

7 April 2016

FOREST HOLIDAYS AND CAMPING IN THE FOREST REPORT**Purpose**

1. To provide the Board with an update on operational developments with Forest Holidays (FH) and Camping in the Forest (CITF) and to help ensure that information on new developments is brought to the Committee at the earliest opportunity.

DiscussionCamping in the Forest Update

2. At the end of February 2016 CITF revenue was £4.1m, up by 6% from the same point last year with current pitch nights and advanced sales both up from the previous year and February looking to exceed the previous year's revenue by 16%. At the end of period 11 (January 2016) turnover was also looking strong for CITF, with a cumulative income figure showing 7.4% grown on the previous year at the same point.

3. A great deal of work has been undertaken by CITF over the last month ahead of the opening of the seasonal sites. A major problem has been experienced during the transportation and relocation of the services block at the Roundhills campsite in the New Forest because they are reaching the end of their serviceable life. The agreement at this site is that the service blocks (toilets and showers) have to be removed from site for the winter months.

4. As a result of these difficulties the site was unable to open for the Easter holiday period and customers who had booked a pitch at Roundhills were offered a pitch on alternative campsite within the New Forest. Replacement mobile facility blocks will have to be purchased ahead of the 2017 season. In the longer term it is hoped that a permanent solution, with facilities sited off the Open Forest, can be negotiated.

5. Work continues with the lease negotiations for the potential new site at Sherwood.

Forest Holidays Update

6. A great deal of work continues behind the scenes to prepare for the submission of a number of planning applications during 2016. It is hoped that the new joint application for Delamere, (Forest Holidays and enhanced FC visitor facilities), will be submitted by mid May 2016.

7. Site Selection: During this period eight potential sites have been assessed (three in the North, one in Central, one in the South and three in the West) and have met the more in-depth and demanding sequential test that are now part of the site assessment process. These sites have now been referred to Forest Holidays for formal scoping.

8. Heads of Terms for a potential third-party site in Bedfordshire have now been redrafted in order to enable greater commercial flexibility for FE in how this site is taken forward. Discussions with Forest Holidays on innovative non-property agreements are progressing which could see the site evolve as a model that sits outside of the FE Estate whilst still retaining all of the required intellectual property and brand protection through a hybrid form of licensing.

9. The recent FH promotion of a third-party site in the South Lakes area has now been scoped through FE site assessment and was found not to meet any of the necessary criteria. Forest Holidays are now looking to evolve a “Forest Holidays Lite” model that may enable some of these smaller and fragmented sites in key destination locations to progress.

10. The due diligence that was further conducted as part of FE site assessment clearly demonstrated and supported the decision for FE to reject the site at the earliest opportunity.

11. To support site assessment monitoring and recording is now being conducted centrally within the Estates team. This will help ensure that EMGN4a is fully effective in managing the process of identifying and delivering appropriate sites for future Forest Holidays. This increased activity is already demonstrating more accurate reporting - which in turn is being fed back to the Districts.

Resource implications

12. FH continues to pay for the increased resource pressure placed on FEE for the management of FH on the PFE. Income generated from the site leases remains an important long-term source of revenue that helps maintain the PFE.

Risk Assessment

13. The FC/FEE risks are covered in the Risk Registers at both levels. We continue to undertake measures to manage the changing risks as the FH and CITF grow.

Communications

14. The FC National Office Communications team have worked with FH to develop their website with a more positive narrative. Work is ongoing ensure the FEE website mirrors this and explains the benefits that FH brings to the PFE and the growing need for partnerships and projects to make FEE financially sustainable.

Recommendations

15. The Board is invited to note the information included in this paper

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23 March 2016