



# MOTORSPORTS REVIEW – EXECUTIVE SUMMARY

## FORESTRY ENGLAND

17<sup>th</sup> DECEMBER 2020



# I. EXECUTIVE SUMMARY

- I.1: Forestry England have commissioned Rural Solutions Ltd. to undertake an independent review of motorsports in the nation's forests in order to inform decisions as to the future of motorsports in these settings.
- I.2: Forestry England periodically review the operation and associated impact of many of the activities that take place within the nation's forests to determine how best to balance the objectives of environmental protection and enhancement with public access and amenity delivered via an economically sustainable operating model. Rural Solutions' review of motorsports comprises the input of over 1,700 internal and external stakeholders alongside a desk top review of available information.

## MOTORSPORTS CONTEXT

- I.3: Both two and four-wheeled motorsports have a long-standing historic association with land Forestry England manage with some events dating back to the early 20<sup>th</sup> century and Forest rallying in the UK recognised globally as among some of the best event terrain in the world. More recently in 2019, Forestry England hosted 70 motorsport events across a range of 2 and 4 wheel disciplines. The facility and opportunity that Forestry England forests provide to the motorsports sector are regarded by the sector as an important part of the infrastructure supporting grassroots activity as well as contributing to high performance rallying and the UK's position as a leading nation in motorsports. Motorsport is a sport with a moderate number of participants and enthusiasts (relative to other mass participation sports) who engage with events at Forestry England sites, making up less than 0.01% of all visits to Forestry England estate.
- I.4: Forestry England's current approach to motorsport activity provides exclusivity to MSUK and the ACU for organised motorsport events and operates a permit system whereby event organisers are charged a fee in exchange for permission to hold a regulated motorsports event. Forestry England also collect fees associated with temporary orders to restrict Countryside Rights of Way (CROW), orders required to provide temporary exclusive forest use for motorsport-users on safety-grounds. The organiser works alongside the local Forestry England team to determine the most appropriate timing, routing and operational format of each event. Forestry England usually close the forests hosting the events to other users of the forest for the duration of the event as a safety precaution.
- I.5: The stakeholder consultation revealed some misconceptions around the requirement for a permit to operate amongst motorsports participants. A large proportion of motorsports stakeholder respondents put forward the view that the public have an unconstrained right to access the forests by virtue of legislation published in the Countryside Right of Way Act, 2000 (CROW).

The CROW Act states that the public are normally allowed to access open land on foot to walk, sightsee, bird-watch, climb and run. It also notes however that there are exceptions within this legislation and provides a list of activities not automatically permitted where a permissive right of way does not exist, several of which apply to motorsports.

- I.6: Overall, the review suggests that motorsports events are well run and operate in acceptable safety parameters, however events can occasionally cause localised disruption to the enjoyment of other forest users when access is restricted to accommodate events.
- I.7: There is a currently largely unquantifiable resource requirement for Forestry England through the staff time and cost required to administrate and oversee the operation of the events which varies by location and event. Other costs include the reinstatement of forest roads post-event and managing any complaints and incidences which arise as result of motorsports events.
- I.8: Due to the current internal Forestry England reporting structure, it is difficult to assess accurately the exact costs associated with undertaking motorsports events on Forestry England managed land, but evidence would suggest that at present motorsport operations represent at best a break-even commercial activity, and that it is probable that once all operational costs are identified and apportioned accurately that motorsport may in fact be achieving an operating deficit for Forestry England.
- I.9: As with all activity on Forestry England forests motorsports must justify its place within the context of the benefit that the activity delivers against the cost at which it is delivered, considering the social, economic and environmental factors attributed to both. Whilst the objective is not profit, it is important to Forestry England that activities contribute positively to the organisations' aim to increase the percentage of self-funded activity. This objective requires that most activities and events hosted should at least generate sufficient income to cover direct and indirect costs, ideally generating a surplus to enable reinvestment in the public forestry asset.

## IMPACT ASSESSMENT

- I.10: Motorsport within the nation's forests is an activity undertaken by a small minority forest user group. Whilst its low volume is helpful in managing its environmental impact, it also limits the scale of (aggregate) social benefit that can be derived from these activities. It is estimated that motorsport within Forestry England landholding contributes between £2.2 and £2.4 million per annum to rural economies alongside the social and health and wellbeing benefits generated, however motorsport also represents challenges to the environment and some tensions with other forest user groups.

- I.11: Whilst some of those environmental impacts are determined to be greater in perception than actuality and can be dealt with through robust operational management, regulation, public communications and continued advancements in technological mitigation, others are prejudicial to the natural capital of the estate. The view expressed by many consultees from both Forestry England and to a lesser degree the motorsports sector, is that this must be balanced by enhancement elsewhere.
- I.12: Communities affected by the events are on the whole supportive, in particular given the localised economic benefits, but disruption around events can cause tension. The wider forest user group are impacted marginally due to the limited frequency of the events, but for those who are affected by closures that impact is profound and leaves a negative impression of the sport, and of Forestry England as landowner when access is denied to other users.
- I.13: Forestry England recognise the value that the use of the estate brings to the sport, and the engagement of participants and spectators and associated economic benefit to local communities but need to balance this with wider objectives in terms of environmental management and public access.

