

To: Paul Osborn (Chairman) Chris Kennedy
David Andrews (Vice Chairman) Heather Johnson
Susan Barker Graham McAndrew
Ross Houston Mary Sartin

A meeting of the **EXECUTIVE COMMITTEE** (Quorum – 4) will be held at Myddelton House on:

THURSDAY, 23 FEBRUARY 2023 AT 10:30

at which the following business will be transacted:

AGENDA

Part I

1 To receive apologies for absence

2 **DECLARATION OF INTERESTS**

Members are asked to consider whether or not they have disclosable pecuniary, other pecuniary or non-pecuniary interests in any item on this Agenda. Other pecuniary and non-pecuniary interests are a matter of judgement for each Member. (Declarations may also be made during the meeting if necessary.)

3 **MINUTES OF LAST MEETING**

To approve the Minutes of the meeting held on 19 January 2023 (copy herewith)

4 **PUBLIC SPEAKING**

To receive any representations from members of the public or representative of an organisation on an issue which is on the agenda of the meeting. Subject to the Chairman's discretion a total of 20 minutes will be allowed for public speaking and the presentation of petitions at each meeting.

5 **Q3 REVENUE BUDGET MONITORING 2022/23** Paper E/799/23

Presented by Keith Kellard, Head of Finance

6 **Q3 CAPITAL PROGRAMME BUDGET MONITORING 2022/23** Paper E/800/23

Presented by Keith Kellard, Head of Finance

- 7 **PROPOSED CAPITAL LED LIGHTING INVESTMENT
AT LEISURE SERVICE CONTRACT VENUES** Paper E/802/23

Presented by Dan Buck, Corporate Director

- 8 **SITE HIRE AGREEMENT FOR USE OF
LEE VALLEY SHOWGROUND** Paper E/801/23

Presented by Dan Buck, Corporate Director

- 9 Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency by reason of special circumstances to warrant consideration.

- 10 Consider passing a resolution based on the principles of Section 100A(4) of the Local Government Act 1972, excluding the public and press from the meeting for the items of business listed on Part II of the Agenda, on the grounds that they involve the likely disclosure of exempt information as defined in those sections of Part I of Schedule 12A of the Act specified beneath each item.

**AGENDA
Part II
(Exempt Items)**

- 11 **PROPOSED SURRENDER OF THE LEASE OF
DOBBS WEIR CAR PARK** Paper E/798/23

Presented by Beryl Foster, Deputy Chief Executive

Not for publication following the principles of the Local Government Act 1972, Schedule 12A, Part I, Section 3

- 12 Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency by reason of special circumstances to warrant consideration.

15 February 2023

Shaun Dawson
Chief Executive

LEE VALLEY REGIONAL PARK AUTHORITY

EXECUTIVE COMMITTEE

19 JANUARY 2023

Members Present: Paul Osborn (Chairman) Heather Johnson
David Andrews (Vice Chairman) Chris Kennedy
Susan Barker Graham McAndrew
Ross Houston

Apologies Received From: Mary Sartin

In Attendance: John Bevan, David Gardner

Officers Present: Shaun Dawson - Chief Executive
Beryl Foster - Deputy Chief Executive
Dan Buck - Corporate Director
Jon Carney - Corporate Director
Keith Kellard - Head of Finance
Michael Sterry - Senior Accountant
Stephen Bromberg - Head of Communications
Sandra Bertschin - Committee & Members' Services Manager

Also present: James Newman - S151 Officer (London Borough of Enfield)

Part I

215 DECLARATIONS OF INTEREST

There were no declarations of interest.

216 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 15 December 2022 be approved and signed.

In response to a Member it was advised that policies and procedures relating to professional dog walking were being reviewed in light of the recent fatality.

217 PUBLIC SPEAKING

No requests from the public to speak or present petitions had been received for this meeting.

218 2023/24 REVENUE BUDGET AND LEVY

Paper E/795/23

The report was introduced by the Chief Executive, including:

- summary of 2023/24 budget position;
- budget challenges 2023/24;
- addressing the budget deficit;
- savings and additional income;

- levy proposal for 2023/24;
- use of general reserves;
- income and savings initiatives;
- longer term major investment schemes; and
- the proposed budget and levy increase was recommended in recognition that it was an exceptional budget situation which necessitated a package of measures, including savings and income, use of reserves, the levy and the short term fall in reserves to below £3m with a plan to rebuild.

The S151 Officer commented that:

- over the last 10 years the Authority had reduced the levy which had eased the financial burden on the regional tax payer, but the current economic environment of high inflation and energy costs meant that the levy needed to be increased to maintain the Authority's financial position; and
- reserves were anticipated to decrease to £2.3m in 2023/24 but there was an incremental approach to rebuild to current policy levels of £3-4m which was considered to be a proportionate amount.

The Chairman thanked officers for their work on identifying savings and additional income streams to produce a balanced draft budget and commented that the massive increase in energy costs made an increase to the levy unavoidable.

Member comments included:

- concerns regarding delay and funding for the Middlesex Filter Beds project;
- possible further delays to opening of the new Ice Centre and impact of delays on the Leisure Services Contract (LSC) management fee;
- availability of funding for future land purchase;
- concerns regarding projected reserves remaining under £3m until 2026 and the view of the external auditors on this;
- just freezing the Community Access Fund (CAF) budget would be a 10% real terms cut. Re-profiling the community programmes budget had appeared to reduce the proposed funding decrease but any real terms cut to the budget was unacceptable in the difficult post pandemic climate. The CAF was an important tool in promoting the Authority to the boroughs in enabling their disadvantaged residents access to the Park;
- the reduction in the levy over the past 10 years was not realistic in regard to possible future events;
- request for update on compensation for delays to construction of the Ice Centre; and
- the level of confidence in achieving financial targets for year 1 of the LSC.

In response to Members it was advised:

- delays in securing a solution for the Middlesex Filter Beds project had been frustrating but it was expected this could be progressed soon;
- no significant delays to the Ice Centre opening in April were anticipated but Members would be informed should there be further delays. There had been a small impact on the LSC Management Fee by the delayed opening due to loss of momentum and gym memberships;
- funding was restricted for next year but there were opportunities for one-off capital receipts which Members could decide to use for land purchase or landscape projects, but using any such receipts for reducing borrowing costs for the Ice Centre redevelopment would have a direct impact on revenue funding;

- the external auditors Value For Money opinion may include reference to the level of reserves but reserves have worked as they should and there was a plan in place to replenish and ensure the Authority's sustainability;
- legal actions have been taken to protect the Authority's position with regard to compensation for Ice Centre construction delays and a reasonable decision will be taken at the end of the construction process; and
- currently it was expected that LSC year 1 financial targets would be met but further review would be undertaken on receipt of the quarter 3 report.

The Chairman commented that:

- a reduction to funding for community programmes was regrettable but reflected the difficult choices being made to produce a balanced budget and there was the possibility that further support could be available should the financial situation change next year;
- a bigger increase to the levy than that proposed would have a detrimental impact on the Authority's reputation and having to find another £400K of savings would have a damaging impact on services;
- whilst reducing the levy over the past 10 years and hence reducing the financial pressure on levy paying authorities, the Authority had continued to invest in the Park and open new facilities such as the Wildlife Discovery Centre and the soon to open twin pad Ice Centre;
- acknowledging that reserves would fall below the policy level for a short term, this was as a result of Covid and massive energy price increases, and there was a plan to rebuild reserves;
- there was the potential for additional capital receipts which could transform the Authority's financial position;
- the headroom provided by the legal maximum levy the Authority was able to generate made for a more sustainable position; and
- the proposed budget and levy was balanced and robust.

Members voted on a proposed 9% increase in the levy for 2023/24 and short term movement in the minimum level of reserves: the 4 Conservative Members voted for and the 3 Labour Members abstained.

- (1) a proposed Levy increase of 9% for 2023/24; and
- (2) review of the medium term general reserves policy to allow a short term movement in the minimum level of reserves to below £3m be recommended to Authority was approved.

219 PROPOSED CAPITAL PROGRAMME 2022/23 (REVISED)
TO 2026/27

Paper E/793/23

The report was introduced by the Head of Finance.

- (1) the revised capital programme for 2022/23 (revised) to 2026/27 as set out in Appendix A to Paper E/793/23;
- (2) the proposed capital funding to meet the planned capital programme as set out in Appendix B to Paper E/793/23; and

- (3) the use of capital receipts to part finance the redevelopment costs of the Lee Valley Ice Centre as set out in paragraph 9 of Paper E/793/23 be recommended to Authority was approved.

220 CAPITAL STRATEGY 2022/23 TO 2026/27

Paper E794//23

The report was introduced by the Head of Finance.

- (1) the Capital Strategy as an overarching strategy document as set out within the body of Paper E/794/23 and Appendices B to D of Paper E/794/23; and
- (2) the Prudential Indicators for 2022/23 to 2026/27 as set out in Appendix A of Paper E/794/23 be recommended to Authority was approved.

221 PROPOSED CAPITAL INVESTMENT AT LEE VALLEY ATHLETICS CENTRE AND LEE VALLEY RIDING CENTRE

Paper E/796/23

The report was presented by the Corporate Director including images of:

- Lee Valley Athletics Centre
 - Venue Plan
 - Current Strength & Conditioning Suite
 - Current Community Gym area
 - Current Reception area
 - Current Changing Rooms
 - Proposed Community Gym layout
 - Proposed Strength & Conditioning Suite layout
 - Indicative Changing Rooms Refresh Images
- Lee Valley Riding Centre
 - Venue Plan
 - Current Stable
 - Mechanical Horse information

A Member suggested that the Mechanical Horse be situated within clear sight of centre users to self-promote its usage.

In response it was advised that the Mechanical Horse would be situated close to the Reception and the vast majority of centre users would walk past it.

- (1) subject to consideration and approval of the recommendation in the Part 2 Paper E/797/23, the inclusion within the capital programme of £573,484 for improvements to the Health & Fitness facilities at Lee Valley Athletics Centre; and
- (2) subject to consideration and approval of the recommendation in the Part 2 Paper E/797/23, the inclusion within the capital programme of £63,296 for a stable refurbishment and installation of a mechanical horse at Lee Valley Riding Centre was approved.

222 EXEMPT ITEMS

THAT based on the principles of Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the items of business below on the grounds that they involve the likely disclosure of exempt information again on the principles as defined in those sections of Part I of Schedule 12A of the Act indicated:

Agenda Item No	Subject	Exempt Information Section Number
11	Financial Implications of Proposed Capital Investment at Lee Valley Athletics Centre and Lee Valley Riding Centre	3
223	FINANCIAL IMPLICATIONS OF PROPOSED CAPITAL INVESTMENT AT LEE VALLEY ATHLETICS CENTRE AND LEE VALLEY RIDING CENTRE	Paper E/797/23
(1)	the proposed financial arrangements in respect of the capital investment projects and impact on the Leisure Operator Base Trading Account (LOBTA) as set out in Paper E/797/23 was approved.	

Chairman

Date

The meeting started at 10.37am and ended at 11.45am

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Q3 REVENUE BUDGET MONITORING 2022/23

Presented by the Head of Finance

EXECUTIVE SUMMARY

This report summarises monitoring of revenue expenditure to December 2022. It compares income and expenditure to the approved budget and includes a projection indicating the likely outturn position against the annual budget for the year ended 31 March 2023.

The Executive Committee received a report at its meeting on 20 October 2022 (Paper E/781/22) outlining the budget challenges being faced this year, notably the increases in energy costs and inflation impacting all areas of expenditure. The net deficit for 2022/23 was forecast at £818,000. A further report received on 17 November 2022 (Paper E/789/22) outlined the mitigating actions being taken to minimise the deficit position, reducing the net deficit forecast to £283,000. Since that report the new energy prices for October 2022-September 2023 were confirmed in late November and are lower than anticipated, which has improved the year-end outturn to a deficit of £126,000. The major variations currently projected are summarised in the table below.

Service Description	Annual	Proposed	Variance
	Net Budget	Net Outturn	£000s
Events (incl Commonwealth Games)	31	-282	-313
Legal	417	674	257
Property	-1,142	-1,296	-154
Leisure Services Contract	2,681	3,263	582
Parklands and Open Spaces	2,605	2,524	-81
Small Venues	-1,005	-806	199
Corporate Insurance	594	490	-104
Other	3,937	3,791	-156
Financing	1,787	1,536	-251
Levy	-9,768	-9,768	0
	137	126	-11

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- 1 The Executive Committee recommended a budget for 2022/23 at its meeting in January 2022 (Paper E/767/22). Members approved this at the Authority meeting on 20 January 2022 (Paper A/4312/22). This report compares income and expenditure to 31 March 2023 with the budget.
- 2 The summary financial position of each Authority service or facility is shown in Appendix A to this report.
- 3 The year-end position shows a projected net under spend of £11,000 against the net revenue budget deficit of £137,000. The net deficit for the year is forecast as £126,000.

