

Committee(s):	Date(s):
Epping Forest and Commons	20 11 2017
Subject: Epping Forest Licence, Produce and Sports Charges (SEF 27/17)	Public
Report of: Director of Open Spaces & Heritage	For Decision
Report Author: Jacqueline Eggleston - Head of Visitor Services	

Summary

This report updates your Committee on the performance of charges levied for licenced activities, produce sales and formal sports in the last full financial year 2016/17.

In 2016/17 the licensing of activity on Forest land raised a total of £119,563 of which £43,640 (37%) was from fairs and circuses and £38,888 from photography and filming (34%). The sale of produce raised a total £19,161 (17%) while the licensing of Horse riding raised £14,321 (12%).

Charges for formal sports across 2016/17 raised a total of £325,641 with Association Football income in 2016/17 totalling £63,789 (20%) and earnings from Golf reaching £261,852 (80%).

A review of charges and clarification of charging is presented for future licencing of activity, with proposals for an 2018/19 prices increase of 2.3%* in line either with the Consumer Price Index predictions for 2018 or due to benchmarking and reviewing in line with market competition.

Recommendation(s)

Members are asked to:

- Approve the proposed charges for 2018/19

Main Report

Background

1. The use of Forest land for siting of equipment or for certain activities requires a licence. The charges made for licences seek to recover the out of pocket expenses incurred by the City of London in administering and enabling the

activity and for reinvestment in to the management of the Forest in accordance with the City of London financial regulations.

2. Licences are now administered through a steering group of officers to ensure that all relevant sections and staff are consulted before a decision is made and to ensure there is an equitable decision making process for any customer
3. All licences are considered with due regard to the Conservators' duties under the Epping Forest Act 1878 and 1880.
4. By-products of land management activity include beef, venison and wood. These are sold both as wholesale and retail products with the income re-invested in to the management of the Forest.
5. Sports charges for football at Wanstead Flats and for Chingford Golf Course were the subject of a separate report. These are now included in one report with all charges to enable a timely advertisement of charges before the start of the new financial year. Management updates on sports will be presented separately.

Current Position

6. Licensing activity on Forest Land raised £119,563 in 206/17
7. The income from Forest produce in 2016/17 has provided a steady income with minimal outlay totalling £19,161 (17%) comprising:

Produce	Income
Venison	£5,898
Beef	£4,362
Antlers	£ 842
Wood	£7,868
Charcoal (supplied by City Commons)	£ 191
8. Horse Riding licences brought in an income of £14321 (12%).
9. The regulatory licences achieved £37035, with an additional £43640 (37%) from fairs and circuses and £38,888 (34%) for photography and filming.
10. The end of the football season for 2016/17 achieved a total income of £63,789.
11. Golf income achieved a total gross income of £261852. This is broken down as:

Green Fees	£228946
Equipment Sales	£5246
Drinks Sales	£6149
Equipment Hire	£18011
Filming	£3500

12. This was the first year of management in house. Income was increased this year compared with 2015/16 by around £10,000. The end of year net profit figure was £22,000.
13. Enquiries for sports-related activities have been increasing and the current charging scheme for these does not reflect the impact of the event or the income being raised by third parties through the use of the Forest. A clarified scheme with a new charging structure is proposed at Appendix A.

Options

14. Three options as outlined in Appendix A and C are offered for your committee's consideration:
15. Option 1 – To increase produce, licence and football charges at the forecast Consumer Price Index figure of 2.3%. To approve the new clarified charging structure for sports and licenced activities shown in Appendix A. **This is recommended**
16. Option 2 - To keep charges as they are. This would be in effect a price cut whilst inflationary increases would still apply to our own expenses. There would not be an effective system for managing the increasing enquiries for sports related activities. **This is not recommended**
17. Option 3 - To increase charges above inflationary levels. Charges have been increased by 10% over the last few years and are now at the market level. Increasing charges above market level could make our products less saleable. **This is not recommended**

Proposals

Licencing Applications

18. Licences have been administered in the past using one simple 'General Licence Application Form' with decisions made by Forest Keepers and when necessary by the Superintendent. There is increasing demand for more varied use of Forest in particular for sports-related activity such as fun runs.
19. The Open Spaces project boards have been working on developing a separate 'Sports Licence' and 'Events Licence'. In addition to these application processes, a greater clarification of other categories and more definition of charges will be helpful for officers in decision making and will seek to address the inequity for charging that currently exists with the current limited charges.
20. A more detailed general licence application form has been created with explanation of the types of activity that may be licenced along with a new breakdown of charges that more properly reflect the costs incurred by Epping Forest.
21. Proposals for these new charges as well as proposed increases in line with CPI are shown in Appendix A.

Football charges

22. Football on Wanstead Flats remains popular with similar levels of play maintained each year. Prices have been amended in recent years to better benchmark with other local providers and reach the market levels. Wanstead Flats remain the cheapest pitches to hire in the area.
23. Appendix C outlines the current season charging at neighbouring football sites compared with Wanstead Flats. It also proposes a small uplift in the hire charges for 2018/19 in line with CPI.

Golf fees

24. A new approach to charging was introduced in 2017/18 as the Golf course was brought under in house management. Previous pricing strategies had been deemed detrimental to income.
25. The time taken for capital improvements on the Caddie House as well as the need for course improvements stymied the amount of marketing undertaken during the year. The ambitious pricing policy has not yet proved as successful as hoped as it was reliant on the marketing.
26. In 2018/19 now that key improvements have been made to the course along with the refurbished Café and Caddy House mean that marketing can be commenced in earnest. However current baseline costs for course fees will remain the same as they represent market value as shown in Appendix B. Green times will be amended and special offers will also be made periodically to attract new audiences and in line with local competition.

Corporate & Strategic Implications

27. These charges support the Corporate Plan Policy Priority KPP2 'Implement the City Corporation's Service Based Review delivery programme' and KPP5 'enhance the ability of our leisure facilities to generate additional income in order to maintain quality of content in an era of reduced resource'

Implications

Financial

28. City of London Financial regulations provide that 'When determining fees and charges to persons or external organisations, all departments should recover full costs, or submit reasons to the appropriate service Committee when that objective is not met.'

Conclusion

29. The City of London Epping Forest continues to provide excellent value for money recreational opportunities. The charging proposals ensure that as a charity our expenses incurred due to third party use of our land are recouped and reinvested in to the maintenance of the Forest.

Appendices

- Appendix A – Current and proposed licence charges
- Appendix B – Golf Course Green Fees Price Comparison
- Appendix C - Football benchmarking and proposed fee increases

Background Papers:

Epping Forest Licence and Produce Charges 2017/18 SEF 04/17 16 January 2017

Jacqueline Eggleston

Head of Visitor Services

T: 020 8532 5315

E: jacqueline.eggleston@cityoflondon.gov.uk