

<b>Committee(s)</b>	<b>Dated:</b>
Epping Forest and Commons	<b>15 05 2017</b>
<b>Subject:</b> Epping Forest Sports Charges 2017/18 SEF 8/17	<b>Public</b>
<b>Report of:</b> Superintendent of Epping Forest	<b>For Information</b>
<b>Report author:</b> Jacqueline Eggleston – Head of Visitor Services	

### **Summary**

This report reviews the charges for the Association Football facilities that are provided at Epping Forest together with the fees charged for Golf at Chingford Golf Course and seeks approval for the proposed charges for the 2017/18 seasons.

A review of charges at comparable sites for both football and golf has been undertaken. New charges are proposed that are based on market position rather than an inflationary increase.

Rather than proposing a generic increase across all the service, the new charging proposals increase or decrease each specific charge by an amount relative to that service. There are also proposals for changes to the terms that are applied to the charges.

Association Football charges have been steadily increasing over preceding years. Casual play prices for golf have not changed in 8 years and season ticket price for 5 years. The proposed prices will still offer value for money, but bring City Corporation provision in closer alignment with direct competitors both in pricing and products and facilities offered.

### **Recommendations**

- That the proposed charges for football facilities in Epping Forest for 2017/18 be increased as detailed in Appendix A & B
- That the proposed charges for golf at Chingford Golf Course for 2017/18 be increased as detailed in Appendix C.
- The Superintendent retains delegated powers to discount or offer promotional rates in order to develop new users and customers.
- The Superintendent retains delegated powers to revise the current sport charges terms and conditions

## **Main Report**

### **Background**

1. Since 1890 the City of London (COL) has at the request of the London Playing Fields Society (now Foundation) provided sports facilities at Wanstead Flats Playing Fields (WFPF). Current Association Football provision now extends to 44 football pitches, 1 Lacrosse pitch and 3 sports pavilions over a footprint of 150 acres of Wanstead Flats.
2. When final figures have been fully compiled, it is expected WFPF will have hosted over 2,250 matches in 2016/17. This season the pitches will have hosted over 67,000 players compared to 75,000 last season (2015/16). This reduction in play is due to summer games not being generated due to the end of Football Development Officer role, which completed 10 January 2014. The pitches acted as a home venue for 297 teams from 123 clubs from a variety of backgrounds. In total over 600 teams (home and away) will have played at WFPF.
3. Chingford Golf Course was originally established in 1888 as the Royal Epping Forest Golf Club. In 1901, the City of London took responsibility for the course. Chingford Golf course has been directly managed by Epping Forest since April 2016 before which it had been managed through a management contract with a golf professional.

### **Current Position**

#### **Association Football**

4. The City of London has supported football development with a charging policy that aims to maximise income but is balanced by a controlled subsidy to stimulate growth in the activity
5. Where concessionary charges apply, the charges have generally been set at 50% of the full price for the facility and apply to young people under 17, students in full time education, older people aged 60 or over, disabled people, unemployed people and schools/youth organisations, on production of the appropriate accreditation.
6. According to the Redbridge Playing Pitch Strategy (PPS), Wanstead Flats currently provides 44% of pitch provision for the London Borough of Redbridge whose administrative boundary encompasses much of the Flats. Although London Borough of Newham has not yet produced their PPS it is envisaged that Wanstead Flats will also provide a substantial element of their provision.
7. A needs analysis has been undertaken this year by the Football Association which identifies increasing demand for football provision in the area over the coming years.

8. In order to meet this latent demand and forward plan for future demand a study is taking place to look at options for the sustainable provision of football on Wanstead Flats with a view to seeking external funding in the near future.
9. Integral to the need for sustainability is pricing that reflects the current market value and the need for co-ordinated and effective grounds management that responds directly to established demand.

