



**LEE VALLEY REGIONAL PARK AUTHORITY**

**SCRUTINY COMMITTEE**

**12 MARCH 2015 AT 12:00**

**Agenda Item No:**

**5**

**Report No:**

**S/30/15**

## **SCRUTINY SCORECARD 2014/15 Q3**

Presented by Head of Performance & Information

### **SUMMARY**

The purpose of this report is to provide Members with a detailed breakdown of the Authority's performance against its Key Performance Indicators, Corporate Performance Indicators and its performance for 2014/15 – reporting actual performance from April 2014 to December 2014. This incorporates financial, customer, internal process and sustainability measures that have been agreed with Members.

The balanced scorecard provides an overview of performance across the Authority; and analyses operational venues, parklands and corporate performance indicators. Appendix A to this report contains the scorecard for Q3 2014/15 – reporting actual performance from April 2014 to December 2014.

### **RECOMMENDATION**

Members Note: (1) the report.

### **BACKGROUND**

- 1 At the Scrutiny Committee on 15 October 2009 (Paper S/02/09) it was agreed that a performance scorecard should be developed for the Authority and that this should act as a starting point for discussion that may initiate scrutiny reviews to investigate areas of concern or future development.
- 2 At the Scrutiny Committee on 27 January 2010 a scorecard for the whole Authority was presented and discussed. This resulted in a revised scorecard, incorporating Members' comments and was agreed at the Scrutiny Committee on 7 April 2010. It was agreed that officers would provide an update of the scorecard each quarter to Scrutiny Committee.
- 3 Performance for 2013/14 was presented at the Scrutiny Committee on 19 June 2014 (Paper S/27/14).
- 4 The balanced scorecard in Appendix A to this report contains data for the first three quarters of 2014/15. The following paragraphs summarise the key

messages from the data with further explanation.

## **KEY PERFORMANCE INDICATORS (KPI)**

### **5 KPI 1: Levy Contribution**

The levy that has been charged for 2014/15 is 49.9% of the maximum level that could legally be charged. This has exceeded the target, achieving the reduction to 53% of the maximum chargeable by 2020 in line with the Strategic Business Plan 2010-20. The levy for 2015/16 has now been approved at £11.1m which is 47.9% of the maximum chargeable and equates to £0.98p per head of population.

### **6 KPI 2: Service Plan Progress**

The Service Plan in total contains 28 actions, including 19 actions from the Business Strategy, which are aligned to delivering the Authority's strategic objectives. 27 of the 28 actions (96%) are expected to be on target at year end. The action not expected to be on target at year end is:

- PDF - Complete the development of area based proposals by 2014. This has been delayed due to other Trust related priorities and will be completed in 2015/16.

### **7 KPI 3: Customer Satisfaction**

The average customer satisfaction score for the first three quarters of 2014/15 is 86% which is an improvement from 82% last year, and above the target of 85%.

This score was generated from a statistically significant sample of 2,000 surveys carried out between April 2014 and December 2014 with visitors to the Park, either through face to face interviews via our research agency or through self-completion surveys. The score achieved is above the overall UK customer satisfaction index (UKCSI) of 77% and the individual scores for the UK leisure (78%) and tourism (79%) sectors.

### **8 KPI 4: Stakeholder Perception**

The stakeholder perception score is generated by asking a range of stakeholders a set of standard questions to assess their overall perception of the Authority. Surveys were undertaken with 58 Leaders and Councillors from 28 of the 33 London Boroughs at the London Councils Summit in November 2014. The survey found that:

- awareness of the Park is higher than previous years - 100% of councillors had heard of the Park, compared to 97% last year;
- overall perception of the Authority increased significantly from 53% to 67%;
- the issues that were raised the most by councillors were:
  - the distance of the Park from South and West London and what value residents of these areas get for the levy;
  - financial issues – responses relating to the financial issues surrounding the Park and its venues;
  - work with Schools – they would like the Park to do more work with schools in their area;
  - increase awareness – the need to increase awareness of the Park in their boroughs.

- these issues are being addressed by actions in the three year business plan, including: developing a marketing plan to attract non-riparian visitors; using the major events programme as a mechanism to attract and involve a regional audience, and continuing to reduce reliance on the levy; and
- the Community Access Fund included in the budget for 2015/16 (paper A/4200/15) will enable schools from outer London boroughs and more distant districts in Hertfordshire and Essex to access the Park more easily.