GENERAL ECONOMIC FACTORS

4 Inflation

December's inflation for the Retail Price Index (RPI) stood at 13.4% and Consumer Price Index (CPI) at 10.5%. Inflation was expected to rise to around 11% in the final quarter of 2022, with the Bank of England forecasting a decline towards the target rate of 2% in the medium term (Bank of England Monetary Policy Committee (MPC) Report November 2022). The Bank of England increased the base rate to 4.0% on 2 February as it continues to try to control inflation.

5 Energy Costs

In line with our signed contracts for accessing the 2020-2024 Laser framework, our initial contract period was secured with fixed prices. We agreed to this fixed cost for 24 months, so the market price movements of wholesale electricity and gas prices did not affect us until October 2022.

This price increase was considered as part of the 2022/23 budget process, with an expectation at that time of around 50% increase for gas and 20% for electricity built into the budget.

The revenue monitoring report presented to Executive Committee in November assumed the high-end price increase forecast by Laser. Our new prices for October 2022-September 2023 were confirmed in late November, and although they are considerable increases on previous prices (100% for electricity and 400% for gas), they are lower than feared. Laser were able to secure these prices at or below the Government's current Energy Bill Relief Scheme. These new prices mean the increase in utility costs for the Authority will be £260,000, down from £365,000.

As part of the shared risk position for utility pricing at the Leisure Services Contract (LSC) venues (for the first 2 years only), with Greenwich Leisure Ltd (GLL) taking the risk for utility consumption for the entirety of the contract, we expect to see a substantial increase to the Management Fee for the first two

years. After this, we are required to rebase the utility position for year 3 onwards, when GLL will take on both the cost and consumption risk, but the current Management Fee position for years 3-10 will likely be affected. The Authority has supported GLL in obtaining the same basket prices as us, which are fixed on the same tariff terms as we are. At quarter two we forecasted an additional cost of £395,000 in addition to the £310,000 contingency for this energy price risk. These new prices mean the increase in utility costs for the LSC will be £510,000, down from £705,000.

Gas at Dobbs Weir Caravan Park is supplied by Avanti, and we have a fixed price contract with them until the end of March 2023, so we will not see these prices increase until 2023/24 financial year.

6 Pay Award

The Authority was notified on 1 November 2022 that agreement had been reached by employers and the relevant unions in respect of the 2022/23 pay award for National Joint Council (NJC) for local government services. The agreed pay award effective 1 April 2022 is an increase of £1,925 on all NJC pay points 1 to 43. Part of this national agreement is to also pay an increased London Weighting Rate for Outer London Allowance (currently £2,011 per annum) with a 4.04% increase to be applied to all officers up to pay point 43 with effect from 1 April 2022.

Members agreed in November (Paper E/787/22) that the Authority should set a pay award for 2022/23 for officers on pay point 44 and above in line with the NJC scale.

The 2022/23 budget included provision for a 2% pay award, but this award averages a 5% increase and will increase costs by £168,000.

BUDGET CHALLENGES AND SAVINGS

- 7 As reported to Executive Committee in October, the increased utilities prices and pay award detailed above pose a significant challenge to this year's budget. Mitigating actions continue to be taken to reduce the deficit position to one of a more manageable position.
- 8 As reported to Executive Committee in November, the following savings were identified to reduce the deficit.

Contributions to/from Earmarked Reserves	(250)	Reduced Asset Management Contributions
PR / Communications	(21)	Savings on discretionary budgets
Property Management	(64)	Increased income identified
Asset Protection, Maintenance & Development	(88)	Revenue expenditure identified as capital
Sports Development	(18)	Saving (Sports Development Grants)
Community Access	(27)	Saving (Community Access Fund)
Countryside Areas	(58)	Increased income (Car Parking)
Other	(9)	Net impact of all other cost centres
Total Savings	(535)	

- 9 This report reflects these savings as well as additional savings achieved through staff vacancies, increased income and a reduction in discretionary spending across the Authority following staff briefings and communications to help with the financial situation.

OPERATIONS OVERVIEW

- 10 The main variances against this year's budget are described below, including more detail on savings.

FINANCING

- 11 **Contributions to/from Earmarked Reserves (£250,000 saving)**

The budget includes a £1million contribution to the Asset Management fund. This fund is used to deliver the asset management programme that has been profiled over the next ten years to deliver all scheduled work. The fund is at a healthy level and the planned programme can be delivered without variation with this reduced contribution.

CORPORATE SERVICES

- 12 **Legal Service (£257,000 deficit)**

Additional expenditure on external legal support has been required to defend the dispute with Lee Valley Leisure Trust Limited regarding the 2019/20 Management Fee payment and end of contract liabilities. Additional external support has also been required in relation to the new LSC and in dealing with other legal matters in particular following the departure of the Locum Property Solicitor in March.

- 13 **Property Management (£154,000 surplus)**

Additional rental income has been achieved across the Authority's commercial accommodation and countryside areas. This includes both one-off sums received this year for backdated rental payments as well as ongoing income that will be built into future years budgets.

- 14 **PR / Communications (£12,000 surplus)**

Savings have been identified across several budget areas including a reduced spend on the 10 years Olympic anniversary campaign, not attending events as exhibitors, reducing tourist board memberships, reducing new artwork and photography and savings on our press cuttings contract.

FINANCE AND SUPPORT SERVICES

- 15 **Finance and Human Resources (£98,000 deficit)**

An additional HR Advisor has been recruited to meet the Authority's needs, which had not been initially budgeted for in 2022/23. There has been a requirement for additional external financial support from KPMG with regards to the Sporting Income VAT claim; London Pension Fund Authority with regards to the Pension Fund agreement with GLL; and Montagu Evans in regards to Business Rates.

16 Corporate Insurances (£104,000 surplus)

A significant saving has been made following the removal of the majority of the risk from LSC venues from the Authority's insurance policies, in line with the Authority's responsibilities under the contract.

SPORT & LEISURE

17 Events (£313,000 surplus)

Lee Valley VeloPark hosted the track cycling events of the 2022 Commonwealth Games. This required exclusive hire of the venue for four weeks during July and August. The Authority received a net income from this hire which was not included in the budget. The Management Fee agreed with GLL reflects a loss of income during this period, although the hire period was for a longer period than originally budgeted by GLL. Officers are currently discussing the income position with GLL, which may result in a further payment to them to cover loss of income.

18 Active Communities (£65,000 underspend)

Officers had previously identified £45,000 saving through the saving exercise in November, which came from reductions to sports development grants, and community access savings due to the later opening of the Ice Centre. This has now increased to £65,000 through further delay to the Ice Centre, with handover now expected early March. This budget saving has been incorporated into the 2023/24 budget.

All allocated grants will be spent, but no further grants will be offered this year. The saving is against a total community programmes budget of circa £300,000 for 2022/23.

PARKLANDS AND OPEN SPACES

19 Countryside Areas (£66,000 underspend)

There have been a number of vacancies within the Ranger team this year which has led to savings. These vacant positions are being recruited to.

Income received for the Broxbourne Station car park managed by Broxbourne Council is higher than anticipated.

SMALL VENUES

20 Campsites (£152,000 over budget)

Campsites have been heavily impacted by the increase in utility costs, with a significant impact of around £120,000 additional costs for the year.

The campsites continue to recover from the impact of Covid restrictions, which led to a loss of business from European visitors, and reduction in visitors staying to visit and work in London. Edmonton Campsite has seen a particularly strong recovery this year after a slower recovery than the other campsites who benefited more from the staycation trend last year.

Members agreed investment into new glamping units at Sewardstone and Dobbs Weir in November 2021 (Paper E/743/21), and the additional income they are forecast to generate was built into the 2022/23 budget. Installation has been delayed by a few months which has impacted this year's income. Units are now available to book at both campsites and are expected to achieve good occupancy rates all year round due to their self-contained nature.

Despite this, the Campsite continue to return an overall surplus of around £500,000.

21 Marinas (£50,000 over budget)

The marinas have been impacted by the increased energy prices, expected to cost an additional £35,000. Springfield is exceeding income targets, but Stanstead has started to see the impact of the cost of living crisis, with demand for rechargeable works dropping off over the winter.

The Marinas also continue to return a profit for the Authority.

LEISURE SERVICES CONTRACT (£582,000 deficit)

- 22 The LSC commenced on 1 April 2022, with the transfer of the operation of the six major sporting venues to GLL. In the first two years of the contract the Authority will make a Management Fee payment to GLL. From year three onwards, this becomes a payment to the Authority.

In addition to the Management Fee there will be some additional expenditure in the first year. The Authority has picked up costs for some repair and maintenance work which wasn't possible to complete prior to commencement of the LSC, notably repairs to the pumps at Lee Valley White Water Centre. Due to a delay in the transfer of the venues to GLL's own booking system there is a cost for the short term extension of the software licence for Clarity, which was the Authority's booking system, to continue to manage venue bookings and payments.

Investment projects at the venues that were scheduled to be completed during 2022/23 have been budgeted to increase income and achieve cost savings. These include the meeting room development at Lee Valley White Water Centre and LED lighting at Lee Valley VeloPark. Due to planning delays with the Lee Valley White Water Centre project the forecast for this year reflects a reduced period of achieving these savings.

The budget includes £310,000 contingency for the LSC for increased utility costs. It is anticipated that an additional £200,000 will be required in addition to this contingency to cover the higher than expected price rises.

A further issue is around the handover of Lee Valley Ice Centre, and the earliest operational date. As handover is likely to be March, this will have an impact on the 2022/23 Management Fee. The position won't be known until the financial year-end, but officers are discussing with GLL to fully assess any implications for both this year and 2023/24. A provision of £270,000 impact on the Management Fee has been included in the forecast.

FURTHER ISSUES

23 VAT Claim on Sporting Income

We await further information with regard to the "distortions of competition" issue in relation to the VAT claim on sporting income. Whilst we understand that HMRC may now concede on this point, the full details of the outcome, and the implications relating to both past claims and further treatment have not yet been released.

We are awaiting further details from KPMG, Chelmsford City Council, and HMRC on how this will be taken forward.

ENVIRONMENTAL IMPLICATIONS

24 There are no environmental implications arising directly from the recommendations in this report.

FINANCIAL IMPLICATIONS

25 These are dealt with in the body of the report.

HUMAN RESOURCE IMPLICATIONS

26 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

27 There are no legal implications arising directly from the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

28 There are no risk management implications arising directly from the recommendations in this report.

EQUALITY IMPLICATIONS

29 There are no equality implications arising directly from the recommendations in this report.

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PREVIOUS COMMITTEE REPORTS

Executive Committee	E/789/22	Q2 Revenue Budget Monitoring Update 2022/23	17 November 2022
Executive Committee	E/781/22	Q2 Revenue Budget Monitoring 2022/and Budget Challenges	20 October 2022
Executive Committee	E/774/22	Q1 Revenue Budget Monitoring 2022/23	22 September 2022

Executive Committee	E/767/22	Q4 Revenue Budget Monitoring 2021/22	26 May 2022
Executive Committee	E/765/22	Annual Report on Treasury Management Activity 2021/22	26 May 2022
Authority	A/4312/22	2022/23 Revenue Budget & Levy	20 January 2022
Executive Committee	E/751/22	2022/23 Revenue Budget & Levy	20 January 2022

APPENDIX ATTACHED

Appendix A Detailed outturn forecast

LIST OF ABBREVIATIONS

LSC	Leisure Services Contract
GLL	Greenwich Leisure Limited
the Trust	Lee Valley Leisure Trust Ltd (t/a Vibrant Partnerships)
NJC	National Joint Council

OPERATIONAL OUTTURN SUMMARY

LEE VALLEY REGIONAL PARK AUTHORITY

YEAR 2022/23

PERIOD: 09 (December 2022)

