

Fees and Charges Operational Strategy for the Provision of Recreational Services

1.0 Remit

The Forest Service has a Public Service Agreement (PSA) Target to “sustain recreation services” and an ‘Other Target’ to “promote access to and use of forests for recreational purposes”.

The policy on providing recreational access to forests and for charging is stated in the Forestry Act (NI) 1953 Section 14.

1.1 Charging

Fees and charges are set in accordance with the HM Treasury Fees and Charges Guide 2004 (draft version), which explains the rationale for charging:

- the purpose for charging for services is to ensure that resources are allocated efficiently;
- greater visibility of the costs and benefits of services;
- users able to make more informed choices about whether and how frequently to use a service, which in turn enables Forest Service to better assess whether more or less resources should be allocated to the service promoting more businesslike management;
- easier comparability with similar private and public sector services and encourages the development of markets;
- relieves the general taxpayer of costs properly borne by users who benefit from a service, enabling public resources to be allocated elsewhere, or lower public expenditure and borrowing.

1.3 Cost Recovery policy

The Fees and Charges policy set by Treasury and enforced by the Department of Finance and Personnel, is that they should normally be set to recover the **full cost** of the service provided at Agency Level.

Fees must be set to recover all costs (i.e. ‘full cost recovery’) including depreciation and the cost of capital. Fees are not set to make a surplus, but may be rounded to a reasonable and convenient amount.

1.4 Purpose of this document

The purpose of this document is to be the single source document on charges for recreation services, providing a framework for the use of managers and to inform

customers. It is to ensure a consistent approach is taken across the Service in the setting of entrance, facility and special event charges.

2.0 The Forest Service recognises two classes of recreational activity, commercial and non-commercial

2.1 Commercial recreation activities

Commercial recreation activities are those activities subject to competition from the private sector. They include caravanning and camping sites, rough shooting and sporting leases.

Being a provider of lower risk commercial activities where there is competition from the private sector, a corresponding 'lower risk' cost of capital charge of 8% will apply.

Charges will be reviewed annually by considering performance to date in the current year, by preparing a memorandum trading account (MTA) for the following year and by comparing against the market price.

2.2 Third party commercial recreation activities on Forest Service property

These activities are normally subject to open market competition, e.g. the level of rent to charge an organisation wishing to rent part of The Grange, Castlewellan. Where market testing is impractical due to lack of competition, and where the level of return justifies it, a relevant ruling body will be instructed to establish applicable charges.

2.3 Non-Commercial Recreation

Non-commercial recreation activities are those activities that generally lie within the established convention of "public good". They include access to forests by foot or by vehicle for informal recreational activity by individuals and associations. The activities are not subject to competition from the private sector. Charges applied will be based on the desirability / practicality of recovery and willingness to pay.

Being a non-commercial activity the corresponding 'cost of capital' charge of 3.5% will apply.

In general, pedestrians will not be charged for access unless there are compelling reasons to do so.

3 Concessionary rates

Charges should not be a barrier to access. Concessionary rates will be set where this is likely to encourage an increase in the usage of forests and there is an expectation that

charging a concessionary rate will increase the total income. However the concessionary rate also needs to be fully justified against equality legislation.

The Service will endeavour to make citizens aware of the full cost of providing forest access services and consult on the practicality of collecting fees for the use of forest services.

For charities and community groups, a concession will be given for pedestrian activities when a permit is issued in advance:

- (i) Where the activity is organised once or twice per year and the cost to the Forest Service is less than £50 per occasion and is consistent with management of the forest, no charge will be levied.
- (ii) Where there are more than two organised activities per year, consistent with the management of the forest, a concessionary rate of 50% of normal access charges will be applied, e.g. 10 visits by a community group travelling by coach would be charged [10 x £25 x 50% =] £125.

For groups visiting forests on educational trips, e.g. a group of school children, no charge will be levied.

4 Practicality of recovering costs

The principle of charging to recover costs is clear and there should be a presumption that the full cost of the activity provided will be recovered. However the Service recognises that in exceptional circumstances it is often impractical to levy charges. Thus the Service may not seek to set charges where

- a) The costs of doing so are disproportionate to the income that can be collected
- b) Where to do so would introduce inconsistencies with other public service providers in the locality of a particular forest
- c) Where the costs are disproportionate to the goodwill that may be lost