## **Golf**

10. Following approval by your Committee on 26 January 2016, management of the golf facilities was brought in-house on 23<sup>rd</sup> March 2016; a change to third party management by a contracted Golf Professional. The new manager was not appointed until June 2016 and there was no direct management in the interregnum. The closure of the café for the entire financial year and the poor presentation of the golf shop pending alterations presented additional challenges to the successful management of the course.
11. Golf has seen a decline in play nationally over the last several years. Club membership in England dropped 20 per cent between 2004 and 2013, according to England Golf, participation in terms of rounds played dropped 7% between 2014 and 2015. However, there is some indication that the rate of decline is beginning to slow.
12. Despite these challenges, it is anticipated that the end of year outturn will still show a surplus of £18,000. A total of 19,169 rounds of golf were played this year.
13. The major refurbishment for the Caddie House shop and café is now almost completed. This work included the upgraded landlord rewire, replastered walls, a new floor and a new heating system. As previously reported to your Committee 16 January 2017, tender processes for a new café operator have been successful and facilities will reopen shortly. The shop and booking office will continue to be managed in-house.
14. Chingford Golf course now has its own stand- alone website and online ticketing is available <http://www.chingfordgolfcourse.co.uk/>

## **Charging proposals for 2017/18**

### **Association Football**

15. It is proposed that Charges for football are again increased this year on an individual category basis rather than by percentage in order to bring charges more closely in line with neighbouring facilities. The level of increase ranges from 5.88% to 15%. Charges have been increased for adult season pitch hire and for adult casual hire; despite this our charges remain at the lower end of the price comparison against other nearby

providers. A greater rise is proposed for Saturday Adult football rather than Sunday Adult Football to help reduce the Saturday/Sunday price ratio closer to the optimum pricing target of 1:1.3.

16. The comparison of pitch hire charges between WFPF and its nearest competitors is detailed in Appendix A along with a graph in Appendix B to demonstrate pictorially where Wanstead Flats charges per game would sit alongside competitors after price increases.
17. Block booking for the season is at a discounted rate, however an additional 5% discount has traditionally been offered to incentivise prompt payment in advance. Should payment not be received in advance this discount will not be applied.
18. Clubs will also be required to pay a refundable deposit at the start of the season which will be deducted if teams leave litter or misuse the changing facilities.
19. The proposed price changes for both golf and football are designed to aid our planning of grounds care works and our desire to improve the quality of the playing surfaces, which are currently classified as 'standard'. For Wanstead Flats in particular, to continue to be competitive in value for money terms, this is essential as further improvements will need to be met from additional income.

## **Golf**

20. A review of operations and charging policy since managing the course in house this year, has highlighted key areas for change in order to improve business.
21. The current charging policy does not proactively promote growth of the business. The payment terms are overly generous to the season ticket holder and presents an unacceptable risk to The City of London. The new charging policy as outlined in Appendix C, reflects the need to encourage new players as well as create more certainty on income from club members and annual season ticket holders. The rationale is explained by user group:
22. Casual Golfers (0-5 visits per year). This is a sector that requires constant monitoring and pro-active marketing to retain a share of 'nomadic' golf market. In principle, the prices of green fees have been frozen with marginal increases and decreases based around the time of day encouraging off peak times to be filled by existing users through discounting, which allows new users to book the most desirable times. We have altered the breakdown of time bands to simplify the pricing structure, which also allows us to maximise income at peak times by enforcing the standard fee for longer durations during periods where we are already at capacity.

23. Loyal Golfers (6-25 visits per year). This is a category of user of which we currently have very little usage, as we do not currently offer a reward for loyalty. The current structure offers play as a casual golfer or as a season ticket holder with a casual golfer paying between £10-£25 per game and a season ticket costing £680, with nothing in between. The proposal to introduce loyalty packages creates a stepping stone to encourage casual golfers to commit more of their annual rounds to CGC by purchasing rounds in advance, in return for up to 25% discount.
24. Regular Golfers ( 26 + visits per year). Regular golfers typically pay towards a season ticket and around 50% of these users belong to 1 of 3 private members clubs that choose to play golf at CGC. All the clubs concerned have made us aware of their decreasing member numbers. The proposed season ticket product rises to £750; an increase of £70, (this product was last increased in 2012), however the proposed increase includes gifting 3 guest passes worth up to £75 to encourage the club members to actively attract new players to come to CGC ( and in turn join their clubs).
25. The proposal includes a change to the payment structure of this annual green fee. Currently season ticket holders pay as they play up to a capped amount set at the annual green fee price, despite the reduced fee compared to casual play. This means we are unable to forecast income and are exposed to loss in the case of inclement weather or if players move away mid-season etc. Payments will now be restricted to up to three instalments in advance to allow a more accurate predicted income and plan the reinvestment of these funds for improving the facilities.
26. The new charging policy for golf has been benchmarked with local competitor sites as indicated in Appendices D and E.

