

Committee(s)	Dated:
Epping Forest and Commons Committee	18 Jan 2021
Subject: The Commons - Licences, sports, wayleaves and produce fees and charges	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	4,5,12
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Director of Open Spaces	For Decision
Report author: Hadyn Robson	

Summary

This report updates your Committee on the performance of charges levied for licensed activities, produce sales and formal sports in the last full financial year 2019/20.

Proposals are presented for a price increase of 12% to assist with the mitigation of required savings for 2021/2022, equating to 12% for The Commons Division. This figure incorporates the Retail Price Index figure (November 2020) of 1.3%. Benchmarking exercises have also been carried out with neighbouring service/facility providers.

Recommendation(s)

Members are asked to:

- Approve the proposed charges for 2021/22 as itemised in Appendix A.

Main Report

Background

1. This report encompasses several different activities on the portfolio of sites across The Commons for which a charge is levied. The charges are made to record the use and generally seek to reflect the costs incurred by the City of London in administering and enabling the activity and for reinvestment into the management of The Commons in accordance with the City Corporation financial regulations.
2. The use of The Commons for siting of equipment or for certain activities requires a licence. Licences are administered through a small steering group of officers and in some circumstances, staff are consulted before a decision is made to ensure there is an equitable and transparent decision-making process.

3. All activities are regulated with due regard to the Open Spaces Acts of 1878 and 2018 and any other relevant statutory provisions.

Current Position

4. Below is listed the income raised from the various chargeable activities at The Commons, excluding car parking in 2019/20.
 - **Licensing activity** -£2,880.00
 - **Produce sales** - £1,746.10 (timber/charcoal).
 - **Event charges** - £3087.32
 - **Filming** - £40,020.00
 - **Sports (Junior football) –** £329.00 - season pitch hire - Coulsdon Common.
 - **Wayleaves –** £36,425.81.
 - **Room Hire –** £622.25
 - **Utilities licensing –** No income was received.
5. All the licencing information, pricing, terms and conditions are publicly available, and this process ensures appropriate licences and charges are administered in a fair and transparent manner.
6. Wayleaves are charged for private motorgate and handgate access across The Commons.

Proposals

7. Resource Allocation Sub Committee, on 10 December agreed a 12% reduction in the budget envelope of the Open Spaces Department. An alternative to reducing expenditure by 12% is to generate additional income. In 2019/20 chargeable activity across The Commons generated £85,000.
8. Officers have considered the following before making their fees and charges proposals to this Committee:
 - The RPI rate on a specified and consistent release date (1.3% @ November 2020).
 - Benchmarked the charges and quality of provision with those of neighbouring and/or competing facilities. In some instances, we will therefore not benchmark against our own properties.
 - The budget requirement to generate additional income to mitigate in part, expenditure savings.
 - Work towards attaining full cost recovery, recognising that staffing costs may have increased greater than RPI.
9. Officers are of the view that a proposed total increase in fees and charges of 12% will still be affordable and should not have a negative impact on users' uptake of chargeable activities or users' ability to pay.

Options

10. Three options are outlined for your committee's consideration:

- a. Option 1 – To increase licence and event fee charges at 12%. This figure is inclusive of the Retail Price Index, 1.3% - November 2020, to assist in mitigating the savings required across The Commons for 2021 - 2022. These increases are reported in Appendix A. **This is recommended.**
- b. 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. **This is not recommended.**
- c. Option 3 - To increase licence and produce charges by the RPI of 1.3% (November 2020) only. **This is not recommended.**

Corporate & Strategic implications

11. These charges support the Corporate Plan, 2018-2023

- a. Contribute to a flourishing society
- b. Support a thriving economy
- c. Shape outstanding environments

Financial

12. Savings required for the 2021-22 financial year total £195,600.00. This presents a considerable challenge to maintain standards and reputation.
13. If fees are not raised by the proposed 12%, additional savings in expenditure will have to be made that will negatively impact upon front line services and the general management of The Commons.
14. City Corporation 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.'

Property

15. Licensing various third-party temporary activities that the City Corporation is willing to permit across The Commons should ensure that the City Corporation retains full and proper control of the sites and able to prevent misuse or damage.

Charity

16. Ashtead Common, Burnham Beeches & Stoke Common and West Wickham & Spring Park and Coulsdon Commons are registered charities (numbers 1011510, 232987, 232988 and 232989). Charity Law obliges Members to ensure that the decisions they take in relation to the Charity must be taken in the best interests of the Charity.

Resource implications

17. Fees and charges mostly reflect the whole cost to the charity and seek to, as a minimum, assure whole cost recovery.

Risk implications

18. Raising fees by the proposed 12% may attract negative publicity for the City of London Corporation. The various Consultative Groups are aware of the level of the looming financial challenge.

Equalities implications

19. Charitable and not for profit organisations receive a 50% discount on most fees and charges. This allows smaller and large charitable organisations and community groups to use The Commons at a lower cost whilst still meeting the core costs to the charities.

Climate implications

20. Licences seek to control the number, location and suitability of activities across The Commons to protect its environment. Sustainability criteria is included in Heads of Terms for larger events as prescribed in the Open Spaces Events Policy.

Security implications

21. Licences ensure that activities held across The Commons comply with all health and safety and other relevant legislation and enables basic due diligence to be undertaken on the licensee.

Conclusion

22. The Commons Division continues to provide excellent value for money for recreational and commercial opportunities. The charging proposals ensure that as a charity our expenses incurred due to third party use of our land are recouped and reinvested into the maintenance of the open spaces and activities can be audited to ensure relevant safety and legislative measures are met.
23. Significant savings are required for the next financial year and the proposed 12% increase in fees would assist in mitigating the impact.

Appendices

- Appendix A – Current and proposed licence charges
- Appendix B – Benchmarking data

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