A survey with sports development stakeholders is planned during Q4, the results of which will be reported in the year-end report.

In addition, a piece of research was carried out to measure awareness of the Park amongst levy payers. YouGov were commissioned to ask several questions related to Lee Valley Regional Park Authority (LVRPA) to over 1,000 adults in London as part of one of their omnibus surveys. These replicated surveys carried out in 2014 and 2012, and identified any changes in awareness over this period. The headline finding was that 59% of people had heard of Lee Valley venues and parklands, which is a significant increase from 52% in 2014 and 40% in 2012.

**9 KPI 5: CO2 Reductions from Authority Operations**

2014/15 is a baseline setting year for carbon emissions as it is the first year of operation for the Lee Valley VeloPark (LVVP) and Lee Valley Hockey and Tennis Centre (LVHTC). In the first three quarters of 2014/15 the Authority generated 4,030 tonnes of carbon, which is a 29% increase (904 tonnes) compared to the same period in 2013/14. LVVP generated 617 tonnes of this.

Excluding LVVP and LVHTC, the 'like for like' carbon emissions generated by all other venues, the vehicle fleet and staff travel have increased by 7%. This increase has come from Lee Valley White Water Centre (LVWWC), which is due to increased usage following the development of the site.

**10 KPI 6: Business Priorities Progress**

32 (78%) of the 41 actions in the three year Business Plan (2013/14-2015/16) are on target to be completed by the end of 2014/15. This is on target.

**11 KPI 7: Usage**

5.0 million visits were made to the Regional Park in the first three quarters of 2014/15. This is 920,000 (23%) more visits than the same period last year.

The majority of this increase is from LVVP (485,000), LVHTC (54,000) and the increase at LVWWC following the developments at the venue (155,000). Other increases have come from across venues in general (9% on average) and 184,000 (6%) additional visits to Parklands. Weather was generally better than the same period last year which will have had a positive impact on usage (5% more sunshine and 7% warmer, but 4% more rainfall).

This is generally in line with the industry trend, with Visit England's latest findings showing increased visits compared to last year nationally across attractions (6%) and accommodation (6%).

## VENUES SCORECARD

### 12 Overall

Performance across venues is achieving or exceeding target for income, budget variance, usage, customer satisfaction and net promoter score. The following paragraphs explain some of the outlying scores.

### 13 Income and Budget Variance

Budget performance across the whole of the organisation was reported to Executive Committee in February (Paper E/397/15) and is attached at Appendix B to this report for reference.

Income has increased by £2.9m across venues compared to last year. The majority of this increase is from LVVP (£2.1m), LVHTC (£0.2m) and increased income at LVWWC following development at the venue (£0.4m). With these removed, income across all other venues has increased by 3% (£221,000) compared to last year. This is in line with findings from the Confederation of Business Industry (CBI) which reports that the majority of consumer services firms, such as the leisure industry, saw business volumes rise. Twelve venues project a year end budget variance of greater than 5%, of which four show an under spend. The venues that project a significant budget variance are:

#### **Lee Valley White Water Centre (£90,000 reduced income)**

The LVWWC has achieved total income of £2,465,000 this year which falls £31,000 short of the stretch target of £2,496,000, but is an increase of £446,000 on the previous year. Overall the venue will operate at a deficit of £216,000 which is a reduction of £205,000 on the previous year. The food and beverage is forecast to operate at a 15% profit margin against a target profit margin of 25%, generating a £53,000 surplus. Officers are further reviewing stock holdings against anticipated business levels to work towards achieving a 25% profit margin in the coming season.

#### **Lee Valley Hockey and Tennis Centre (£280,000 under spend)**

In addition to lower than anticipated business rates of £296,000, it is anticipated that £54,000 in staff and premises costs will be achieved as a direct result of delayed hand over of the venue to LVRPA following transformation.

#### **Lee Valley Ice Centre (£27,000 increased income, £30,000 under spend)**

The Lee Valley Ice Centre has achieved continued growth in public skating and learn to skate courses, continuing the trend of recent years and is currently on target to exceed last year's exceptional performance.