## **Corporate & Strategic Implications**

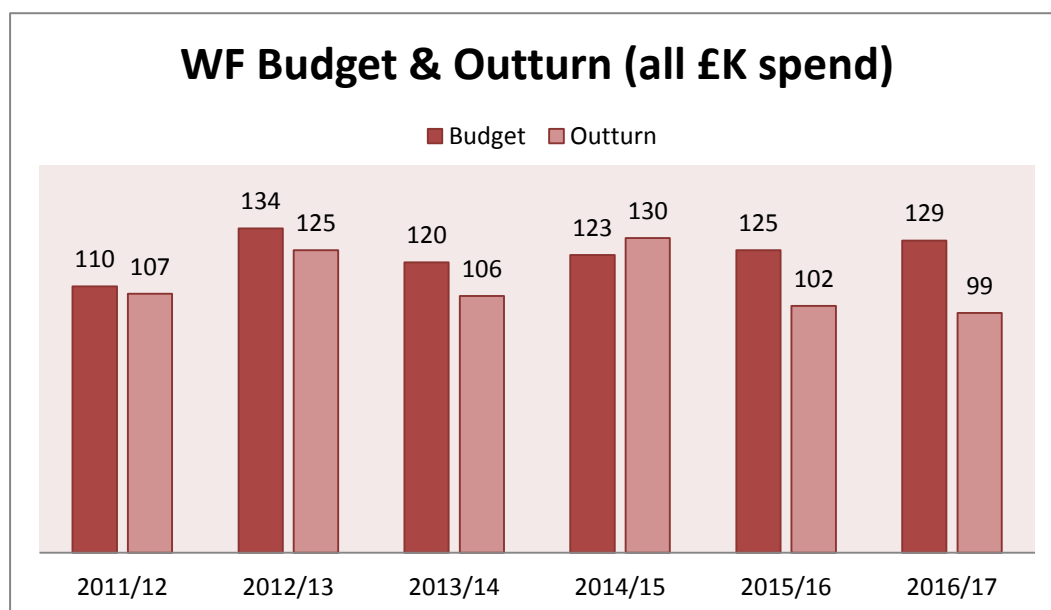
27. An Open Spaces wide Project Board has been working on various aspects of sports provision across Open Spaces to analyse levels of subsidy and investigate areas for partnership working.

