) completed. Target: 100% • Tree safety surveys responded to within required period. Target: 100% • Successful Green Flag applications. Target: 100% • Repair actions raised during annual ROSPA inspections are completed within 30 days. Target: 100% |
| <p><i>Culture, Heritage, Community and Learning</i></p> <ul style="list-style-type: none"> • Protect and maintain heritage assets including landscapes, parks and gardens, listed buildings, scheduled monuments, protected views, archaeological sites. • Provide more opportunities for education and connection to nature and heritage for: <ul style="list-style-type: none"> a) children b) volunteers • Projects - explore innovative models for rehabilitation of heritage assets; initiate feasibility studies and business modelling | <ul style="list-style-type: none"> • Reduce the number of assets on Heritage at Risk Register. Target: One asset • Heritage assets and landscapes with a current Conservation Management Plan. Target: 70% • Number of sessions (including outdoor play) delivered by Education Teams. Target: 1,080 • Number of community volunteering sessions/ programmes (FTE). Target: 1,628 |

| PRIORITY WORKSTREAMS Natural Environment Division | Performance Measure (2026/27 targets) |
|---|--|
| <p>Develop a sustainable business model</p> <ul style="list-style-type: none"> • Implement the recommendations of Natural Environment Charities Review, including: <ul style="list-style-type: none"> a) agree SLAs and improved recharging settlement b) improved utilisation of built assets and equipment c) improved environmental performance of built assets • Devise CRM requirements to efficiently manage public engagement, case management and fundraising needs • Seek opportunities to improve income generation, green finance and maximise fundraising opportunities, develop a fundraising/resource plan | <ul style="list-style-type: none"> • No performance measure set: narrative updates will be provided on the performance of the actions listed. |

Annex B: Natural Environment Charities – Performance Indicators

| Natural Environment Division | Year 0 2025/26 | Year 1 2026/27 | Year 2 2027/28 | Year 3 2028/29 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Epping Forest | | | | |
| Nature Conservation and Resilience ○ Hectares preserved and managed | 2,400 | 2,400 | 2,400 | 2,400 |
| Access and Recreation ○ Visitors | 10 million | 10 million | 10 million | 10 million |
| Culture, Heritage, Community and Learning ○ Learners ○ Volunteers ○ Volunteer Hours | 3,850 721 17,766 | 3,850 721 17,766 | 3,850 721 17,766 | 3,850 721 17,766 |
| Financial Sustainability (£000) ○ Operational Breakeven / Surplus | 429 | (162) | 0 | 0 |
| Hampstead Heath | | | | |
| Nature Conservation and Resilience ○ Hectares preserved and managed | 320 | 320 | 320 | 320 |
| Access and Recreation ○ Visitors | 12.2 million | 12.2 million | 12.2 million | 12.2 million |
| Culture, Heritage, Community and Learning ○ Learners ○ Volunteers ○ Volunteer Hours | 25,797 5,474 13,896 | 25,797 5,474 13,896 | 25,797 5,474 13,896 | 25,797 5,474 13,896 |
| Financial Sustainability (£000) ○ Operational Breakeven / Surplus | 66 | 0 | 0 | 0 |
| Highgate Wood and Queens Park Kilburn | | | | |
| Nature Conservation and Resilience ○ Hectares preserved and managed | 40 | 40 | 40 | 40 |
| Access and Recreation ○ Visitors | 3.94 million | 3.94 million | 3.94 million | 3.94 million |
| Culture, Heritage, Community and Learning ○ Learners ○ Volunteers ○ Volunteer Hours | 335 101 832 | 335 101 832 | 335 101 832 | 335 101 832 |
| Financial Sustainability (£000) ○ Operational Breakeven / Surplus | 7 | 0 | 0 | 0 |
| West Ham Park | | | | |
| Nature Conservation and Resilience ○ Hectares preserved and managed | 31 | 31 | 31 | 31 |
| Access and Recreation ○ Visitors | 2.32 million | 2.32 million | 2.32 million | 2.32 million |
| Culture, Heritage, Community and Learning ○ Learners ○ Volunteers ○ Volunteer Hours | 7,921 115 1,295 | 7,921 115 1,295 | 7,921 115 1,295 | 7,921 115 1,295 |
| Financial Sustainability (£000) ○ Operational Breakeven / Surplus | 1 | 0 | 0 | 0 |