	Actual To Date			Annual Net Budget	Proposed Net Outturn	Variance	
	Income	Expenditure	Net			£000s	%
OPERATIONAL SERVICES							
Chief Executive	(4)	492	488	682	642	(40)	(6%)
Corporate Services	(1,816)	1,321	(494)	(194)	(95)	99	51%
Finance and Support Services	(45)	1,182	1,137	2,366	2,245	(121)	(5%)
Sport and Leisure	(1,298)	1,520	223	983	585	(397)	(40%)
Parklands and Open Spaces	(850)	2,589	1,739	2,605	2,524	(81)	(3%)
Small Venues	(3,472)	2,570	(902)	(1,004)	(806)	198	20%
Leisure Services Contract	(1)	217	216	2,681	3,263	582	22%
	(7,486)	9,891	2,407	8,119	8,359	240	3%
FINANCING							
Interest Receivable	(31)	0	(31)	(8)	(35)	(27)	(338%)
Interest Payable & Bank Charges	0	58	58	56	82	26	46%
Contributions to/from Earmarked Reserves	0	0	0	1,000	750	(250)	(25%)
Financing of Capital Expenditure	0	0	0	290	290	0	0%
Minimum Revenue Provision	0	0	0	448	448	0	0%
Levies on Local Authorities	(7,326)	0	(7,326)	(9,768)	(9,768)	0	0%
Movement in General Fund				197	126	(11)	(8%)

OPERATIONAL OUTTURN SUMMARY

LEE VALLEY REGIONAL PARK AUTHORITY

YEAR 2022/23

PERIOD: 09 (December 2022)

	Actual To Date			Annual Net Budget	Proposed Net Outturn	Variance	
	Income	Expenditure	Net			£000s	%
CHIEF EXECUTIVE							
Chief Executive	0	171	171	256	228	(28)	(11%)
PR / Communications	(4)	321	317	426	414	(12)	(3%)
TOTAL CHIEF EXECUTIVE	(4)	492	488	682	642	(40)	(6%)
CORPORATE SERVICES							
Legal Service	(3)	551	549	417	674	257	62%
Property Management	(1,811)	279	(1,533)	(1,142)	(1,296)	(154)	(13%)
Planning and Strategic Partnerships	0	78	78	141	102	(39)	(28%)
Asset Protection, Maintenance & Development	(2)	327	326	278	309	31	11%
Committee Service	0	86	86	112	116	4	4%
TOTAL CORPORATE SERVICES	(1,816)	1,321	(494)	(194)	(95)	99	51%
FINANCE AND SUPPORT SERVICES							
Finance and Human Resources	0	566	566	618	716	98	16%
Information Technology	(45)	407	362	710	659	(51)	(7%)
Corporate Insurances	0	0	0	594	490	(104)	(18%)
Audit / Health & Safety	0	72	72	219	176	(43)	(20%)
Non Distributed Costs	0	48	48	69	69	0	0%
Corporate Training / Apprenticeships	0	19	19	71	43	(28)	(39%)
Project & Funding Delivery	0	70	70	85	92	7	8%
TOTAL FINANCIAL SERVICES	(45)	1,182	1,137	2,366	2,245	(121)	(5%)
SPORT AND LEISURE							
Events	(1,234)	874	(360)	31	(262)	(319)	(1010%)
Sports Development	(37)	41	4	123	58	(65)	(53%)
Policy and Performance	0	466	466	601	635	34	6%
Learning & Engagement Service	(27)	118	92	148	132	(16)	(11%)
Community Access	0	21	21	80	43	(37)	(46%)
TOTAL SPORT AND LEISURE	(1,298)	1,520	223	883	566	(317)	(40%)

OPERATIONAL OUTTURN SUMMARY

LEE VALLEY REGIONAL PARK AUTHORITY

YEAR 2022/23

PERIOD: 09 (December 2022)

	Actual To Date			Annual Net Budget	Proposed Net Outturn	Variance	
	Income	Expenditure	Net			£000s	%
PARKLANDS AND OPEN SPACES							
Management							
Operational Management	0	214	214	275	285	10	4%
Myddelton House Management	(12)	236	223	293	331	38	13%
Parklands							
River Lee Country Park	(7)	230	223	439	423	(16)	(4%)
Gunpowder Park	(4)	47	43	88	82	(6)	(7%)
Countryside Areas	(118)	833	715	1,055	989	(66)	(6%)
Abbey Gardens	(2)	58	56	94	82	(12)	(13%)
Three Mills	(1)	16	16	31	27	(4)	(13%)
East India Dock and Bow Creek	(9)	35	26	45	40	(5)	(11%)
Broxbourne Riverside	(52)	18	(34)	21	25	4	19%
Fisheries	(56)	3	(53)	(69)	(109)	(40)	(58%)
Visitor Attractions							
Myddelton House	(110)	255	145	183	182	(1)	(1%)
Rye House Gatehouse	0	3	3	5	8	3	60%
Park Projects							
Volunteers	0	32	32	42	44	2	5%
Biodiversity	0	83	83	106	112	6	6%
Farms							
Lee Valley Farm, Holyfieldhall	(455)	512	57	38	56	18	47%
Initiatives and Partnerships							
King George Reservoir South	(11)	14	3	(1)	(1)	0	0%
Lee Valley Boat Centre	0	0	0	(41)	(41)	0	0%
Broxbourne Chalets	(13)	0	(13)	1	(11)	(12)	(1200%)
TOTAL PARKLAND AND OPEN SPACES	(830)	2,589	1,759	2,605	2,524	(81)	(3%)
SMALL VENUES							
Lee Valley Marina Springfield	(841)	489	(352)	(345)	(357)	(12)	(3%)
Lee Valley Marina Stanstead	(637)	557	(80)	(58)	4	62	107%
Lee Valley Waterworks Centre	(3)	44	41	82	75	(7)	(9%)
Lee Valley Farm Hayes Hill	0	2	2	0	2	2	0%
Lee Valley Campsite (Sewardstone)	(463)	333	(130)	(91)	(67)	24	26%
Lee Valley Caravan Park (Dobbs Weir)	(704)	435	(269)	(409)	(211)	198	48%
Lee Valley Leisure Centre Campsite	(400)	303	(98)	39	(26)	(65)	(167%)
Lee Valley Leisure Centre Golf Course	(121)	101	(20)	1	2	1	100%
Almost Wild Campsite	(43)	24	(19)	(16)	(21)	(5)	(31%)
Caravan Sales	(260)	282	23	(207)	(207)	0	0%
TOTAL SMALL VENUES	(3,472)	2,570	(902)	(1,004)	(806)	198	20%

OPERATIONAL OUTTURN SUMMARY

LEE VALLEY REGIONAL PARK AUTHORITY

YEAR 2022/23

PERIOD: 09 (December 2022)

	Actual To Date		Net	Annual	Proposed	Variance	
	Income	Expenditure		Net Budget	Net Outturn	£000s	%
LEISURE SERVICES CONTRACT							
Management Fee	0	0	0	2,261	2,261	0	0%
Efficiencies / Increased Income	0	0	0	(60)	(70)	30	50%
LSC Support	0	39	39	0	39	39	0%
LSC Venues Direct Costs	(1)	178	177	170	213	43	25%
LSC Contingency (Utilities)	0	0	0	310	510	200	65%
LSC Operations (Ice Centre)	0	0	0	0	270	270	0%
TOTAL LSC VENUES AND BUSINESS SUPPORT	(1)	217	216	2,681	3,263	582	22%
OTHER OPERATIONAL SERVICES COSTS/INCOME							
Budget Growth (Pay Rise)	0	0	0	0	0	0	0%
s106 Expenditure/Income	0	1	1	0	0	0	0%
TOTAL OPERATIONAL SERVICES	(7,496)	9,892	2,396	8,119	8,359	240	3%

Q3 CAPITAL PROGRAMME BUDGET MONITORING 2022/23

Presented by Head of Finance

EXECUTIVE SUMMARY

This report summarises capital spending in 2022/23 compared to the current capital programme.

Appendix A to this report provides a financial summary of current schemes within the capital programme and shows that overall net capital expenditure for the year-end is currently projected to be £17.074 million, and in line with the approved budget.

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- 1 Authority initially approved the capital programme for 2022/23 at its meeting on 20 January 2022 (Paper A/4313/22). This report compares the actual spend with the current programme.
- 2 Where there is a significant variance, resulting in a projected under or over spend for a particular project, a brief explanation for the variance is provided below by the Accountable Officer for that scheme.
- 3 Where slippage is projected and reported, those resources remain earmarked for the particular schemes in question in future years. Where an under spend is reported these savings are added back into capital funds.
- 4 The original annual budget for 2022/23 was £16.026 million net expenditure. However, reprofiling due to prior year slippage, along with the inclusion of other identified schemes, has meant the current capital budget is now £17.614 million. The projected net capital position for the year is £17.074 million, in line with the revised budget

SPECIFIC SCHEMES

- 5 The review of major schemes in 2022/23 is detailed below.

6 Lee Valley Ice Centre Redevelopment

The Ice Centre Redevelopment has continued to progress well but there have been continued further pressures on the Mechanical and Electrical installation due to available labour and materials. This has delayed the installation of some of the buildings critical systems such as the fire alarm and to help mitigate the loss of time, the contractor, Buckingham, has obtained permissions from the London Borough of Waltham Forest (LBWF) for extended hours for internal works only. The revised completion and handover date of 28 February remains currently, but there is a risk that this date could slip if there is any further delays with materials, labour or weather. The project remains within budget and in line with its original design.

7 Ice Centre Funding

The redevelopment of the Ice Centre has always been anticipated to be fully funded from external borrowing, with the original strategy one of short-term loans during the construction phase, to be converted to long-term loans on completion. This was subsequently amended to allow greater flexibility with borrowing due to the increase in lending rates.

Officers have continued to adopt the more cash and affordability efficient approach of short-term loans, rather than locking in long-term debt, and have to date borrowed £25million on terms of up to two years.

Due to the current volatility in rates we have continued with this approach as it gives us greater freedom and adaptability to respond should rates drop. Over the last few weeks, we have seen long term rates around 4.5%. Our Medium Term Financial Forecast is based on rates being around 4%, and whilst we can secure this rate in the short-term market, we wait for when it may be appropriate to take longer-term borrowing.

Having short-term borrowing also allows us to easily apply and repay loans should we benefit from future capital receipts, without charges that would be associated with repaying long-term loans.

The capital receipt we received with regards to the disposal of Mile and Langley Nursery in January 2023 will allow us to pay down £5million of the borrowing need.

We will continue to update Members on borrowing in future quarterly Capital Outturn reports.

8 Asset Maintenance

The Authority has developed an Asset Management (AM) programme across the assets and open spaces that it is directly responsible for. This is a rolling programme of major one-off and planned/cyclical maintenance over 10 years. The programme is funded by annual direct contributions from revenue to ensure that the programme is fully funded to cover both lower and higher maintenance years.

The annual AM budget is amended each year to take into account where additional maintenance is required, or is deferred to future years.

The annual AM profiled budget is expected to be around £1million, and includes schemes carried over from the prior year. Works are largely progressing in line with the programme at the 9 month stage.

Where AM works can be identified as capital in nature, these can then be capitalised, although the revenue funding will be assigned to these schemes so as not to further increase the charge to revenue that would occur with an unfinanced capital spend.

9 Hostile Vehicle Mitigation

Whilst this project has seen significant delays due to the planning process, planning permission has now been granted and revised budget costs can now be sought so that funding can be confirmed. However due to extended material delivery times on such specialist items it is not envisaged that this project will commence in this financial year. The full project budget will need to be rolled forward and delivered prior to the Lee Valley VeloPark next major event.

10 Lee Valley White Water Centre Pumps Replacement

The updating of pumps and controls on both courses is now in progress, two new pumps have been delivered and are being installed w/c 6 February. Controls are being replaced as they become available, this project will complete within the financial year. The costs of this project have increased by £200,000 as further outdated components have been discovered during the upgrading works.

11 Landscape, Open Space and Investment Projects

Officers have been reviewing the Landscape and Open Space project list (Paper E/711/20) for any schemes that may progress. Listed below are some that are progressing. In addition to those others are in the pipeline and these will start progress throughout 2023 and onwards, such as Cheshunt Lakes S106, and Lea Bridge Station mitigation, although the progress of these will be dependent on the release of funds when the trigger points of the developments are met.