## **Implications**

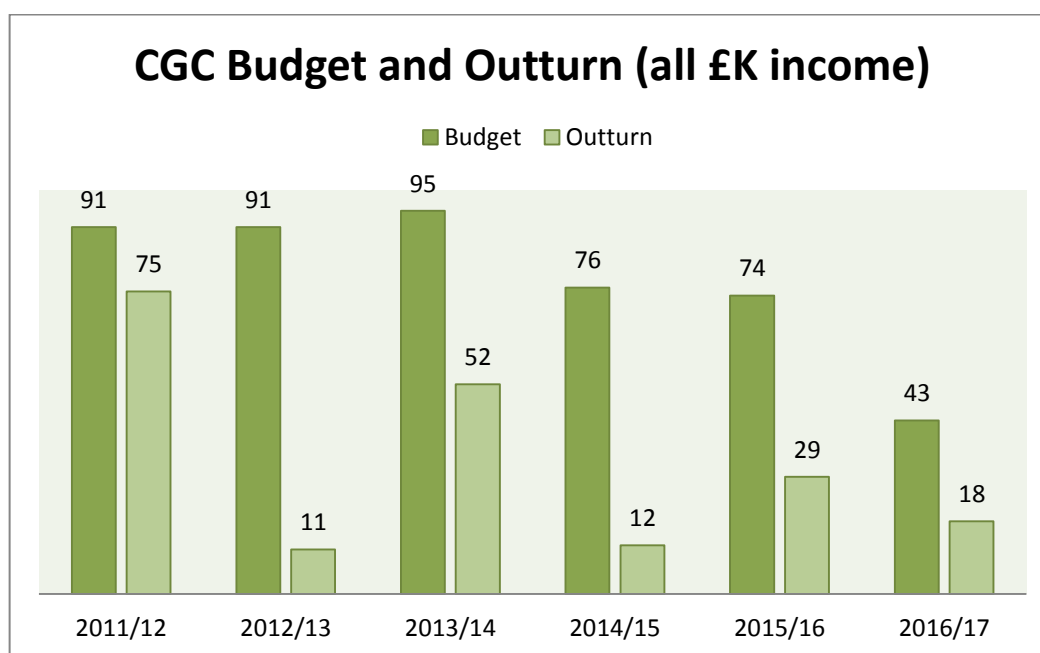
28. **Legal** – Both Football and Golf play and facilities at Wanstead Flats and Chingford respectively are provided by virtue of Section 33(1)(xiii) of the Epping Forest Act 1878, which provides the Conservators with the power to “set apart in each or any of the Forest parishes, such parts as they think fit, for the use of the inhabitants to play at cricket and other sports, and to lay out, form and maintain, cricket grounds and grounds for other sports, and, for the better use and enjoyment of the parts so set apart, to

enter into agreements with, and confer special privileges on, particular clubs or schools”.

29. Section 76(1)(b) of the Public Health Acts Amendment Act 1907, as applied to Epping Forest, also allows the Conservators to set apart areas for the purpose of cricket, football, or any other game or recreation. Under section 56(5) of the Public Health Act 1925 the Conservators may charge reasonable sums for the use thereof.
30. The provision of sports pitches helps the Open Spaces Department achieve one of its Departmental objectives; to ‘improve the health and well-being of the community through access to green space and recreation’. It also delivers the Corporation’s Key Policy Priority KPP5 of ‘increasing the outreach impact of the City’s cultural, heritage and leisure contribution to the life of London and the nation.
31. **Financial** - 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 they provide, after taking into account local considerations and priorities.
32. The provision of football at Wanstead Flats traditionally has an operational subsidy, where more is spent on facilities than income is generated. The last six year’s budgets and outturn are shown in the graph below. These are nett figures, for example in 2016/17 Wanstead Flats had an expenditure budget of £199K and income target of £70K, achieving £169K and £63K respectively.



33. The City's budget management policy for 2017/18 assumes income will be at least the same as 2016/17. The proposed increase will ensure that Wanstead Flats remains competitive with its local competitors, remaining the least expensive in the area (apart from West Ham Park which does not have sufficient provision to be able to seriously impact on migration of clubs). Previously some sports clubs have reported that they are either in financial hardship or have closed down due to economic reasons, however, should clubs close or turn to alternative venues, savings will be made in the cost of providing pitches which can be reduced.
34. The last six year's outturn figures for golf are below. All figures are nett income, demonstrating that although CGC has not met historic levels of budgeted income in this time, it has not yet made a nett loss. For example in 2016/17 Chingford Golf Course had an expenditure budget of £245K and income target of £288K, achieving £252K and £265K respectively. Figures in this year differ from previous due to budgeted £45K expenditure in improvements to Caddie House facilities.



## Conclusion

35. The charging proposals for Association Football recognise the City Corporation's important place in the pan-London grassroots football market. The proposals seek to both continue to grow demand and sustain provision, whilst making improvements.
36. The new golf charging proposals create a clear pathway for players that represent value for money. The new tariff rewards loyalty and commitment, which in turn allows us to improve planning and develop a more sustainable business.

## **Appendices**

Appendix A – Wanstead Flats Proposed and Competitor Prices

Appendix B – Wanstead Flats Competitor Price Analysis Graph

Appendix C – Chingford Golf Course Proposed Prices

Appendix D – General Golf Price Comparison

Appendix E – London Public Golf Course Price Comparison

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