## OPTIONS & OPPORTUNITIES

- I.14: In order to determine the right future for motorsports and Forestry England, consideration has been given to the options available to balance those competing influences. There are three main options to consider:
1. **Stop** - The agreements with MSUK and the ACU are not reinstated as Covid-19 restrictions ease and motorsports on the Forestry England Estate does not resume.
  2. **Continue** - Maintenance of the status quo with an renegotiated financial terms to ensure operational deficit is reversed
  3. **Evolve and Adapt** - Continue, but in an evolved manner, to permit motorsport activity in adapted format.
- I.15: **Option 1** results in the unilateral cessation of motorsports activity permanently in Forestry England's forests to enable the organisation to focus its resource on its more mainstream visitor activities and environmental objectives, furthermore removing the perceived (and in some cases actual) negative environmental impacts on these specific forest sites.
- I.16: The environmental considerations are wider than the direct impact and should be considered in the context of the UK's declaration of the climate emergency and associated legally binding carbon zero 2050 target. As a public body, and custodian of

one of England's greatest environmental assets, consideration should be given to the appropriateness of Forestry England facilitating an activity that more widely has overt, albeit limited negative environmental consequences.

- I.17: Motorsport delivers a material social and economic benefit from a limited number of events per annum which would be lost or at the least displaced should these events cease. The consequences for the sport would be negative with a reduction in available sites to carry out events which sector stakeholders reported as a real threat to the viability of forest rallying in England.
- I.18: To enable a more accurate judgment of the financial implications of this options a detailed cost-analysis process is recommended. Whilst inconsistencies in how present-day financial data is recorded nationally within Forestry England mean that an accurate assessment of the holistic costs associated with motorsport operations is not possible, it is probable based on the data provided that at break-even at best, cessation would remove the time and cost resource demands for Forestry England. This should be viewed also as a lost income stream.
- I.19: This option assumes that all motorsport is equally impactful and applies a one-size-fits-all solution which fails to recognise that some activities, for example motorcycle trials events, are financial-contributors with less negative impact on the environment or staff resource. With some operational improvements there is potential for motorsport to not only become financially self-sufficient, but that it could also generate sufficient financial surplus to contribute to enhancement programmes that off-set the negative impacts of motorsport, perceived or otherwise.
- I.20: On balance, it would seem that there are opportunities for evolution or adaptation that could mitigate the negative effects and present opportunity for collaboration with the motorsport community on the adoption of emerging technologies to reduce environmental impact that should be explored further before this decision were to be taken.
- I.21: **Option 2** assumes that the existing quantum, location and nature of motorsports activities continue broadly unchanged. It is evident from the analysis that while continuation of motorsport provides a social, health and wellbeing asset to motorsport attendees and a degree of social and economic benefit to local communities, there are also reputational, operational, financial and strategic risks associated with reinstating a renegotiated but largely unchanged motorsports programme.
- I.22: It remains the case that although this report has explored the environmental impacts of motorsport and evidence is suggestive that these impacts are moderate due to the relatively low-volume participation in motorsports events within the forests, the perceived impact of motorsport remains in conflict with the organisational objectives and undermines the organisation's messaging around caring for the nation's forests. Forestry England are in a position of significant influence on environmental affairs and

adoption of option two represents a missed opportunity to extend this level of influence and consideration to include motorsport and its audience.

- I.23: In order to put in place a new charging structure and enable a fair apportionment of costs to inform a new permit and mileage charging strategy, a detailed cost analysis audit is required to quantify the degree of change required to cover-costs.
- I.24: Renegotiated financial terms provides a partial solution to the limitations of the current terms of motorsport activity however it addresses neither environmental impact nor public perception thereof. It is probable that additional land management complexity will result from the increased numbers of general public users to the forests that have been witnessed in 2020, which will incur additional costs in ensuring safe visitor operations are maintained, costs which it is not yet possible to estimate. This increase in operational costs in addition to the rising costs of the time and civil engineering resource associated with managing motorsport within Forestry England's forests would mean that the likely renegotiated fee proposal for motorsport events permits would have to be considerably higher to generate sufficient annual income to cover operational expenses. It is recognised that tensions caused by permit fee increases should be considered during the renegotiation process however many stakeholders touched upon the sentiment that motorsports has historically gotten a great deal of value from the nation's forests and if motorsport is to be allowed to continue, it must address the costs with which its operation is associated.
- I.25: Recommencement of activity on the same or similar terms could provide a short to medium term solution whilst the parameters of a future strategy are considered in partnership with motorsports organisations to determine if an approach that better meets Forestry England's objectives can be developed. This also puts in place safeguards for the sector as the continual increases in permit and mileage charges will invariably become cost-prohibitive to motorsports without wider adaptations to the way in which these events are managed.
- I.26: If this option is adopted as an intermediate solution, then Forestry England must undertake to communicate more widely forest closures resulting from motorsport activity to ensure user-group conflict and safety issues are minimised.
- I.27: **Option 3** is to introduce policy, infrastructure and operational amendments which provide the motorsport community with some continued access to some Forestry England sites focussed on minimising environmental impacts and establishing a viable commercial approach to motorsport. Within this approach there are thought to be three particular opportunities to improve the balance between commercial viability and the management of environmental impacts whilst enabling the continuation of motorsports. These are:

- **Innovate to reduce environmental impact** - in particular with a focus on evolving motorsports on Forestry England land to being undertaken with alternative fuelled vehicles. This presents an opportunity to retain motorsports in the forests but with reduced impact and uses Forestry England's influence to accelerate and promote the transition to electric and other alternative fuelled vehicles which are starting to be introduced across motorsports disciplines.
- **Amend charging structure** – determine an appropriate charging structure for the continuation of motorsports that ensures events are undertaken without an unacceptable cost to Forestry England.
- **Zoning and dedicated sites for motorsports** - this could involve undertaking motorsports predominantly on sites identified as designated motorsports forests (centres) to enable more efficient management, as well as potentially furthering the development of motorsports through dedicated facilities.

I.28: A combination of the opportunities set out above may present a viable and justifiable case to continue motorsports on the Forestry England Estate, subject to further research and stakeholder engagement to test the feasibility of some of the proposals put forward. The optimum approach would enable Forestry England to continue with motorsport events, a forest leisure activity with a dedicated following and associated social and economic benefits, in a format that is commercially viable whilst pushing the boundaries of environmental innovation and progress.

## CONCLUSION

I.29: There is evidence to support a range of social and economic benefits derived from motorsport, albeit that those impacts are relatively small when considered as part of the wider Forestry England socio-economic impact. Forestry England recognises these benefits, and the legacy relationship between motorsports and the nation's forests and places value on these. However, it is right that given the economic and environmental context the organisation is working in, plus its objective to become financially self-sustaining and independent of subsidy, that consideration is given to the appropriateness of activities taking place in the forest estate and the contribution and impact of those.

I.30: However, in its current format, it is probable based on analysis of the data available that motorsport does not contribute positively financially, therefore also not contributing to the organisations ability to contribute financially to other social and environmental activities and its wider organisational objectives. Amidst competing priorities, motorsports appear to be at odds with the organisation's financial sustainability objectives.

- I.31: There is therefore a need to challenge previously supported activities to assist the organisation in meeting its objectives. Whilst not all activities will be a positive contributor to all of these objectives, activities must represent an appropriate strategic fit, and ensure that the organisation is capable of generating sufficient revenue to sustain itself and prioritise investment in natural capital enhancement and enabling access to the widest possible group of users.
- I.32: A revised reporting mechanism to evidence the cost of hosting motorsports is necessary in order to establish an accurate baseline from which to determine the validity of proposed changes to the charging mechanism with consideration also being given to the particular impact of each activity rather than a uniform approach to fee increases.
- I.33: Aside from the commercial realities, it is undeniable that there are some tensions in an organisation with accountability for the protection and enhancement of a major nationally important natural capital asset to facilitate an activity with the perceived (and actual) environmental impacts of motorsport.
- I.34: Motorsport is an activity which is difficult to justify against the environmental objectives of the organisation and therefore if these activities are to be permitted, there is a strong argument that they should demonstrate a step change in the adoption of more environmentally sound practices. It is acknowledged that the localised impacts are less than is often perceived and could be further managed by zoning (which will also help to reduce user group conflict and opportunity losses from forest closures for exclusive motorsport use) but there is more that can and should be done.
- I.35: In order to address the tension with environmental objectives, there is an opportunity to make bold moves to harness the partnership between Forestry England and the motorsport community for good and to make a deliberate move towards electric and alternative fuel vehicles for forest motorsports as a statement of intent around environmental custodianship, and to catalyse wider change. This progression towards an environmentally sustainable future for motorsports in the forests will enable Forestry England to off-set the continuation of heritage disciplines of motorsport with which the forests are so heavily linked.
- I.36: Whilst this would be a challenging transition to make and detailed assessment of the feasibility of this is required, it would set out a bold ambition which would have an impact beyond the events it hosts – raising the profile of these technologies in motorsports and more broadly. A marked increase in electric vehicle usage in the UK would also help Forestry England to mitigate against its largest environmental challenge which the increasingly high number of visitors using the forests, the vast majority of whom arrive by fossil-fuelled private car.



I.37: Overall, given the environmental considerations, and as yet the unknown longer term impacts of the COVID 19 pandemic, careful thought needs to be given to the weighting of these factors in decision making and should the environmental objective and responsibility to the widest group of forest users be determined to be more important than the loss of the positive social and economic contribution made by motorsports, then ceasing this activity may be the most appropriate course of action.