Middlesex Filter Beds

This project has now established that the option of breaching the navigation is non-viable due to the proximity of a water main. We have now progressed to the position that the only option is a pumping solution. Consultants are now looking with officers at the options here and a secure generator housing or suitable electric feed is being investigated. If a generator is the only available solution we have asked consultants to look at bio fuel options and Hydrotreated Vegetable Oil (HVO) is being investigated. We envisage this works taking place over the next few months and will have an agreed pumping solution ready for implementation to commence in the early autumn. Members will be updated as to how this project is progressing and when completion is expected once contractors have been procured.

East India Dock Basin

Surveys have now been completed and we have a firm idea of costs for the silt removal and gate repair. The final element of the study on water circulation has also been completed and we have a draft specification for the design stage ready to go out to tender. Permissions for silt dispersal with PLA (Port of

London Authority) and MMO (Marine and Maritime Organisation) have progressed well and we are in the final stages of agreeing a sampling plan prior to applying for permission to disperse into the Thames.

Unfortunately the recent Levelling Up Funding (LUF) bid which was submitted with London Borough of Tower Hamlets (LBTH) was unsuccessful.

We are now progressing a National Lottery Heritage Fund (NLHF) bid following successful passing of the Expression of Interest Stage. Working with our LBTH colleagues and using much of the information gathered for the LUF the bid will be constructed to enable a submission in May 2023. Match funding for this stream is a minimum of 5% but we should also aim for more if possible. This option also allows other partners to contribute more and potential match funding from other streams will be available.

St Pauls Field

The St Paul's Field project will deliver a new footpath from Meadgate Road in Nazeing to Dobbs Weir Road. This will open up an area of the Park which has been inaccessible to the public, delivering a countryside and lakeland pathway for pedestrians and cyclists.

The consultant's final designs have been approved and the drawings to enable us to go out to tender will be completed by the end of March. The final ecological assessment (specifically the Badger survey) has been commissioned and will take place in Spring. Once the drawings are received a planning application will be submitted along with procurement of contractors during the middle of 2023 for delivery over the winter 2023/24, with final spend occurring in early 2024 as projected previously.

North Wall Road

North Wall Road is north of Lee Valley VeloPark and jointly owned with the London Legacy Development Corporation (LLDC). It is a hard landscape which has had little value for either organisation. Since London 2012 this area has not been adopted fully and has become an area for antisocial behaviour and inappropriate use. A partnership with LLDC has started to look at this area and a potential greening, rewilding or extension to the Olympic Park project. An application to the Mayors Green and Resilient Spaces Fund for a development grant is being constructed for submission in February. The funding for development will see concepts and ideas for this area developing a greening or rewilding project to a position that funding can be applied for or if capital from the Authority and LLDC is available this project could be progressed. The project is in the very early stages and if development grant funding is successful we will report back to Members on the progress and any potential required match funding.

12 Venue Investment Projects

Executive Committee approved a list of venue investment projects at the meeting on 16 November 2021 (Paper E/743/21) which will enhance venues and deliver cost savings, additional and new income streams.

The projects will be delivered over a number of years, with a number being initiated in the current financial year.

Significant projects still in progress include:

Lee Valley White Water Offices and Meeting Rooms

This project has been successfully completed and is available for use as from early February. The final account will be around £520k which is due to additional elements of work being added to the contract. This will increase the level of income Greenwich Leisure Limited (GLL) will be able to generate for use of the area, and will see an adjustment to the Leisure Operator Base Trading Account (LOBTA) and Management Fee payments.

Lee Valley White Water Slalom Ramp

The Initial scheme came in at well over the available budget so the scheme has been revised and we are now intending to build the ramp in a new position as solely a ramp with no bridge connections. A planning application has been submitted and a contractor/structural engineer is being appointed through a public sector framework agreement. Revised costings for the scheme are currently being prepared and the scheme is due to complete by mid May 2023.

CAPITAL RECEIPTS

- 13 The Authority has received a capital receipt of £7.75m in respect of the disposal of Mile and Langley Nursery (Executive, 23 June 2022, Paper E/772/22), which will result in a net usable receipt of around £7.5m.

Members agreed that the funding of the Venue Improvement Programme (Executive, 18 November 2021, Paper E/743/21) would come from this receipt, with agreement at Authority (Paper A/4330/23, 19 January 2023) that the remainder be utilised to part finance the Ice Centre Redevelopment.

ENVIRONMENTAL IMPLICATIONS

- 14 There are no direct environmental implications arising from the recommendations in this report. However, within each project a full evaluation of environmental implications is undertaken and reported to Members as part of the overall project brief.

EQUALITY IMPLICATIONS

- 15 There are no equality implications arising directly from the recommendations in this report.

FINANCIAL IMPLICATIONS

- 16 A variance during the year on the capital programme can result in additional/reduced investment income being earned in the year as cash balances deposited in the Authority's approved bank accounts change.

HUMAN RESOURCE IMPLICATIONS

- 17 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

- 18 There are no legal implications arising directly from the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

- 19 Failure to deliver a capital project within an agreed timescale could lead to adverse publicity. It may also mean that the Authority fails to achieve its corporate objectives within the time span that was originally anticipated and/or result in revenue budget variations as part of the Medium Term Financial Plan where the investment is intended to generate new income streams.

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PREVIOUS COMMITTEE REPORTS

Authority	A/4330/23	Proposed Capital Programme 2022/23 (Revised) to 2026/27	19 January 2023
Executive Committee	E/785/22	Q2 Capital Programme Budget Monitoring 2022/23	17 November 2022
Executive Committee	E/775/22	Q1 Capital Programme Budget Monitoring 2022/23	22 September 2022
Executive Committee	E/766/22	Q4 Capital Programme Budget Monitoring 2021/22	26 May 2022
Executive Committee	E/754/22	Q3 Capital Programme Budget Monitoring 2021/22	24 February 2022

APPENDIX ATTACHED

Appendix A Capital Monitoring 2022/23 Q2 Outturn

ABBREVIATIONS

LBWF	London Borough of Waltham Forest
LBTH	London Borough of Tower Hamlets
AM	Asset Maintenance
PLA	Port of London Authority
MMO	Marine & Maritime Organisation
LUF	Levelling Up Funding
NLHF	National Lottery Heritage Funding
GLL	Greenwich Leisure Limited
LOBTA	Leisure Operator Base Trading Account
LLDC	London Legacy Development Corporation

Project Name	Full Scheme Budget £000s	Spend To Date £000s	Profiled Budget 2022/23 £000s	Actual to 31 Jan 2023 £000s	Projected Outturn at 31/03/2023 £000s	Projected Variance £000s	Comment
ANNUAL EARMARKED PROVISION							
Biodiversity Action Plan	-	-	87	37	63	-24	Programme Delivery Profiling
IT Infrastructure & Communications	-	-	170	120	140	-30	Programme Delivery Profiling
Asset Management	-	-	1,067	947	1,018	-49	Programme Delivery Profiling
PROJECT SPECIFIC BUDGETS							
Lee Valley Ice Centre Redevelopment	30,000	13,250	12,750	11,435	12,750	0	
Olympic Park Hostile Vehicle Mitigation	495	5	490	0	0	-490	Slippage/In Progress
Dobbs Weir Campsite Final Phase	27	0	27	24	24	-3	Scheme Complete
Olympic Rings	50	0	50	0	0	-50	Slippage
Eton Manor Feasibility	25	0	25	25	25	0	
White Water Pumps Replacement	800	0	800	456	1,040	240	
LANDSCAPE, OPEN SPACE & INVESTMENT PROJECTS							
East India Dock Basin - Feasibility	85	10	75	46	75	0	
Middlesex Filter Beds Sluice	240	0	240	2	2	-238	Slippage/In Progress
St Pauls Field - Feasibility	15	4	11	12	12	1	
Waltham Abbey Gardens	20	0	20	0	20	0	Contribution/Match Funding
Three Mills Enhancement Works	330	0	330	331	331	1	Scheme Complete
North Wall	0	0	0	0	0	0	In progress
VENUES INVESTMENT PROJECTS							
Non-Sports Venues							
Campsites - Playgrounds	75	28	47	30	30	-17	
Campsites - WIFI Upgrade	30	0	30	14	30	0	
Campsites - Glamping Pods	168	99	67	130	130	63	Budget units only - no siting
Marinas - Welding Tents	10	0	10	0	10	0	
Feeder Pillars (Springfield)	75	0	75	0	75	0	
Laundry Room Extend (Springfield)	45	0	45	24	24	-21	New machines only
Craning Pad Extension (Stanstead)	3	0	3	0	3	0	
Dobbs Weir Bungalow (Renovation)	50	0	50	8	55	5	
Sewardstone House (Renovation)	40	0	40	0	40	0	

LEE VALLEY REGIONAL PARK AUTHORITY
CAPITAL PROGRAMME MONITORING 2022/23 QUARTER 3

Project Name	Full Scheme Budget £000s	Spend To Date £000s	Profiled Budget 2022/23 £000s	Actual to 31 Jan 2023 £000s	Projected Outturn at 31/03/2023 £000s	Projected Variance £000s	Comment
Sports Venues							
Velopark - LED Lighting	700	210	490	592	592		102 Additional works - Scheme Compete
WhiteWater - Offices	450	0	450	414	520		70 Additional works - Scheme Compete
Whitewater - Slalom Ramp	100	0	100	0	0		-100 Tri party funding total cost £350k est
Riding Centre Mechanical Horse	65	0	65	0	65		0
TOTAL PROGRAMME			17,614	14,647	17,074		-540
CAPITAL PROGRAMME FINANCING							
Borrowing			12,750		12,750		
AM Reserve			1,067		1,018		
Capital Fund			290		290		
Capital Receipts			3,507		3,016		
TOTAL FINANCING			17,614		17,074		

**PROPOSED CAPITAL LED LIGHTING INVESTMENT AT
LEISURE SERVICE CONTRACT VENUES**

Presented by Corporate Director

EXECUTIVE SUMMARY

This paper provides Members with the background and specific information on the new Leisure Service Contract proposed LED Lighting Spend to Save investments at:

- Lee Valley Athletics Centre (LVAC);
- Lee Valley Hockey & Tennis Centre (LVHTC);
- Lee Valley White Water Centre (LVWWC); and
- Lee Valley Riding Centre (LVRC).

The project would reduce electricity consumption at these venues thereby reducing energy costs.

As part of Leisure Service Contract procurement process the Authority committed to continually invest in its world class Venues, encouraging bidders to propose innovative investment solutions over the initial 10 year contract duration.

Authority Officers have been working with its Leisure Service Contract operator, Greenwich Leisure Ltd (GLL) since contract commencement on the first phase of investments. These investments have undergone a rigorous process of due diligence to ensure these proposals meet with the priority outcomes as set out within the Leisure Service Contract:

- deliver a sustainable partnership with a forward thinking, adaptable contractor;
- ensure the long term viability of all facilities;
- reduce the reliance on the levy and tax payers within the Lee Valley region; and
- fulfil the requirements of the Authority's Strategic Aims.

Previous phase 1 investment projects at Lee Valley Athletics Centre and Lee Valley Riding Centre have already been approved by Members (Paper E/796/23) and the spend to save investments included within this report will close phase 1 of the investment projects at the Leisure Service Contract venues.

It is proposed that Members consider the Authority making a financial capital commitment into the project totalling £1,522,223 for refurbishment of the lighting systems at Lee Valley Athletics Centre (£537,770), Lee Valley Hockey & Tennis

Centre (£706,103), Lee Valley White Water Centre (£102,263) and Lee Valley Riding Centre (£61,374), the details of which are set out in this report.

RECOMMENDATION

Members Approve: (1) inclusion within the capital programme of £1,522,223 for LED lighting upgrades at the Leisure Service Contract venues.

