

Committee(s):	Date(s):
Epping Forest and Commons	12 January 2015
Subject: Epping Forest Licence and Produce Charges	Public
Report of: Superintendent of Epping Forest SEF 03/15	For Decision

Summary

This report updates your Committee on the charges levied for the management of various Forest licences and produce sales at Epping Forest and seeks approval for the proposed charges for 2015/16.

The licencing of activity (excluding filming and photography) on Forest Land and sales of produce has raised a total of £27,326.43 so far in the 2014/15 financial year. Horse Riding Licences raised £12,015.62 + VAT, the licencing of regulatory activity realised £9,724.00, while produce sales have generated £2,155.43.

In line with the Service Based Review targets for increased income between 2015/16 – 2017/18, it is proposed that charges for licences and produce sales in 2015/16, be raised by a figure of 10% with the exception of Horse Licence charges. Horse Licence charges have remained fixed since their introduction in 2003. The proposal is to raise those charges in line with the guidance outlined in the “Additional Byelaws for the Regulation of Horseriding” which amounts to a 37.5% increase.

Recommendation(s)

Members are asked to:

- Approve the proposed charges for 2015/16
- Serve the appropriate statutory notice upon the public for changes to horse licence charges
- Approve the delegation to the Superintendent of discretionary powers to set terms and conditions and impose deposit arrangements for licences, and to set charges in the case of unusual licence requests.

Main Report

Background

1. Requests are received for various services requiring the temporary use of Forest Land from the many properties that border, or are enclosed by, the Forest. These properties often have no direct access to the frontage, side or rear of their curtilages or space to place skips; site scaffolding or temporarily store building materials during repair or development works. The Conservators normally levy a charge on such activities. When a request is received an inspection is carried out by a Forest Keeper to ascertain if a licence should be granted for use of Forest Land.
2. Consideration is always taken as to the Conservators' duties under the Epping Forest Acts 1878 and 1880 and whether any damage to Forest Land may occur and if that is the case; either a refundable deposit or bond is taken to cover any repairs to damage of Forest Land, or in some cases the licence request is refused.
3. Charges for the use of Forest Land have been benchmarked by comparison with charges levied by surrounding local authorities. The charges are shown on the Epping Forest website.
4. Land Management activities at Epping Forest have traditionally generated a range of timber arisings including logs, poles, brush and chippings. In recent years a significant proportion of the material has been left on the Forest floor to support fungi and invertebrates, which depend on dead or decaying wood. Most surplus chippings have been disposed of through on-farm compost and land improvement schemes. The new Management and Operational Plans seek to minimise the production of arisings and market cordwood to whole-sale firewood merchants. In the meantime, in line with previous custom and practice, staff are able to purchase logs at a discount price.
5. As a result of the necessity to cull deer on the Forest, the Buffer Lands and in the Deer Sanctuary, venison is available for wholesale. Most of the venison produced is sold as carcasses direct to game dealers, with some being processed by a local butcher and made available for sale to staff.
6. The income from filming and photography is the subject of a separate report made annually by the Department to the Open Spaces Committee.

Current Position

7. The additional byelaws for the regulation of Horse Riding were introduced at Epping Forest on 20 June 2003. The first licences being sold to riders in April 2004. The fees that can be charged for horse-riding licences are set out in the byelaws, and are the only licence charges that have remained static since introduction. Prices for licences are set having regard to matters set out in the byelaws, they can be reviewed from time to time, and can only rise by the Retail Price Index from the period that the prices were last reviewed.

8. The charges levied under the Horse Riding licence scheme were designed to realise 50% of the costs of maintaining surfaced and posted rides which are the only available access for horses during the closed riding season.
9. In recent years the Conservators have invested up to £60,000 annually in the maintenance of the surfaced ride network, outstripping the contribution available from the Horse-riding Licencing Scheme.
10. The current Horse Riding Licence fees have not been reviewed since they were introduced at Epping Forest in 2003. Some 443 licences were sold in 2014 generating income of £12,015.62 + VAT. The typical Public Full Registration Year Licence costs £40.00 and comprises £33.33 in licence fees and £6.67 in Value Added Tax at 20%.
11. The Epping Forest Additional Byelaws for Horse Riding Part III clearly articulates the cost revision mechanism. Using annual Retail Price Index (RPI) calculations set by the Office for National Statistics the current £33.33 Licence would rise to 45.83 together with 20% VAT of £9.17 comprising a new licence fee figure of £55.00. Based on the current level of licences sold the income for Horse Licences will rise from the current £12,015.62 + VAT to an estimated £20,300. Based on recent expenditure this reviewed figure will not meet the 50% contributory formula based on current surfaced ride maintenance expenses.
12. Both logs and venison are sold to staff at a discount price, see Table 1 below.
13. The income generated from log sales, venison sales and miscellaneous charges provides a regular, steady income for very little outlay or risk. At the time of writing this has amounted to £853.60 for venison, £1,301.83 for logs, £9,724 for local regulatory licences (excluding filming and photography) and £12,015.62 + VAT for horse riding licences, a total of £27,326.43 so far in 2014/15. The total raised in 2013/14 was £24,679.89 (excluding filming). Horse riding licences generated £12,722.99 + VAT, while income from local licences was £9,724.00.