#### **Lee Valley Riding Centre (£70,000 reduced income)**

Due to an exceptionally wet winter the building of 13 additional Livery Stables was not completed until May and that has delayed sales, but the liveries are now all sold. In addition group lessons have also followed the trend of recent years with income below historical levels. Officers are currently reviewing the balance of the programme and trialling new products to be less reliant on group lesson income for future years.

#### **Springfield Marina (£30,000 additional income)**

Works have continued through the year to renew the pontoons within the marina. As part of these works the pontoons have reconfigured, resulting in the creation of additional moorings. The marina has also introduced formal mooring agreements along the Authority owned river bank of Leyton Marsh. The

additional moorings have been included within the 2015/16 budget.

**Lee Valley Hayes Hill Farm (£40,000 reduced income)**

The Farm enjoyed a strong start to the season but income fell below anticipated levels through quarters 2 and 3. Although the Farm is forecast to achieve its second highest income in its history of £517,000 this falls short of the record high of £534,000 achieved last year, and is short against the stretch target of £587,000. In 2012/13 income was £469,000 and in 2011/12 it was £426,000.

**Lee Valley Holyfield Hall Farm (£57,000 reduced income)**

A reduced price per litre of milk has been introduced by our milk buyer (Arla) due to the import ban by Russia and an over-production of milk across the world. World market pressures have resulted in further reductions to the milk prices throughout the winter with another reduction in January of 1.7p per litre. Unfortunately other milk buyers have reduced their prices further in March. Officers have been assured by the Authority's purchaser (Arla) that the current price will remain until April. Our milk consultants (Kite) have also advised that in their opinion the market has bottomed out and signs of recovery can be seen, this will hopefully mean no further reductions. This financial year has seen the Authority's milk price reduce from 35p per litre (April 2014) to 24p per litre (a reduction of 11p per litre) and the farm produces 1.2 million litres per year.

**Sewardstone Camp Site (£10,000 increased income)**

Usage at the site has increased this year through the early part of the season as a result of a good spring/summer and it is expected that the site will improve on the budget by £10,000.

**14 Usage**

Usage across venues is 762,000 higher than the first three quarters of 2014/15. Of this increase, 539,000 are visits to LVVP and LVHTC. LVWWC has also seen an increase of 155,000 visits following the development of the venue.

Overall usage across other venues has increased by 9% (76,000), with increases at the Athletics Centre, Ice Centre, Riding Centre, Picketts Lock Golf Course, Sewardstone Campsite, Dobbs Weir Campsite and Fisheries.

Usage at Hayes Hill Farm has fallen by 9% (9,000) compared to the same period last year. This is mainly due to wet weather conditions through the last two weeks of the summer holiday period.

**15 Customer Satisfaction**

Customer Satisfaction scores across all venues average 86% which is an improvement on last year and ahead of target. All venues achieved or only narrowly missed their targets.

**16 Net Promoter Score**

Net Promoter Scores across venues have increased from 42% in 2013/14 to 53%, which is above target and the leisure industry average of 24%, which includes both public and private sector.

All three campsites saw their scores drop from very high scores in 2013/14 to closer to the industry norm (Edmonton 51% to 22%, Sewardstone 41% to 22%, Dobbs Weir 52% to 11%).

**17 Complaints & Compliments**

Total numbers of formal complaints and compliments have increased across venues compared to 2013/14. Most of the increase in complaints can be explained by the opening of LVVP and LVHTC where the numbers of complaints are as to be expected at new venues of this size. The other increases are:

Picketts Lock Golf Course has received 15 formal complaints, compared to two in the same period last year. This is due to correspondence concerning possible closure.

Myddelton House Gardens has received 12 formal complaints, compared to none in the same period last year. We have received 10 complaints regarding the introduction of car parking charges – of these eight were in August, two in September and none since.

**18 Utility Consumption**

Utility consumption across venues has increased by 1,763,000kwh (26%). This increase is due to the opening of LVVP, LVHTC and increased operation at LVWWC.

**PARKLANDS SCORECARD**

**19 Overall**

Performance across parklands is achieving or exceeding target for budget variance, usage, net promoter score, regionality, and compliments. The following paragraphs explain some of the outlying scores.

**20 Usage**

Usage in the first three quarters of 2014/15 has increased by 184,000 (6%) across the parklands compared to the previous year. This was caused by generally improved weather (5% more sunshine and 7% warmer, but 4% more rainfall).