BACKGROUND

- 1 During the Leisure Services Contract (LSC) procurement the Authority committed to invest into the venues in partnership with the eventual operator to maintain their world class status, their relevance and to continually improve the management fee position. Since the commencement of the LSC GLL have worked with Authority officers on the first phase of investment projects.
- 2 The Authority committed to upgrading the Lee Valley VeloPark indoor arena lighting to LED pre transfer ahead of the Commonwealth Games with works completed in May 2022.
- 3 Previous phase 1 investment projects at LVAC and LVRC have already been approved by Members (Paper E/796/23) and the spend to save investments included within this report will close phase 1 of the investment projects at the LSC venues.
- 4 The Authority has seen exceptional increases in the price of electricity (+100%) and gas (+400%) following the ending of its two year fixed agreement with Laser (public bodies energy procurement consortium) in October 2022. Given these rises and the potential for further rises in October 2023, when the current fixed price agreement expires, Authority officers have been working with GLL to secure reductions in energy consumption.
- 5 Alongside operational measures to reduce energy consumption the Authority asked GLL to identify spend to save schemes. The proposed spend to save schemes have been developed in consultation with the Authority.
- 6 The Authority holds the utilities tariff risk for the LSC venues for years 1 and 2. During the final 6 months of the open book cost arrangement the two parties will agree how to deal with years 3 to 10 in terms of utility risk (currently in the contract it is 100% GLL on Tariff).
- 7 The two year fixed term deal novated from the Authority, under which the average cost of electricity across Venues was about £0.13 per KWH, ended in September 2022. The cost of electricity in the new one year fixed term deal to September 2023 has increased to £0.27 per KWH which, based on current consumption, would cost an additional £0.8million per annum. The cost of electricity is forecast to increase to £0.32 per KWH from 1 October 2023 which, based on current consumption, will cost an additional £1.1million. These prices are currently being subsidised by the Government's Energy Bill Relief Scheme and from October 2023 by the Energy Bills Discount Scheme.
- 8 The current lighting systems were installed as part of the original build and reflected modern technology at that time. Lighting technology and controls have improved greatly with the option of LED lighting, which provides longer life

lamps and requires lower wattage lamps to provide enhanced lighting levels. Alongside technological advances, a number of the lighting fittings and controls have become obsolete with difficulty in sourcing spares and servicing.

- 9 The ability to control lighting levels and to have different lighting in certain areas is also severely restricted. This means areas such as Hockey pitches are currently above spec in terms of lux levels for training/matches, which results in higher than necessary illumination and consumption. In addition, currently floodlights for individual outdoor tennis courts cannot be turned on without the lights on the two adjacent courts also coming on.
- 10 The LED lighting upgrades align with the Authority's commitment to becoming a greener organisation and ambition to work towards net zero for our buildings where possible.

OUTLINE OF THE IMPROVEMENTS

- 11 The improvements will consist of:

- replacing old high bay, high energy fittings with more energy efficient LED replacements utilising the latest technologies;
- ensuring lighting outputs are in line with Sport England guidance;
- ensuring guidance fittings meet the required IP and IK Protection (dust, dirt and moisture Ingress Protection & Impact Protection) for the intended purpose; and
- improving the existing switching or controls to minimise usage.

- 12 The areas to be considered at each venue are:

LVHTC

- Indoor Tennis Courts
- Outdoor Tennis Courts
- Hockey Pitches flood lighting

- 13 **LVWWC**

- External Floodlighting
- Ground Floor – Main Building
- First Floor – Main Building (excluding Meeting Room area which is currently being redeveloped and incorporates LED lighting)

- 14 **LVRC**

- Indoor Arena Lighting
- Outdoor Arena Lighting
- Car Park Lighting
- Livery Yard Lighting
- School Yard Lighting
- External Building Lighting

- 15 **LVAC**

- Outdoor Track Floodlights
- Car Park Lighting (outside of red line but runs off of LVAC main meter)
- East Wing (outside of red line but sub metered from main meter)
- Indoor Track and throws area
- Upper Sprint Straight

- (excludes areas covered by gym, access, studio and changing rooms investment project)

PROJECT TIMELINE

- 16 Works will be completed over the course of the summer around key event dates such as the Pro-League at LVHTC and the Slalom World Championships at LVWWC.
- 17 GLL's Regional Facilities Manager will project manage the works and liaise with local management teams to minimise disruption to service.
- 18 If Members approve the recommendation of this report a project team will be formed consisting of the key Authority and GLL officers from:
- Facility Management;
 - Operations; and
 - Maintenance.

This project team will ensure there is full agreement on proposed timescales and GANTT responsibility areas and set milestones. All drawings, decisions, sign off etc. associated with the project will be made by the Corporate Director.

FINANCIAL

- 19 As per the LSC agreement, the Authority will provide the capital investment for the project to GLL and can chose to either deliver the project directly or to require GLL to deliver the project under the LSC. It is recommended that GLL manage the installations and purchasing of equipment, but the Authority signs off the works before any orders are placed. The new LED systems will be owned by the Authority and GLL will have no right to remove LED systems at the end of the contract (or if the venue is removed from the LSC and GLL cease to be the operator for the venue sooner).
- 20 Total capital required is **£1,522,223** broken down as follows.

Description	Cost (Net)
Lee Valley Hockey & Tennis Centre Lighting Upgrade: Indoor Tennis Courts Outdoor Tennis Courts Hockey Pitches flood lighting	£706,103
Lee Valley White Water Centre Lighting Upgrade: External Floodlighting Ground floor – Main Building First Floor – Main Building (Excluding Meeting Room Area which is currently being redeveloped)	£102,263
Lee Valley Riding Centre Indoor Arena Lighting Outdoor Arena Lighting Car Park Lighting Livery Yard Lighting School Yard Lighting External Building Lighting	£61,374

Lee Valley Athletics Centre Outdoor Track Floodlights Car Park Lighting (Outside of red line but runs off of LVAC main meter) East Wing (Outside of red line but sub metered from main meter) Indoor Track and throws area Upper Sprint Straight Excludes areas covered by gym, access, studio and changing rooms investment project	£537,770
Contingency 5%	£70,376
Subtotal	£1,477,886
Project management charge (3%)	£44,337
Total	£1,522,223

- 21 The measured consumption reduction following the carrying out of the projects will be compared to 2022 consumption adjusted for any programme changes and used to determine the financial saving achieved in contract year 2023/24 onwards. If the calculated saving reduces the electricity cost below that stated in the Leisure Operator's Base Trading Account (LOBTA) then the annual payment under the LSC will be adjusted to reflect the saving.
- 22 The projected financial savings have been calculated on the basis of the annual consumption savings for each venue (as detailed in Appendix A to this report) multiplied by the electricity tariff rates (as detailed in Appendix B to this report). The projected payback period of these projects has been calculated as 8.1 years based on net capital costs and at current and known future prices/kwh. It is noted that should energy costs fall by say 50% then payback periods will increase by 100% (16.2 years) this is broken down as follows:

Venue	Capital Cost (Net)	2023/24 Projected Saving	Future Years Projected Saving	Payback Period
Lee Valley Hockey and Tennis Centre	£706,103	£94,388	£102,387	7 years
Lee Valley White Water Centre	£102,263	£15,452	£16,762	6.2 years
Lee Valley Riding Centre	£61,374	£17,361	£18,832	3.3 years
Lee Valley Athletics Centre	£537,770	£33,872	£36,743	14.7 years
TOTAL	£1,407,510	£161,073	£174,724	8.1 years

- 23 Appendices A and B to this report provide further detail on the projected savings.

24 Financing of the project can come from a number of different sources:

- existing Authority capital receipts;
- internal borrowing;
- external borrowing;
- external support funding and/or grants;
- or a combination of the above.

In the absence of support grants, with support from GLL being restricted to savings in the LSC Management Fee, then other options need to be considered.

Both internal and external borrowing will result in an annual charge to revenue in the form of Minimum Revenue Provision (MRP), to cover the cost of capital, plus in the case of external borrowing, interest.

Funding from capital receipts will not result in a charge to revenue, but will see a reduction in capital receipts available to finance future projects.

Both internal borrowing and use of capital receipts will result in a reduction to available cash the Authority holds and the opportunity to generate investment income.

25 The cost of borrowing the full £1.522million is calculated with interest at £1.776million over 8 years, based on Public Works Loan Board (PWLB) rates on 6 February 2023.

Two of the other projects individually could also be financed by external borrowing – LVHTC £0.810million over 7 years, and LVAC £0.696m over 14.5 years.

The following table displays the revenue implications of external borrowing for 2023/24, none of which has been included in the approved budget.

	Loan £m	Term Years	Total Charge £m	Minimum Revenue Provision £000s	Interest £000s
Total	1.522	8	1.776	190	58
LVHTC	0.706	7	0.810	101	27
LVAC	0.538	14.5	0.696	37	21

Internal borrowing would attract MRP only.

- 26 It is officer's recommendation that the project is financed from existing capital receipts, to prevent the need for any charge to revenue. However, as identified in the Capital Budget report (Paper E/793/23), Members should consider that direct capital financing from revenue will be required to support the future capital, either in the form of contributions, or internal and external borrowing.
- 27 Authority officers are currently conducting further analysis of the specific venue consumption and savings. The outcome of this analysis may mean that a reduction of works is agreed to be the best use of Authority resources.

ENVIRONMENTAL IMPLICATIONS

- 28 The environmental implications of this project directly relate to the reduction in

the venues' electricity consumption and consequently the carbon footprint reduction.

The estimated figures in Appendix A to this report show the carbon emissions reduction and it can be seen that in the case of LVHTC alone there is a reduction of nearly 400 tonnes/year. Across all four venues the total reduction is approximately 670 tonnes/year. In terms of energy reduction, based on the early performance of the new LED lights at Lee Valley VeloPark there could be up to 50% reduction in consumption. This will not be fully understood until the projects are installed and monitoring of performance starts to take place. As part of the re-benchmarking exercise monthly consumption figures are submitted and analysed by Authority officers, which will form the basis of the figures used to set the level on consumption and spend for years 3-10 of the LSC.

- 29 Members will be aware that the Authority is seeking to adopt an Environmental Policy and reducing the Authority's energy consumption and carbon footprint is key for which this proposed project would greatly contribute towards.

FINANCIAL IMPLICATIONS

- 30 The financial implications of this project are covered in the Financial section of this report.

HUMAN RESOURCE IMPLICATIONS

- 31 Authority officers will be required to sit on the project team and Authority sign-off of any decision will be required by the Authority's Representative as per the LSC.

LEGAL IMPLICATIONS

- 32 These investment projects will be subject to Schedule 21 of the LSC Control Change Protocol and this will allow the agreed financial arrangements to be formally documented. The Authority will also need to grant its consent to internal alterations under the leases.

RISK MANAGEMENT IMPLICATIONS

- 33 There are no risk management implications arising directly from the recommendations in this report.

EQUALITY IMPLICATIONS

- 34 There are no equality implications arising directly from the recommendations in this report.

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BACKGROUND REPORTS

None

APPENDICES ATTACHED

Appendix A	Projected Consumption Reduction and Key Assumptions – Venue by Venue
Appendix B	Projected Consumption Saving

LIST OF ABBREVIATIONS

the Authority	Lee Valley Regional Park Authority
GLL	Greenwich Leisure Limited
Leisure Services Contract (LSC)	Leisure Operating Contract between the Lee Valley Regional Park Authority and Greenwich Leisure Limited dated 31 March 2022
LOBTA	Leisure Operator's Base Trading Account, the financial model agreed to in the LSC.
LVAC	Lee Valley Athletics Centre
LVHTC	Lee Valley Hockey & Tennis Centre
LVWWC	Lee Valley White Water Centre
LVRC	Lee Valley Riding Centre

Projected Consumption Reduction and Key Assumptions

Lee Valley Hockey & Tennis											
LIGHTING AUDIT ANALYSIS											
EXISTING LIGHTING INSTALLATION											
Facility Area	Burning Hours per Day	Burning Days per week	Existing Fixtures	Existing Connected Load per fitting (W)	Total Existing Connected Load (kW)	Total existing kWh p.a.	Existing Maintenance Cost (£/annum/ Labour)	Total Remaining Cost £ p.a. excluding fittings	Re. of fittings	Proposed No. of fittings	Total Proposed Connected Load (kW)
External Tennis Courts	1.6	7	2xkW Metal Halide	2400	86	5019.36	£ 2,000	£ 13,585	35	8	13.2
Hockey Pitch 2	2.5	7	2xkW Metal Halide	2400	115	104832	£ 2,000	£ 28,306	48	16	21.6
Indoor Tennis Courts	4.0	7	4x60w Fluorescent	364	34	45201.152	£ 1,000	£ 13,264	88	24	62.4
Hockey Pitch 1	2.5	7	2xkW Metal Halide	2400	364	349440	£ 2,000	£ 94,349	180	62	11.2
TOTAL					619	563793	£ 7,000.00	£ 149,524	332	174	275
PROPOSED LED LUMINEUX SOLUTION											
Facility Area	Burning Hours per Day	Burning Days per week	Proposed Fitting	Proposed Connected Load per fitting (W)	Total Proposed Connected Load (kW)	Total Proposed kWh p.a.	Maintenance Cost (£/annum/ Labour)	Total Remaining Cost £ p.a.	% Saving Benefit from Occupancy	Proposed No. of fittings	Total Proposed Connected Load (kW)
External Tennis Courts - fitting 1	1.6	7	1650w Coradragon Plus	1650	13.2	7381	£ 1,453	£ 1,453	30	8	13.2
External Tennis Courts Fitting 2	1.6	7	1380w Coradragon Plus	1380	21.6	6871	£ 2,385	£ 2,385	30	16	21.6
Hockey Pitch 2	2.5	7	2800w Coradragon Plus	2800	62.4	56784	£ 15,332	£ 15,332	0	24	62.4
Indoor Tennis Courts	4.0	7	180w Barcoff Tre-Smart	180	11.2	11374	£ 3,071	£ 3,071	30	62	11.2
Hockey Pitch 1	2.5	7	2800w Coradragon Plus	2800	166.4	151424	£ 40,884	£ 40,884	0	64	166.4
TOTAL					275	238825	£	£ 63,136		174	275
SUMMARY INFORMATION											
Carbon emission calculations are based on the Carbon Trusts recommendations 0.54kg/CO2(Kwh of electricity produced)											
UNIT PRICE PER kWh	20.27000		PROJECTED % kWh SAVINGS	68%		PROJECTED % COST SAVINGS	70%		CO2 SAVING TONNES	386.8	

