

Appendix 3 - Forest 2 Budget Summary

Preamble

The “Forest 2” Countryside Stewardship application is in development. If successful it will start in 2024 and run to 2033. It will deliver tree surgery to hundreds of veteran trees, large scale wood pasture, heathland and grassland management, tree management on Ambresbury Banks and part of Purlieu Banks, and installation of new visitor welcoming structures. The following calculations have been based on delivery largely being done by contractors and volunteers, with a smaller element being done by in-house operational teams.

Budgetary costs include

- All tree surgery and all big-scale habitat work to be done by contractors.
- Half the flailing and all the strimming to be done by contractors – strimming might not be required but this won't be known until the habitat maintenance phase has been reached during the grant delivery.
- All new grass cutting to be done by contractors.
- Bracken treatment to be done by contractors.
- Small scale wood pasture restoration, heathland and grassland management to be done by volunteers.
- Installation of access infrastructure by in-house teams.

Budgetary costs do not include

- Any costs related to grass cutting already being delivered under contract or done by in-house operations team.
- Cost of chipping brash/timbers from volunteer tasks – this would be a requirement of one of the in-house operation teams.
- There will continue to be no cost for collection of arisings (wood chip or timbers) from Bury Road through an ongoing relationship with a local farmer.
- Cost of removing anti-social waste at Leyton Flats before the contractors start on the FM2 works there.
- ED1 Educational grant for delivering educational visits on Epping Forest – this income will go to the Field Studies Council.
- Contingency – any additional costs will need to be met by Epping Forest Local Risk.
- Staff costs are not factored in to the proposed spends as the staff required to deliver this are already employed – no new staff are required for this project, the undertaking is within the remit of existing roles.

Caveats

- Different costings are based on indicative prices from 4 contractors obtained in spring 2023 so this cost could rise over time.
- A 4% annual inflation is based on information from Tender Price Inflation (TPI) average (Oct 22) from Quantity Surveyors -Cost Consultants. Inflation could be subject to further economic instability.
- The annual figures are approximate as the works cannot be split exactly evenly each year, but the year 1-3 period for one-off works and accompanying annual works delivery would require a

net of £147k over the 3 years and the cost of annual works over years 4-10 is estimated to be cost-neutral.

- Major one-off wood pasture restoration and heritage site works – years 1-3 (Grant codes: FM2, HE1)
 - o Assuming works are funded at 100% of actual costs – this was the case for the Forest 1 grant. The grant amount will be set in late summer 2023 based on quotes received in spring 2023.
 - o The tendering can only be done on award of the grant. Tendering will be undertaken around mid-2024. It is not unlikely that these grants will not cover all the cost of the works at the point of tender. A 4% inflation amount has been added on to 2023 quote values. However, there may be a possibility to go back to the grant agency in 2024 to request additional funds if inflation has caused the cost of works to significantly rise at the point of tender.
- Assuming Rural Payments Agency will fund each notice/information/interpretation board to a maximum of £1000. Assuming all other items will be funded at 100% to the cheapest quote – there is a possibility that some of the items will not be funded at 100% rate.
- Grant income for tree surgery is dependent Conservation Team being able to undertake all the fieldwork to supply information for the final stage submission. If information on fewer trees are prepared income would be lower, but the cost of deliverables would be adjusted downwards in accordance.

Net costs

The estimated net annual costs would be £49k for years 1-3 and be approximately cost neutral for years 4-10.

Estimated total income: £1.911m

Estimated total cost: £2.058m

Delivery approaches to balance contractor costs with capacity of in-house team for delivery

1. Scrapes at Long Running and Leyton Flats
 - o To be done by Estate & Conservation staff during quiet winter period
 - o About 2 weeks work
 - o Saving about £60,000 in contractor costs
2. Mulching the opened-up wood pasture in the north of Leyton Flats to remove stumps to allow easier annual flailing
 - a. The newly purchased stump grinding head could be used with a hired high-power tractor @ c. £600/week, with added sundries = c. £1500
 - b. About 2 weeks work
 - c. To be done by Estate & Conservation staff during quiet winter period
 - d. Saving about £25,000 in contractor costs
3. Together would save about £85,000 in contractor costs.

Further notes

4. Tree surgery makes up the majority of the costs
 - a. At some sites the tree surgery is the main habitat work so has to be done at scale to deliver habitat benefits
 - b. The numbers of new pollards could be reduced but this is threatening the future populations of new pollards and would set us on a track of no new pollards in some parts of the Forest for the future
 - c. The in-house arborist teams would do one site of 60 beech trees over 10 years – this would be about 1 weeks' worth of work a year (c. 6 trees per year) and save nearly £50,000. This would allow in-house arborists to retain some conservation arboriculture work.
 - d. Further tree work could be given to the in-house teams if their capacity increases in the future.
5. The wood pasture maintenance flailing is estimated to cost about £70k per year if done wholly by contractors. Forest 1 and Forest 2 flailing, undertaken at a productive work rate, would take in the region of 7 weeks a year by 2 people. With restructure of Epping Forest staff, this work is best placed being moved from the Arborist team to the Grazing and Grassland Team to deliver. However, whether this full 7 additional weeks can be added on is uncertain, so the calculations below factor in half of the flailing to be delivered by contractors.

	Income Capital	Expend. Capital	Income Annual	Expend. Annual	Net
Year 1	£400,892.87	£449,886.04	£70,880.20	£70,879.96	-£48,992.92
Year 2	£400,892.87	£449,886.04	£70,880.20	£70,879.96	-£48,992.92
Year 3	£400,892.87	£449,886.04	£70,880.20	£70,879.96	-£48,992.92
Year 4			£70,880.20	£70,879.96	£0.24
Year 5			£70,880.20	£70,879.96	£0.24
Year 6			£70,880.20	£70,879.96	£0.24
Year 7			£70,880.20	£70,879.96	£0.24
Year 8			£70,880.20	£70,879.96	£0.24
Year 9			£70,880.20	£70,879.96	£0.24
Year 10			£70,880.20	£70,879.96	£0.24
Total	£1,202,678.62	£1,349,658.11	£708,802.00	£708,799.59	-£146,977.08