Proposals

14. In line with the Service Based Review targets for 2015/16 to 2017/18, which require savings totalling £492,000 at Epping Forest, it is proposed that all charges for 2015/16, except for horse riding licences, are increased by 10%, 7.7% ahead of inflation.
15. Following the ten years of fixed prices for licence fees and the absorption of the VAT increase of 2.5% in 2011, it is further proposed that horse riding licences are raised in line with the conditions laid out in the Additional Byelaws for Horseriding Part III 14(3)&(4). This amounts to an increase of 37.5% and that VAT is also charged on the fee. See paragraph 7 above and Table 1 below
16. A list of proposed charges for 2014/15 is shown in Table 1 below.

Table 1

ITEM		CHARGES 2014/15	PROPOSED CHARGES 2015/16
<u>Horse Riding Licences</u>	Public Full Registration Year Weekly Registration Riding School Full Registration Year	£40.00 Inc. VAT £5.00 Inc. VAT £50-00 Inc. VAT	£55.00 inc VAT £6.80 inc VAT £69.00 inc VAT
<u>Skips</u>	per week	£51.50 (VAT exempt)per week	£57.00 (VAT exempt) per week
<u>Hire of car parks for events or contractor compounds</u>	Large (i.e. Bury Rd) Medium (i.e. Fairmead Oak) Small (i.e. Earls Path) Compounds/storage on Forest land	£515.00 per day £310.00 per day £103.00 per day £0.42 per M ² per day	£566.00 per day £341.00 per day £113.00 per day £0.46 per M ² per day. Min overall charge of £57.00
<u>Events and Activities</u>	Fitness Training Running, walking & cycling events Horse Riding Events	£10.50 per session (VAT exempt) +£51.50 Administration Fee £77.50 event fee +£1.55 per entrant £77.50 event fee + Horse Licences	£11.50 per session (VAT exempt) +£57 Administration Fee £85.00 event fee + £1.70 per entrant £85.00 event fee + Horse Licences
<u>Scaffolding</u>		£0.42 per M ² per day	£0.46 per M ² per day. Min overall charge of £57.00
<u>Logs (for fuel)</u>	Staff only	£26.00 per M ³ + 5% VAT (£1.30)	£29.00 per M ³ + VAT @ 5%(£1.45)
<u>Venison</u>	Burgers Sausages Diced Haunch Saddle	£0.95 each (VAT exempt) £6.20 per bag (9) £7.25 per kilo £12.40 per kilo £16.50 per kilo	£1.00 each (VAT exempt) £6.80 per bag (9) £8.00 per kilo £13.50 per kilo £18.00 per kilo

Corporate & Strategic Implications

17. The issuing of licences for the use of Forest land supports the City Together Strategy theme 'A World Class City which protects, promotes and enhances our environment. This is linked to the associated Open Spaces Strategic Aim "Provide safe, secure and accessible Open Spaces and services for the benefit of London and the Nation".
18. The sale of wood and venison supports the City Together Strategy theme 'A World Class City which protects, promotes and enhances our environment. **This is linked to the associated Open Spaces Departmental Objective "Ensure that measures to promote sustainability, biodiversity and heritage are embedded in the Department's work"**

Implications

19. **Finance:** The City's Financial Regulations require all departments to recover full costs when setting charges to persons or external organisations, or submit reason to the appropriate service Committee when that objective is not met. It is, therefore, at the discretion of individual spending Committees to determine the actual level of fees and charges relative to the services that provide, after taking into account local considerations and priorities.
20. The total raised by licenced activity in Epping Forest so far in 2014/15 is £21,739.62 (excluding filming). Horse riding licences generated £12,015.62 + VAT while income from local licences was £9,724.00.
21. The income from the sale of produce for 2014/15 is to date £2,155.43 comprising £1,301.83 through the sale of firewood and £853.60 through the sale of venison to staff.
22. Licence Charges and fees have been raised by 10%. Some 7.7% above inflation to reflect the outcome of the recent Service Based Review, which aims to recover a further £10,000 in income from all licencing and events activity.
23. **Legal** – Additional Byelaws for Horse Riding Regulations - The charges shall be reviewed and fixed from time to time by the Conservators in accordance with Section 10 of the City of London (Various Powers) Act 1990 by reference to: a) the reasonable cost of the maintenance of the ways designated for the riding and exercising of horses; and (b) the reasonable cost of the provision of regulation of the riding of horses in the Forest. Notwithstanding the foregoing provisions of this Article, any increases to the charges shall be limited to no more than the increase in the Retail Prices Index for the period that has elapsed since each of the charges being increased were last fixed. The Conservators shall take all reasonable steps to notify the public of any fresh charges fixed hereunder not less than fourteen days before they take effect.
24. In these byelaws "Retail Prices Index" means the general index of retail prices for all items published by the Central Statistical Office of the Chancellor of the Exchequer. If that index is not published for a month, which is relevant for the

purposes of Article 14(3), it is to be construed as referring to any substituted index or index figures published by that Office.

25. **Property:** Licensing various 3rd party temporary activities that the City is willing to permit upon the Forest should ensure that the City retains full and proper control of the Forest and able to prevent misuse.

Conclusion

26. The licensing of activities on Forest land is necessary to ensure no possessory rights are conceded and that the use of Forest Land is properly regulated and recognised through a standard charge wherever possible.
27. The above inflation increases to charges are necessary to enable the City of London to help manage the reduction in deficit funding of £492,000 between 2015/16 and 2017/18.

Appendices

- Appendix 1 – Additional Byelaws for the Regulations of Horse Riding

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