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Lee Valley Waste Water Refracting LIGHTING AUDIT ANALYSIS

EXISTING LIGHTING INSTALLATION

Facility Area	Burning Hours per Day	Burning Days per week	Existing Fixtures	Existing Connected Load per fitting (W)	No. of fittings	Total Existing Connected Load (kW)	Total existing kWh p.a.	Existing Maintenance Cost (£/lamp/ Labour)	Total Remaining Cost (£ p.a. including fittings)
Car Park & Street Lighting	3	7	1x70w SAs	84	62	5	587,136	£ 600	£ 1,536
Main Floodlights	1	7	400w MH	480	14	7	2446.08	£ 900	£ 600
Main Building Internal	6	7	2x28w	64	120	6	16773.12	£ 500	£ 4,529
Deck Area	1	7	180w T8	198	6	1	327.6	£ 100	£ 60
Yard Area	3	7	4x40w CFL	201.6	2	2	2201.472	£ 100	£ 60
Changing Rooms 1-8	6	7	4x40w CFL	162	48	9	20127.744	£ 500	£ 5,434
Drying Room	4	7	2x60 FL	192	3	1	630.666	£ 100	£ 226
Court Yard	2	7	1x70w FL	84	9	1	550.368	£ 100	£ 149
Waiting Canoe	1	7	400w MH	1200	32	38	13977.6	£ 1,000	£ 3,774
Bar area	3	7	2x60w FL	117.6	14	2	1757.6568	£ 200	£ 465
Storage Area Sins	4	7	2x60w CFL	117.6	2	0	342.4512	£ 92	£ 92
Carving Store	4	7	2x60w CFL	117.6	2	0	342.4512	£ 200	£ 236
Underhang Penetrator	2	7	1x62w CFL PL	50.4	24	1	660.6666	£ 200	£ 236
TOTAL					346	75	66289	£ 3,700.00	£ 17,699

PROPOSED LED LUMINEUX SOLUTION

Facility Area	Burning Hours per Day	Burning Days per week	Proposed Fitting	Connected Load per fitting (W)	Proposed No. of fittings	Total Proposed Connected Load (kW)	% Saving Benefit from Occupancy	Total Proposed kWh p.a.	Maintenance Cost (£/lamp/ Labour)	Total Remaining Cost (£ p.a. including fittings)
Car Park & Street Lighting	3	7	LED Streetlight	30	62	1.9	0	2031	£ 561	£ 561
Main Floodlights	1	7	200w Flood	200	14	2.8	30	1019	£ 275	£ 485
Main Building Internal	6	7	Ww BL DL	90	120	1.2	30	1855	£ 29	£ 495
Deck Area	1	7	50w FP	50	6	0.3	0	109	£ 147	£ 147
Yard Area	3	7	50w PP PP	50	10	0.5	0	546	£ 662	£ 662
Changing Rooms 1-8	6	7	40w MC MH	43	48	2.1	30	3155	£ 35	£ 35
Drying Room	4	7	40w MC MH	43	5	0.1	0	131	£ 35	£ 35
Court Yard	2	7	20w MC	20	9	0.2	0	131	£ 1,258	£ 1,258
Waiting Canoe	1	7	400w Flood	400	32	12.8	30	4658	£ 60	£ 60
Bar area	3	7	20w MC	20	14	0.3	30	214	£ 11	£ 11
Storage Area Sins	4	7	20w MC	20	2	0.0	30	41	£ 11	£ 11
Carving Store	4	7	20w MC	20	2	0.0	30	41	£ 94	£ 94
Underhang Penetrator	2	7	20w MC	20	24	0.5	0	349	£ 3,799	£ 3,799
TOTAL					322	22		13913	£	£

SUMMARY INFORMATION

LIMIT PRICE PER kWh	PROJECTED % kWh SAVINGS	PROJECTED % COST SAVINGS	CO2 SAVING TONNES
50.27000	61%	84%	39.3

Carbon emission calculations are based on the Carbon Trust's recommendations 0.54kgCO2/kWh of electricity produced

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Lee Valley Riding Centre
LIGHTING AUDIT
ANALYSIS

EXISTING LIGHTING INSTALLATION

Facility Area	Burning Hours per Day	Burning Days per week	Existing Fixtures	Existing Connected Load per fitting (W)	No. of fittings	Total Existing Connected Load (kW)	Total existing kWh p.a.	Existing Maintenance Cost (£ lamp/ labour)	Total Running Cost £ p.a.
Area 2	40	7	1000w HHO	1282	12	14.4	2885.4	£ 500	£ 5,881
Area 1	40	7	1000w HHO	1200	16	19.2	2785.2	£ 600	£ 7,548
Car Park Fitting 1	40	7	400w Ssa	480	8	3.6	5591.04	£ 160	£ 1,516
Car Park Fitting 2	40	7	70w Ssa	84	4	0.3	489.246	£ 100	£ 132
Building Front External Fitting 1	40	7	70w Ssa	84	5	0	811.52	£ -	£ 965
Building Front External Fitting 2	40	7	500w Halogen	600	1	0.6	728	£ -	£ 187
Stables	80	7	400w Ssa	480	1	0.5	1337.76	£ -	£ 377
Stables & Wash Area	80	7	2x50w Fluorescent	139.2	4	0.6	1621.4916	£ -	£ 439
Stables Barn	80	7	1x70w Fluorescent	84	30	2.5	7538.34	£ 500	£ 1,981
Yard Stables 1-30	80	7	2x50w Fluorescent	139.2	4	0.6	12180.512	£ 250	£ 3,263
Wing Stables 1-5	80	7	1x70w Fluorescent	84	5	0	1223.04	£ -	£ 330
Wing Yard Stables 1-16	80	7	1x70w Fluorescent	84	16	1.3	3913.728	£ 250	£ 1,057
TOTAL					132	48	63996	£ 2,200.00	£ 27,773

PROPOSED LED LUMINEUX SOLUTION

Facility Area	Burning Hours per Day	Burning Days per week	Proposed Fitting	Proposed No. of fittings	Total Proposed Connected Load (kW)	% Saving Benefit from Occupancy	Total Proposed kWh p.a.	Maintenance Cost (£ lamp/ labour)	Total Running Cost £ p.a.
Area 2	40	7	600w Coracion Plus	12	7.2	0	10483	£ 1,415	£ 1,415
Area 1 Fitting 1	40	7	300w Frenly Plus	12	3.6	0	5242	£ 629	£ 629
Area 1 Fitting 2	40	7	400w Frenly Plus	4	1.6	0	2393	£ 472	£ 472
Car Park Fitting 1	40	7	150w Frenly Plus	8	1.2	0	1747	£ 47	£ 47
Car Park Fitting 2	40	7	30w Streetlight	4	0.1	0	175	£ 43	£ 43
Building Front External Fitting 1	40	7	20w Inceputa vial Pack	5	0.1	0	460	£ 39	£ 39
Building Front External Fitting 2	80	7	50w Purely Per	1	0.1	0	146	£ 44	£ 44
Stables	80	7	30w Typhoon ITC	3	0.1	0	262	£ 71	£ 71
Stables & Wash Area	80	7	20w Typhoon ITC	4	0.1	0	163	£ 44	£ 44
Stables Barn	80	7	20w Typhoon ITC	30	0.6	0	1747	£ 472	£ 472
Yard Stables 1-30	80	7	30w Typhoon ITC Switched	30	0.9	30	4035	£ 495	£ 495
Wing Stables 1-5	80	7	20w Typhoon ITC Switched	5	0.1	30	204	£ 55	£ 55
Wing Yard Stables 1-16	80	7	20w Typhoon ITC Switched	16	0.3	30	652	£ 176	£ 176
TOTAL				134	16		25143	£ 6,789	£ 6,789

Carbon emission calculations are based on the Carbon Trusts recommendations 0.54kgCO2/kWh of electricity produced

SUMMARY INFORMATION

UNIT PRICE PER kWh	60.27000	PROJECTED % kWh SAVINGS	73%	PROJECTED % COST SAVINGS	75%	CO2 SAVING TONNES	42.0
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Lee Valley Athletics Centre LIGHTING AUDIT ANALYSIS

EXISTING LIGHTING INSTALLATION

Facility Area	Burning Hours per Day	Burning Days per week	Existing Fixtures	Existing Connected Load per fitting (W)	No. of fittings	Total Existing Connected Load (kW)	Total existing kWh p.a.	Existing Maintenance Cost (£/amp/ Labour)	Total Remaining Cost £ p.a. including fittings
Main Walkway	28	7	1x20w 2D	45.6	52	2.4	2456.77024	300	£ 563
Exit Walk	28	7	2x50w	84	22	1.8	1693.4816	200	£ 509
Gold Medal Room Fitting 1	28	7	50w GU10	50	7	0.4	358.72	50	£ 96
Gold Medal Room Fitting 1	28	7	20w 2D	33.6	1	0.0	34.24512	£	£ 9
Outdoor Running Track	17	7	3000w HBD	2400	36	88	52464.32	1,000	£ 14,455
Gold Room	28	7	50w	50	24	1.2	1223.04	200	£ 380
Entrance	28	7	1400	96	9	0.9	800.5888	280	£ 298
Car Park	80	7	20w Sun	64	72	6.0	17611.776	800	£ 4,765
Car Park	28	7	1x50w	49.6	2	0.1	141.87264	£	£ 39
Car Park	28	7	2x70w Fluorescent	168	120	20.0	20547.072	1,000	£ 5,548
1st Floor Sprint Track	28	7	3x70w Fluorescent	252	238	60.0	81127.536	1,000	£ 46,304
Indoor Running Track	28	7	1x20w 2D	45.6	4	0.2	185.50208	£	£ 50
Relief Area									
TOTAL					527	189	958873	£ 4,350.00	£ 43,885

PROPOSED LED LUMINEUX SOLUTION

Facility Area	Burning Hours per Day	Burning Days per week	Proposed Fitting	Connected Load per fitting (W)	Proposed No. of fittings	Total Proposed Connected Load (kW)	% Saving Benefit from Occupancy	Total Proposed kWh p.a.	Maintenance Cost (£/amp/ Labour)	Total Remaining Cost £ p.a.
Main Walkway	28	7	16w Halophosphor	16	52	0.8	0	848	£	£ 229
Exit Walk	28	7	27w Class A MV	27	22	0.6	30	424	£	£ 114
Gold Medal Room	28	7	14w Receptacle	14	5	0.1	30	50	£	£ 13
Outdoor Running Track	17	7	1x200w Consumption Plus	1200	36	40.0	20	30286	£	£ 8,180
Gold Room	28	7	27w Class A MV	56	2	0.1	30	62	£	£ 22
Entrance	28	7	27w Class A MV	27	9	0.2	30	173	£	£ 47
Car Park	80	7	30w Sunlight	36	72	2.2	0	6290	£	£ 1,698
Car Park	28	7	30w Class A MV	50	1	0.1	30	35	£	£ 90
1st Floor Sprint Track	28	7	30w Class A MV	50	120	6.0	30	4261	£	£ 1,156
Indoor Running Track	28	7	16w Compact LED	600	160	30.2	30	21674	£	£ 5,825
Relief Area	28	7	16w Halophosphor	16	4	0.1	30	46	£	£ 12
TOTAL					481	88		64689	£	£ 17,387