**21 Customer Satisfaction**

Overall satisfaction across parklands is 84%, which is an improvement on last year, and slightly below the stretch target of 85%.

Bow Creek/East India Dock Basin, Tottenham Marshes and WaterWorks Nature Reserve all scored below 80%, with specific issues identified by customers around cleanliness and maintenance. It is important to note that customer feedback also reflects the poor standards on adjacent land owned by partners e.g. Canal & River Trust on Tottenham Marshes. Officers continue to work with partner organisations to improve external management standards.

**22 Net Promoter Score**

The Net Promoter Score across parklands has increased to 41% from 27% last year. There is a wide range of scores, with parklands in the north of the Park scoring significantly higher, with River Lee Country Park and north sites scoring extremely high. The parklands with satisfaction scores below target also scored low against this measure, for similar reasons as stated in paragraph 21.

**23 Cleanliness**

The average cleanliness score of 86% across all parklands has fallen from 90% in 2013/14 and is slightly below the target of 90%. Bow Creek/East India Dock Basin and River Lee Country Park scored significantly below target. Their

performance is being monitored closely, with improvements seen in Q3 compared to the first two quarters. All areas of unacceptable cleanliness are reported to the grounds maintenance contractor.

#### **CORPORATE SCORECARD**

- 24 The Authority's Corporate Scorecard performance shows that 12 measures have achieved or exceeded target. Explanation is given below for the two measures where the target has not been met.
- 25 8% of direct capital funding was received from external sources, against the annual target of 40%. This should be seen in the context of the Authority receiving Olympic assets in excess of £100m for a relatively small capital contribution.
- 26 The average number of days sickness taken by employees has increased from 2.7 in the first three quarters of 2013/14 to 3.1 in the same period of 2014/15. This is more than the phased stretch target of 2.25 days. However this still outperforms both the public and private sector industry averages.

#### **FINANCIAL IMPLICATIONS**

- 27 There are no financial implications arising directly out of the recommendations in this report.

#### **HUMAN RESOURCE IMPLICATIONS**

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

#### **LEGAL IMPLICATIONS**

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

#### **RISK MANAGEMENT IMPLICATIONS**

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

#### **EQUALITY IMPLICATIONS**

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

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#### **PREVIOUS COMMITTEE REPORTS**

Scrutiny	S/27/14	Scrutiny Scorecard 2013/14 Q4	16/06/14
Scrutiny	S/02/09	Scrutiny: Discussion Paper	15/10/09

**APPENDICES ATTACHED**

Appendix A      **Scrutiny Scorecard**  
Appendix B      **Revenue Budget Performance 2014/15 – Performance Monitoring**

**LIST OF ABBREVIATIONS**

KPI	Key Performance Indicator
LWWC	Lee Valley White Water Centre
LVVP	Lee Valley VeloPark
LVHTC	Lee Valley Hockey & Tennis Centre
LVRPA	Lee Valley Regional Park Authority
PDF	Park Development Framework
UKCSI	UK Customer Satisfaction Index
CBI	Confederation of Business Industry



Reporting Period		2014/15 Q3				
Key Performance Indicators	13/14 Q3 Actual	Annual Target	Performance	Q3 Actual	Expected at Year End	Comments
Levy contribution	53%	49.9%	↑	49.9%		
Service Plan Progress	89%	90%	↔	93%		
Customer satisfaction	84%	85%	↑	86%		
Stakeholder perception	53%	75%	↑	67%	71%	
CO2 reductions from Authority Operations	3,126	5,000	↓	4,030	5,300	
Business Priorities Progress	34%	71%	↑	78%		
Usage	4.03m	5.5m	↑	4,954,727		
<b>Direction of travel</b>						
↑	Performance has improved					
↓	Performance has worsened					
↔	Performance has remained the same					
<b>Performance against target</b>						
Achieving or exceeding target						
Just missed target						
Below target						
<b>Financial Measure</b>						
Customer Measure						
Internal Process Measure						
Sustainability Measure						
N/A						

