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| Committee(s): | Date(s): |
| Epping Forest and Commons | 26 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 £58,060 so far in the 2015/16 financial year. Horse Riding Licences raised £15,408, the licencing of regulatory activity realised £34,112, while produce sales have generated £8,540.

In line with the Service Based Review targets for increased income between 2015/16 – 2017/18, it is proposed that charges for licences in 2016/17 be raised by a figure of 10% with the exception of both Horse Riding Licence Fee and Produce charges. It is proposed that Horse Riding Licence Fees are raised by the Retail Price Index (RPI) using the 12 month figure set in October, being 0.7%. Produce charges are newly set this year and are based on current market rates and therefore need no change at present.

Recommendation(s)

Members are asked to:

- Approve the proposed charges for 2016/17
- Approve the addition of cancellation terms to the Superintendent's discretionary powers.

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 have the potential to generate a range of marketable products. In 2015 we commenced selling cordwood to fuelwood merchants. This was undertaken through a tender process with the highest bidder winning the tender. This sale resulted in £5,559. In addition we have been active in supporting requests for a range of wood products from local people and organisations. Products have either been sold through negotiating a price or in the case of community organisations we have provided the products free to support their activity. These sales have resulted in a further £416.
5. In November 2015, we commenced the sale of bags of logs to the public. These have been initially priced at £5.50 per bag and are available for sale from The View, Visitor Centre. The production of these bags of logs integrates well with our existing operation supplying split logs to staff. It is too early to comment on the success of this exercise of sales to the public however the discounted bag log sales to staff resulted in an income so far in 2015 £718,
6. As a result of the necessity to cull deer on the Forest, the Buffer Lands and in the Deer Sanctuary, venison has been available for wholesale direct to game dealers. Income to date from these plus sales to staff is £550. In October 2015 frozen pre-packed venison has been made available to the public on sale from The View. This has proved incredibly popular with demand outstripping supply. £1297 has been raised so far from these sales.
7. 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

8. In 2015 the Horse riding licence fee was increased by 37.5%. This increase was necessary to make good a failure to increase the licence fee since its introduction in 2003 and was agreed by your Committee in January 2015.
9. 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 £1,847 for venison, £,6693 for wood, £34,112 for local regulatory licences (excluding filming and photography) and £15,408 for horse riding licences, a total of £58,060 so far in 2015/16. The total raised in 2014/15 at the same point in the year was £27,326 (excluding filming).
10. The impact of the above average fee increase in 2015/16 shows an overall increase in income of **£34,164.95** against the same period in 2014/15 (see table below) .

| | 2014/15 total | % increase | 2015/16 total | actual total increase |
|--------------|-----------------|------------|-----------------|-----------------------|
| Horse Riding | £ 12,016 | 37.5 | £ 15,408 | 28% |
| Licencing | £ 9,724 | 10 | £ 34,112 | 251% |
| Produce | £ 2,155 | 10 | £ 8,540 | 296% |
| TOTAL | £ 23,895 | | £ 58,060 | 143% |

11. Events such as fairs and circuses are negotiated according to scale and comparable market prices. This will need to continue for fairs and circuses because of the tight market they operate in and Showman's Guild rules. However general events and entertainments need to be licenced under a more consistent and transparent system. This will be brought to the Open Spaces Committee as a separate report in 2016.
12. At present customers can pay for licences for events and activities and then request a full refund if the activity is then cancelled, for example because of poor weather. This can take up considerable administrative time and has a real cost to the department. A proportionate cancellation fee could be levied to cover administrative costs. This will be further explained in the report to the Open Spaces Committee.

Proposals

13. 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 licence charges for 2016/17, except for horse riding licences, are increased by 10%.
14. In line with condition laid out in the Additional Byelaws for the Regulation of Horseriding Part III 14(3) & (4) it is proposed that the licence fee for Horseriding be increased by RPI of 0.7%
15. A list of proposed charges for 2016/17 is shown in Table 1 below.

16. It is proposed that sales of cordwood to commercial firewood merchants will continue to be sold through commercial bidding processes to achieve the current market rate.
17. The sale of beef from Forest cattle will commence in December 2015.
18. The introduction of cancellation fees will assist with the administrative cost of processing refunds. This will be proportionate to the scale of the original fee and scaled according to the notice period given for the cancellation. It is proposed that the cancellation charge is 20% of the licence fee rising to a maximum of 50% of the licence fee if cancelled within 48 hours.

Table 1

| ITEM | | CHARGES 2015/16 | PROPOSED CHARGES 2015/16 |
|---|---|---|--|
| <u>Horse Riding Licences</u> | Public Full Registration Year Weekly Registration Riding School Full Registration Year | £55.00 inc. VAT £6.80 inc. VAT £69.00 inc. VAT | £55.39 inc VAT £6.85 inc VAT £69.48 inc VAT |
| <u>Skips</u> | per week | £57.00 (VAT exempt) per week | £62.70 |
| <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 | £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 | £622.60 £375.10 £124.30 £0.51 per m ² per day £62.70 |
| <u>Events and Activities</u> | Fitness Training Running, walking & cycling events Horse Riding Events | £11.50 per session (VAT exempt) +£57 Administration Fee £85.00 event fee + £1.70 per entrant £85.00 event fee + Horse Licences | £12.65 per session Plus £62.70 Administration £93.50 event fee plus £1.87 per entrant £93.50 plus licence |
| <u>Scaffolding</u> | | £0.46 per M ² per day. Min overall charge of £57.00 | £0.51 per M ² per day. Min overall charge of £62.70 |
| <u>Logs (for fuel)</u> | Per bag (10kg approx.) | | £5.50 |

| | | | |
|----------------|--|--|--|
| <u>Venison</u> | Burgers Sausages Diced / Minced Haunch Saddle | £1.00 each (VAT exempt) £6.80 per bag (9) £8.00 per kilo £13.50 per kilo £18.00 per kilo | £1.20 each £8.80 per kilo £11 per kilo £17.61 per kilo £15.41 per kilo (saddle adjusted down to meet butchers' list prices) |
| <u>BEEF</u> | 100% mince beef Shin Braising Steak Diced Braising Oxtail Rolled Brisket Silverside Middle Cut Crown Cut Topside Ribeye Steak 28 day matured Rump Steak 28 day matured Sirloin Steak 28 day matured Fillet Steak 28 day matured Sausages Burger | Not sold in previous year | £8.70 £9.90 £11.90 £11.30 £7.72 £14.10 £18.20 £18.20 £18.20 £18.20 £25.20 £19.10 £32.90 £45.90 £3.29 £4.20 per pack of 4 (so £1.05 a burger) |

Corporate & Strategic Implications

19. 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".
20. 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

21. **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.

22. The total raised by licenced activity in Epping Forest so far in 2015/16 is £34,112 (excluding filming). Horse riding licences generated £15,408 .
23. The income from the sale of produce for 2015/16 is to date £8540 comprising £6694 through the sale of firewood and £ 1,847 through the sale of venison.
24. It is proposed to raise licence charges and fees by 10% 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.
25. **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.
26. 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.
27. **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

28. 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.
29. 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 - None

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