

The Natural Environment Charities Review (NECR) is a pivotal transformation project, seeking to improve the governance and management of eight Natural Environment (NE) Charities for which the City of London Corporation is responsible as sole trustee. The City Corporation seeks to ensure that it demonstrates compliance with its obligations, and that the charities can operate in a more self-determining and financially sustainable way into the future.

This report provides an update on the progress of the NECR project in the implementation phase. Work is progressing across four interconnected workstreams, and updates on these areas will be provided in future issues:

1. **Assets workstream:** The objective of this workstream is to ensure there is a comprehensive record of all the land assets that are either held by the City Corporation as trustee of the Natural Environment Charities, or by the City Corporation for strategic and operational reasons to support the charities.
2. **Grant Funding Model workstream:** To give greater clarity and definition to annual funding contributions and support from the City Corporation's estate and better empower each charity to raise and manage funds.
3. **Governance workstream:** To streamline governance and ensure effective oversight of the charities by reviewing and improving decision-making and reporting structures according to each charity's governing document, regulatory requirements and recommended charity practice.
4. **Income generation workstream:** To improve income generation by identifying new and enhanced ways for the natural environment charities to generate their own revenue, including fundraising from external sources.



Updates at 17 June 2026:

1. Assets workstream:

- i. Having audited all registered land assets held by the NE Charities and also identified relevant land assets held by the City Corporation in support of a NE Charity (known as Complementary Land), the appointed land and property consultancy has carried out a detailed land use assessment, based on operational, environmental, social and financial criteria. Recommendations from this extensive piece of work are now being assessed in greater detail.
- ii. The Complementary Land Policy Working Group, established under agreed terms of reference, has begun drafting a policy which will set out the future management, decision-making processes and financial treatments for this land and associated built assets.
- iii. In parallel, the Epping Forest charity appointed a conservation and access management adviser, which has developed an integrated visitor management strategy with the Epping Forest charity using natural capital assessments, updated public usage and transport data.

2. Grant Funding Model workstream:

- i. As a key deliverable of the NECR, the Natural Environment Charities have moved to a new Grant Funding Model (GFM), a three-year funding arrangement effective from April 2026. To facilitate the transition, the grant funding is split into a core grant (to support operational activity, the equivalent of 'local risk') which is fixed (subject to inflation and an adjustment for the annual pay award); and a variable additional grant to cover all central support costs outside of the Charities' direct budgetary control. The Charities have responsibility for managing their operational financial risk and may accumulate reserves. Updated reserves policies are now in development. The move to the GFM is intended to enable greater income generation and diversification, maximising fundraising potential, as well as supporting increased business effectiveness and financial resilience.
- ii. As part of the NECR, substantial work by Finance and Natural Environment colleagues has been undertaken to rationalise financial reporting and develop new charity-style budgeting and monitoring reports, which improve the relevance, clarity and transparency of information to support decision-making at all levels. This clarity was required to provide a baseline (2026/27) to support the transition to a GFM and will enable more meaningful longer-term planning and appropriate management and oversight of charitable funds.

3. **Governance workstream:**

- i. The NECR team is continuing a governance review for the NE Charities to ensure alignment with charity law and best practice. There are many interdependencies with other areas of the Review.
- ii. Four of the NE Charities, collectively referred to as the Commons Charities, share the same primary governing document. As part of the NECR, officers have evaluated the possibility of merging some or all of the Commons Charities with a view to achieving administrative and other efficiencies. As the advantages and disadvantages are finely balanced, we are working on an analysis of the potential costs and benefits across a range of options.
- iii. Advice is being explored relating to membership and member tenure of NE Committees to ensure arrangements are in line with modern charity best practice and better include equity, equality, diversity and inclusion principles. Further engagement activities are scheduled and will inform recommendations made to members on potential revisions.
- iv. A terms of reference review is considering whether any changes are needed to clarify demarcation of responsibilities between committees discharging various trustee duties.

4. **Income generation workstream:**

- i. Implementing recommendations of a fundraising feasibility analysis of the philanthropic prospects of all eight charities, the NECR team is implementing recommendations across four areas for focus:
 - Governance and management
 - Brand and identity
 - Systems and policies
 - Skills and capacity.
- ii. Focused on tools and enablers to raise the profile of the open spaces as registered charities, to support public engagement and improve income generation, work is underway to devise a suite of digital assets with the Charities, facilitated by the City Corporation's digital and communication services.
- iii. Following the report of the Biodiversity Net Gain consultant giving an in-depth analysis of potential habitat improvements that could be funded from planning development, Natural Environment officers are assessing delivery models and devising a next phase of prioritised opportunity sites across the natural environment charities and complementary land holdings.

Developments on the above and the next update are due in autumn 2026.