| Natural Environment Division | Year 0 2025/26 | Year 1 2026/27 | Year 2 2027/28 | Year 3 2028/29 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Ashtead Common | | | | |
| Nature Conservation and Resilience ○ Hectares preserved and managed | 200 | 200 | 200 | 200 |
| Access and Recreation ○ Visitors | 0.2 million | 0.2 million | 0.2 million | 0.2 million |
| Culture, Heritage, Community and Learning ○ Learners ○ Volunteers ○ Volunteer Hours | 352 1,451 7,312 | 352 1,451 7,312 | 352 1,451 7,312 | 352 1,451 7,312 |
| Financial Sustainability (£000) ○ Operational Breakeven / Surplus | 2 | 0 | 0 | 0 |
| Burnham Beeches and Stoke Common | | | | |
| Nature Conservation and Resilience ○ Hectares preserved and managed | 303 | 303 | 303 | 303 |
| Access and Recreation ○ Visitors | 0.6 million | 0.6 million | 0.6 million | 0.6 million |
| Culture, Heritage, Community and Learning ○ Learners ○ Volunteers ○ Volunteer Hours | 0 430 5,184 | 0 430 5,184 | 0 430 5,184 | 0 430 5,184 |
| Financial Sustainability (£000) ○ Operational Breakeven / Surplus | 64 | 0 | 0 | 0 |
| West Wickham Common and Spring Park Wood; and Coulsdon and other Commons | | | | |
| Nature Conservation and Resilience ○ Hectares preserved and managed | 291 | 291 | 291 | 291 |
| Access and Recreation ○ Visitors | 0.8 million | 0.8 million | 0.8 million | 0.8 million |
| Culture, Heritage, Community and Learning ○ Learners ○ Volunteers ○ Volunteer Hours | 0 694 4,442 | 0 694 4,442 | 0 694 4,442 | 0 694 4,442 |
| Financial Sustainability (£000) ○ Operational Breakeven / Surplus | 1 | 0 | 0 | 0 |

1. These are indicative performance measures to monitor and report rather than targets to be met.

2. These are the most recent available figures. Final figures for 2025/26 and projections / methodology for Years 1 – 3 are currently under review.

3. Volunteer numbers and hours exclude additional activity by third party external organisations.

Annex C: Natural Environment Charities – Budgets 2026/27

| Natural Environment Charities - Budgets 2026/27 | Epping Forest | Ashtead Common | Burnham Beeches & Stoke Common | West Wickham & Coulsdon Commons | Hampstead Heath | Highgate Wood & Queens Park | West Ham Park | Total |
|---|---------------|----------------|--------------------------------|---------------------------------|-----------------|-----------------------------|---------------|---------------|
| 1.1 Statement of Financial Activities | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Core Grant (Local Risk) | 4,100 | 465 | 672 | 721 | 1,828 | 1,483 | 759 | 10,028 |
| Additional Grant | 5,411 | 307 | 1,448 | 1,289 | 3,650 | 996 | 1,700 | 14,801 |
| Total Grant Funding | 9,511 | 772 | 2,120 | 2,010 | 5,478 | 2,479 | 2,459 | 24,829 |
| Self-Generated Income | 1,976 | 2 | 264 | 230 | 5,434 | 296 | 375 | 8,577 |
| Total Income | 11,487 | 774 | 2,384 | 2,240 | 10,912 | 2,775 | 2,834 | 33,406 |
| Local Risk Expenditure | 6,238 | 467 | 936 | 951 | 7,262 | 1,779 | 1,134 | 18,767 |
| Central Risk Expenditure (excl. Depreciation) | 20 | 4 | 15 | 23 | 0 | 0 | 0 | 62 |
| City Surveyors - Repairs & Maintenance | 467 | 7 | 124 | 50 | 446 | 114 | 125 | 1,333 |
| Cyclical Works Programme (CWP) | 2,808 | 158 | 1,012 | 930 | 1,510 | 394 | 1,162 | 7,974 |
| Recharges & Support Services | 2,116 | 138 | 297 | 286 | 1,694 | 488 | 413 | 5,432 |
| Total Revenue Expenditure | 11,649 | 774 | 2,384 | 2,240 | 10,912 | 2,775 | 2,834 | 33,568 |
| Operational Surplus / (Deficit) | (162) | 0 | 0 | 0 | 0 | 0 | 0 | (162) |
| Transfer (to) / from Reserves | 162 | 0 | 0 | 0 | 0 | 0 | 0 | 162 |
| Surplus / (Deficit) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

1. Please note that the core grant values will be updated for the relevant charity if a re-basing business case for 2026/27 is in progress at March 2026 and is subsequently approved.