Carbon emission calculations are based on the Carbon Trusts recommendations 0.54kg CO2/kWh of electricity produced

SUMMARY INFORMATION	UNIT PRICE PER kWh 60.27000	PROJECTED % kWh SAVINGS 63%	PROJECTED % COST SAVINGS 84%	CO2 SAVING TONNES 188.3
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Contract Year 2023/24 Projected Consumption Saving

	Annual Consumption Saving (KWH)	April to Sept 2023 Tariff	Sept to March 2024 Tariff	April to Sept 2023 Projected Saving	Sept to March 2024 Projected Saving	April 2023 to March 2024 Projected Saving	Future Years Projected Saving
LV Hockey and Tennis Centre	319,958	£0.27	£0.32	£43,194	£51,193	£94,388	£102,387
LV White Water Centre	52,380	£0.27	£0.32	£7,071	£8,381	£15,452	£16,762
Lee Valley Riding Centre	58,851	£0.27	£0.32	£7,945	£9,416	£17,361	£18,832
Lee Valley Athletics Centre	114,822	£0.27	£0.32	£15,501	£18,372	£33,872	£36,743
TOTAL	546,011			£73,711	£87,362	£161,073	£174,724

Contract Term Projected Saving (assuming £0.32 per KWH contract Years 3-10)

	Contract Year 2	Contract Year 3	Contract Year 4	Contract Year 5	Contract Year 6	Contract Year 7	Contract Year 8	Contract Year 9	Contract Year 10	TOTAL
Project Saving	£161,073	£174,724	£174,724	£174,724	£174,724	£174,724	£174,724	£174,724	£174,724	£1,558,861

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**SITE HIRE AGREEMENT FOR USE OF
LEE VALLEY SHOWGROUND**

Presented by the Corporate Director

EXECUTIVE SUMMARY

This paper provides Members with an update on negotiations with We Are The Fair Ltd regarding a proposed five-year hire agreement for the use of the Lee Valley Showground, to host music festival style events.

We Are The Fair Ltd are an independent and award winning live event production agency, building festivals and large-scale events for more than a million people per year across multiple venues and outdoor spaces. We Are The Fair have previously won the National Outdoor Events Association 'Best Practice Award for Health and Safety'.

We Are The Fair Ltd have a history of working with the Authority dating back to 2017 when they first coordinated a successful music festival on Three Mills Green. Since then regular festivals have successfully been delivered on the Green and on the Lee Valley Showground.

To support the Authority's ambitions for event hires and to further enhance the planning process for events on the Showground, Members are asked to consider the recommendation of this report to enter into a five-year site hire agreement with We Are The Fair Ltd for the use of the Showground, initially for a two day event in July or August each year.

RECOMMENDATION

Members Approve: (1) entering into a new five-year site hire agreement with We Are The Fair Ltd for the use of the Lee Valley Showground in accordance with paragraphs 18 to 25 of this report.

BACKGROUND

1 We Are The Fair Ltd (WATF) are an independent and well-respected live event production agency, facilitating a number of well-established music and cultural festivals across the country.

- 2 WATF have worked with LVRPA since 2017 when they first introduced an event at Three Mills Green attracting over 16,000 people. Since 2017 WATF have continued to work with LVRPA on similar events, now including a two-day music festival on the Showground in August each year, attracting over 20,000 people across the two day event from across the region.
- 3 LVRPA has developed an excellent working relationship with WATF over many years, with both organisations supporting each other with licencing requests and conditions, community consultation and all health and safety regulations relating to successful event delivery. WATF is seen as a trusted and well-respected organisation to work with across the events industry, with their CEO an active member of the Festival DCMS / Public Health England workforce, who also sits on the NOEA (National Outdoor Events Association) council and is the Vice Chair of the AIF (Association of Independent Festivals).
- 4 LVRPA has hired the Showground to WATF for the last two years to facilitate both Maiden Voyage and Eastern Electrics music festivals across the August bank holiday. Both of these events were very successful and included all of the usual challenges including traffic management in the local area, which is addressed with a robust traffic management plan, environmental impact mitigation and site remediation post event which were dealt with effectively. WATF have demonstrated their capability and professionalism, with notable positive feedback from the licencing authority and through their community consultation work.
- 5 The request for a five-year continuous site hire agreement secures an agreed rental income to LVRPA for the use of the site. An agreement of this nature also helps WATF to establish robust and long-term agreements with suppliers of event infrastructure and equipment, often very difficult to source during busy event periods.
- 6 A longer-term agreement helps support the planning and obligations on WATF required to prepare for the changes in legislation relating to Martyn's law following the Manchester enquiry into the terrorist attack in May 2017. Specifically the review of security and counter terrorism plans in liaison with the emergency services and the review of all event infrastructure for the protection of attendees and staff.
- 7 LVRPA has previously entered into one-year site hire agreements with WATF for the use of the Showground. These hire agreements even though for 12 months have been for the 2 day festivals over the August bank holiday

EVENT DELIVERY

- 8 The LVRPA Events team coordinate and support on average 35 plus events in the Park per year, made up from a combination of sports National Governing Body (NGB) events, smaller community/charity events and larger-scale open spaces events.
- 9 In previous years both Three Mills Green and The Showground have hosted larger-scale music festivals attracting on average 50,000 attendees per annum from across the region, 8,000 per day on Three Mills Green and 15,000 a day on The Showground.
- 10 Average income generated through the Events team and through open space

event hirers is approximately £120K per annum. Additional income is also directly received via venues through sport NGB event delivery.

WE ARE THE FAIR

- 11 WATF are an independent and well-respected production company who manage some of the country's largest and most respected music and cultural festivals. They have worked with the Authority since 2017 and have run successful music festivals on The Showground for the last two years.
- 12 WATF have built up an excellent reputation with local partners and emergency services surrounding The Showground, including a good working relationship with Epping Forest Local Licencing Authority and Safety Advisory Group, plus excellent community consultation with local partners.
- 13 WATF have a good safety record and are industry leaders for event production, licensing and health and safety within the public realm. They are also one of the largest independent festival production companies in the UK, working across 128 shows.

SHOWGROUND SPECIFIC SITE HIRE AGREEMENT

- 14 The request is for a site hire agreement that spans a 5-year period and allows for WATF to facilitate a two-day music festival on The Showground site each year, see Appendices B and C for the exact location of the site and the access point.
- 15 The proposed agreement includes clauses which give LVRPA the right to terminate the agreement for, amongst other things, WATF breaching the agreement, including for not paying fees when due and for not adhering to LVRPA's "Specific Requirements" which relate to the protection of the site and ecological considerations.
- 16 The proposed site hire agreement also contains provisions dealing with health and safety matters and insurance.
- 17 Authority officers will continually work with and monitor WATF throughout this agreement, and after each festival, to review standards and ensure best practice and continued improvement.

PROPOSED SITE HIRE AGREEMENT TERMS

- 18 The term of the proposed Site Hire Agreement is for 5 years from the commencement of the agreement, signed by both parties.
- 19 Proposed agreement commencement date – 1 March 2023.
- 20 Fees and charges – Use of the Showground based on 2 event days and 12 build and breakdown days, £80,000 per year (£400,000 across a five year period), raising each year in line with inflation. The £80,000 per year fee comes directly from WATF and relates solely for the hire space of The Showground, the only costs incurred by the Authority relate to staffing costs to manage the hire agreement.

- 21 The proposed Site Hire Agreement allows WATF to hold events on the Showground on two days (one weekend) in July/August in each year of the term of the contract.
- 22 WATF will be required to provide a detailed Event Safety Management Plan for each event, to ensure full compliance with Health and Safety Regulations and licensing requirements. Specific areas within the plan are there to protect both the Authority and to ensure the safety of people attending the festival, these include (but are not limited to):
- Traffic Management Plan;
 - Crowd Management Plan;
 - Medical Provision;
 - Noise Management Plan;
 - Waste Management Plan;
 - Ground Protection Plan;
 - Environmental and Sustainability Plan;
 - Ecological Considerations;
 - Event Risk Assessment; and
 - Residents and Local Businesses Engagement Plan.
- 23 WATF must provide the Authority with a ground protection plan, including a detailed site layout and description of the types of ground protection to be used in each area of the site, to include a contingency for wet weather conditions. In addition, WATF must produce a suitable lighting plan to protect sensitive areas, plus ensure signage and fencing is adequately used to prevent pedestrian access into ecologically sensitive areas.
- 24 WATF must provide the Authority with a damage deposit of £10,000 for each event, which is based on the potential for damage caused due to the event. The damage deposit may be applied towards the cost of repairing any such damage. WATF will also be liable for any repair or reinstatement costs which exceed the amount of the damage deposit.
- 25 The proposed hire agreement is always subject to a premises licence being issued by Epping Forest District Council. WATF must ensure that all stipulations of the licence are adhered to and a copy of the licence must be shared with the Authority.

ENVIRONMENTAL IMPLICATIONS

- 26 An external Ecological Mitigation and Opportunities Assessment has been carried out for The Showground by Temple Consultants. WATF are obliged to address and put in place measures to minimise any potential impact on the environment as per the consultants recommendations. This is drafted in the form of a risk assessment, see Appendix A to this report.

FINANCIAL IMPLICATIONS

- 27 If WATF exercise its rights under the proposed new Site Hire Agreement and hold events each year during the 5-year term, it will provide a continued income stream for LVRPA. It will also mean that The Showground will continue to be used for community open-air events.

- 28 A damage deposit fee of £10,000 will be collected from WATF one month before the first set up day in each contract year, and, as set out above, may be used to cover the costs of reinstatement work.

HUMAN RESOURCE IMPLICATIONS

- 29 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

- 30 The legal implications are dealt with in the main body of the report. Member approval is sought due to the length of the proposed Site Hire Agreement (five years).

RISK MANAGEMENT IMPLICATIONS

- 31 There is a potential risk to the continued wear and tear placed on open spaces through event delivery due to the heavy footfall and potential bad weather. This risk has been reduced with the requirement for hirers to demonstrate and document a Ground Protection Plan, plus more robust processes around event cancellations.

EQUALITY IMPLICATIONS

- 32 There are no equality implications arising directly from the recommendations in this report.

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BACKGROUND REPORTS

None

APPENDICES ATTACHED

Appendix A	Ecological Risk Assessment – Lee Valley Showground
Appendix B	Site Map 1
Appendix C	Site Map 2

LIST OF ABBREVIATIONS

WATF	We Are The Fair
LVRPA	Lee Valley Regional Park Authority
AIF	Association of Independent Festivals
DCMS	Department for Digital, Culture, Media and Sport
NOEA	National Outdoor Events association
NGB	National Governing Body

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Centre / Open Space: Showground		Review Date:
Date:		
Event Risk Assessment: Ecological Risk Assessment – We Are The Fair event (Include dates)		
List significant hazards	List groups of habitats/species who are at risk from the significant hazards identified	List existing control measures or note where the information may be found List risks which are not adequately controlled on the risk reduction plan
Risk: Habitats	<ul style="list-style-type: none"> • Lines of mature trees • Scattered trees • Areas of scrub • Tall herbs/grassland • Standing water 	<ul style="list-style-type: none"> ▪ Locate all event infrastructure on hardstanding areas wherever possible ▪ If no hardstanding available all event infrastructure should be sited within the amenity grassland (See Map A) ▪ Ecologically important habitats outside of the amenity grassland noted on Map A should be protected to minimise erosion and compaction from trampling and vehicle movements through the installation of temporary barriers or other appropriate means. ▪ Adequate signage to protect ecologically important habitats should be in place during all stages of the event. ▪ Location of ecologically important habitats should be noted in steward briefings to enable them to effectively communicate with the public. ▪ Root protection zones in accordance with BS5837:2011 should be maintained through the installation of temporary barriers (root protection area should be at least 12x the stem diameter at breast height). ▪ Watercourses and groundwater should be protected to prevent contamination and pollution. All generators and machinery should be in good working condition and be sited on impermeable surfaces such as hard standing or a drip tray, well away from any standing water or watercourses. A fuel spill kit should be available on site.
Damage to ecologically important habitats within the site		
Risk: Species		



RISK ASSESSMENT FORM

Issue 1

Centre / Open Space: Showground	Date:	Review Date:
<p>Event Risk Assessment: Ecological Risk Assessment – We Are The Fair event (include dates)</p>		
<p>Disturbance to protected species – bats</p>	<p>Bats</p>	<ul style="list-style-type: none"> ▪ Event lighting scheme to be produced for approval by LVRPA. This should be designed to minimise light spillage onto sensitive areas and features of value for bats (see Map A). ▪ Lighting should only be used for the period of time that it is required, where possible the site should be kept dark during peak bat activity periods which are 0 to 1.5 hours after sunset and 1.5 hours before sunrise. ▪ Lighting required for security or safety reasons should use a lamp of no greater than 2000 lumens (150 Watts) and should comprise sensor-activated lamps where applicable; ▪ Use narrow-spectrum light sources that peak higher than 550 nanometres, avoiding lights with UV, white and blue wavelengths; ▪ Lights utilising LED technology are the preferred option as these lights do not emit on the UV spectrum, are easily controllable in terms of direction/spill and can be turned on and off instantly; ▪ A 'warm white' spectrum LED light (ideally <2700 Kelvin) should be used over 'cool white' to reduce blue light component; ▪ Avoid the use of sodium or metal halide lamps, these gas lamps require a lengthy period in which to turn off and the diffuse nature of the light emitted makes light spillage a significant problem. ▪ Lighting should be directed to where it is needed to minimise light spillage. This can be achieved by limiting the height of the lighting columns and by using as steep a downward angle as possible and/or a shield/hood/cow/baffle/louvre that directs the light below the horizontal plane and restricts the lit area; ▪ Usually using lower lighting columns and increasing the spacing between them reduces light intensity and spill; ▪ In the event bats are unexpectedly discovered during event preparation all works to that area should temporarily cease and LVRPA Conservation Manager informed
<p>Disturbance to Schedule 1 Breeding Birds</p>	<p>Schedule 1 birds including : Kingfisher</p>	<ul style="list-style-type: none"> ▪ Avoid operating events during bird nesting season (March – August) ▪ If events take place during the breeding season and breeding bird

RISK ASSESSMENT FORM

Issue 1

Centre / Open Space: Showground		Date:	Review Date:
Event Risk Assessment: Ecological Risk Assessment – We Are The Fair event (Include dates)			
		Cettis Warbler Barn Owl	<p>surveys indicate that Schedule 1 birds are nesting on or adjacent to the site a suitable mitigation strategy should be devised in consultation with LVRPA, this could include measure such as installation of acoustic fencing.</p> <ul style="list-style-type: none"> ▪ To avoid contravention of the Wildlife and Countryside Act 1981 (as amended), event should be planned to avoid the possibility of killing or injuring any wild bird or damaging or destroying their nests. ▪ Any vegetation clearance needed should take place outside of the main bird nesting season (typically March to September). ▪ If vegetation clearance is needed within the bird nesting season areas of suitable habitat should be thoroughly checked by an ecologist prior to clearance. If any active nests are found, all works in that area must stop immediately and the LVRPA Conservation Manager consulted. ▪ Temporary barriers should be installed to prevent encroachment into potential bird nesting areas by staff and event attendees ▪ The location of potential bird nesting habitat should be noted in steward briefings to enable them to effectively communicate with the public. ▪ GCN have been recorded in the vicinity but not on the site itself, therefore a precautionary approach should be adopted. ▪ Any vegetation removal required should be approved in advance and undertaken by LVRPA outside of the GCN hibernation period (Nov – March). ▪ In the event that GCN's are discovered on site, all works must stop and advice sought from an ecologist on how works can proceed; a mitigation licence from Natural England may be required. ▪ Suitable habitat for reptiles has been identified on site, see Map 1. ▪ Any work required in this area should be approved and undertaken by LVRPA. Work should take place during the reptile active season (March-October, inclusive) under a precautionary method of clearance but with consideration for any other constraints relating
Disturbance to Breeding Birds		Breeding birds	
Protection of potential Great Crested Newts		Great Crested Newts (GCN)	
Protection of Reptiles		Reptiles	

RISK ASSESSMENT FORM

Issue 1

Centre / Open Space: Showground	Date:	Review Date:
Event Risk Assessment: Ecological Risk Assessment – We Are The Fair event (Include dates)		

Protection of Hedgehogs	Hedgehogs	<p>to other species including breeding birds and GCN's.</p> <ul style="list-style-type: none"> ▪ The scattered scrub on site has potential to support Hedgehogs – see Map 1. ▪ Any works required in this area should be approved and undertaken by LVRPA and ground level vegetation clearance within the scrub habitats should be undertaken outside of the hibernation period (November – March inclusively).
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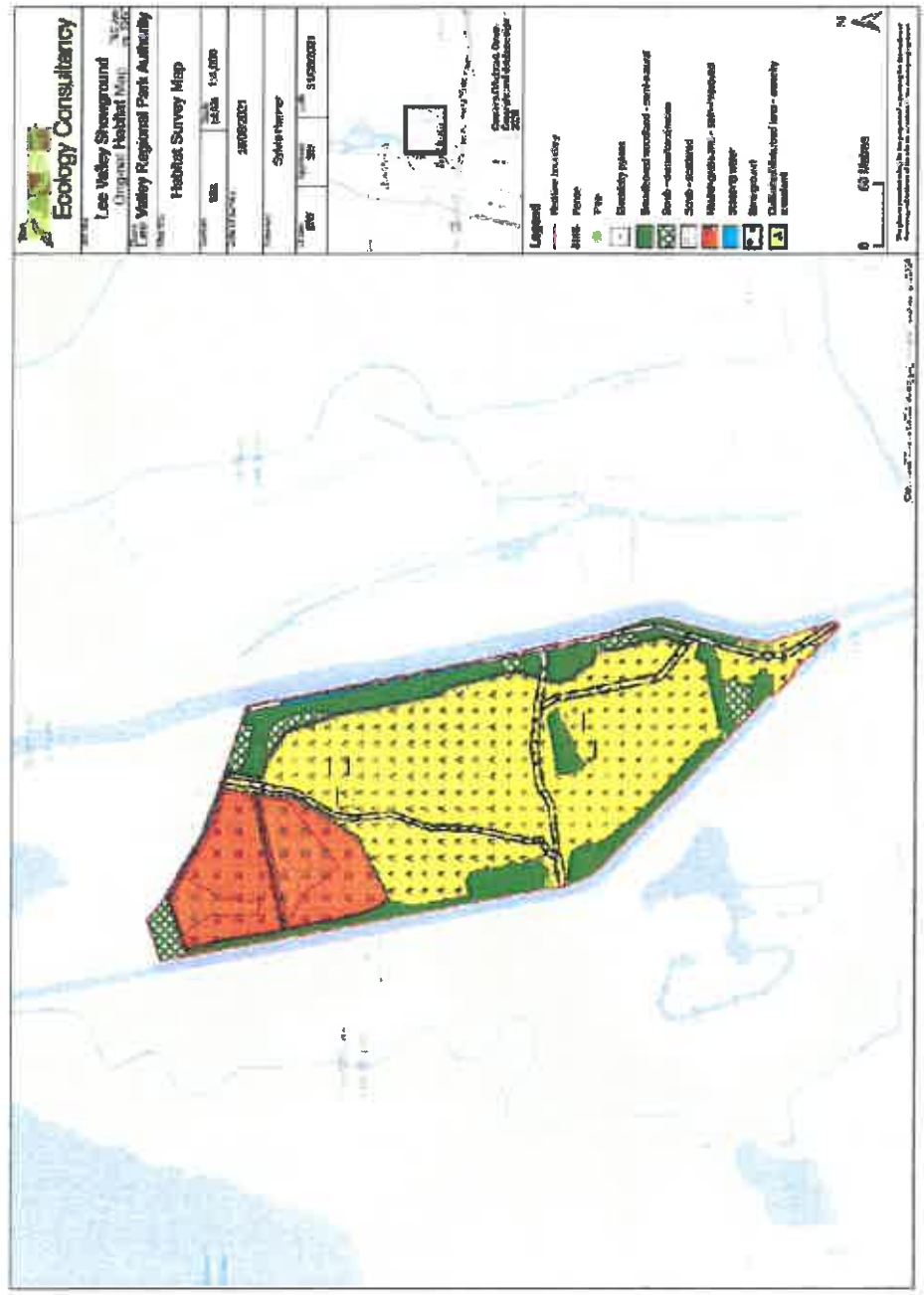
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RISK ASSESSMENT FORM

Issue 1

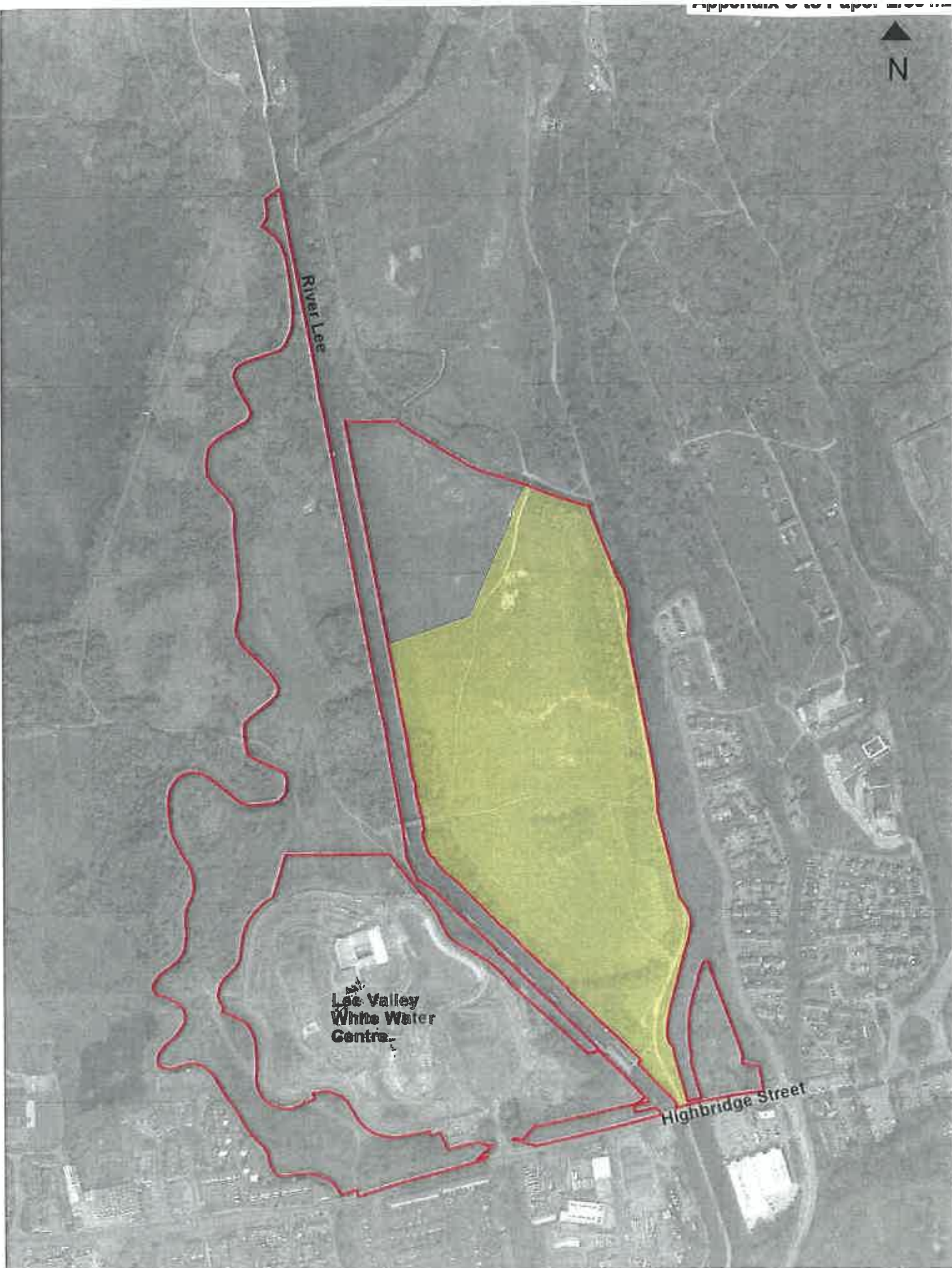
Centre / Open Space: Showground	Date:	Review Date:
Event Risk Assessment: Ecological Risk Assessment – We Are The Fair event (Include dates)		



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Site Map 1 - Referencing the Entrance





Showground Site

Event Area
 Site



NTS @ A4
01.02.17

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