Reporting Period: 2014/15 Q3

VENUES	Income (£000's)		Budget Variance		Usage		Customer Satisfaction		Net Promoter Score		Regionality		Formal Complaints		Compliments		H&S Audit		Quality Score		Utility Consumption (000 kwh)		Water Usage (000 m3)	
	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15
<b>Overall Target</b>		9,350		+/-5%	1,505,313	85%	43%	47%	90	692	80%	8,352	39.0											
<b>Venues</b>																								
VeloPark	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	34	250	Q4	n/a	n/a	1,361	n/a	4.8								
Hockey & Tennis Centre	n/a	n/a	n/a	-28%	n/a	n/a	Q4	n/a	8	12	Q4	n/a	n/a	127	n/a	4.0								
White Water Centre	1,930	1,930	731%	71%	122,720	90%	86%	48%	9	11	94%	Q4	2,803	3,220	4.6									
Athletics Centre	375	375	-4%	-173%	121,132	87%	77%	47%	4	10	92%	Q4	383	389	2.3									
Ice Centre	830	830	-309%	-173%	237,276	78%	48%	43%	3	4	94%	Q4	1,714	1,734	3.5									
Riding Centre	617	617	205%	1%	76,127	87%	57%	28%	2	2	90%	Q4	107											
WaterWorks	37	37	244%	1%	28,129	77%			3	6	82%	Q4	116											
Picketts Lock Golf	189	189	-2%	14%	18,763	77%	29%	83%	2	15	76%	Q4	77		3.0									
<b>Accommodation</b>																								
Edmonton Campsite	448	448	1%		40,539	85%	51%	11%	4	8	92%	Q4	420		Incl in PL Golf									
Sewardstone Campsite	495	495	-27%	-11%	28,058	82%	41%	18%	5	17	90%	Q4	116		4.4									
Dobbs Weir Campsite	475	475	84%	64%	8,271	85%	52%	38%	1	2	81%	Q4	11		1.7									
<b>Attractions</b>																								
Myd Hse Gardens & Vis Cntr	118	118	-7%		41,080	91%	77%	49%	0	30	94%	Q4	483		3.1									
Hayes Hill Farm	461	461	350%	12%	103,724	78%	57%	67%	3	7	88%	Q4	101		Incl in Holy									
Food & Beverage	693	693	48%	41%		77%			0	0														
<b>Others</b>																								
Springfield Marina	418	418	-8%	-33%		62%	-44%	Q4	0	0	86%	Q4	250		2.6									
Stanstead Marina	379	379	30%			68%	-20%	Q4	5	1	92%	Q4	65		n/a									
Holyfield Farm	305	305	-4%	51%					1	0	95%	Q4	18		19									
Fisheries	121	121	-36%		3,056	79%	0%		1	5	95%	Q4			5.0									
Education	30	30	1%	6%	17,279	93%	84%	41%	0	29	93%	Q4												
Volunteers	3	3			19,596			76%	0	0														
<b>ALL VENUES</b>	<b>7,249</b>	<b>7,249</b>	<b>144%</b>	<b>6%</b>	<b>846,160</b>	<b>81%</b>	<b>42%</b>	<b>33%</b>	<b>48</b>	<b>430</b>	<b>90%</b>	<b>79%</b>	<b>6,664</b>	<b>8,427</b>	<b>30.2</b>	<b>39.7</b>								

**Performance against target**  
 Achieving or exceeding target  
 Just missed target  
 Below target  
 N/A for site

**Financial Measure**  
 Customer Measure  
 Intra-site Process Measure  
 Sustainability Measure

**Education & Volunteers**  
 report non-tripartite usage

**Fisheries: permits sold plus day tickets**  
**Education: no. children on programmes**  
**Volunteers: volunteer hours worked**

Reporting Period		2014/15 Q3																				
PARKLANDS		Performance Indicators																				
		Budget Variance		Usage		Customer Satisfaction		Net Promoter Score		Regionality		Formal Complaints		Formal Compliments		Quality Score		H&S Audit		Cleanliness		
13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	13/14	14/15	
Overall Target																						
+ / -5%																						
Abbay Gardens	0%	0%	244,376	212,142	82%	83%	38%	16%	1	2	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	88%	85%	
Bow Creek / EIDB	0%	0%	78,468		77%	73%	-13%	22%	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	89%	83%	
Gunpowder Park	0%	0%	269,829		79%	79%	33%	27%	3	2	1	1	28%	n/a	n/a	n/a	n/a	n/a	n/a	94%		
River Lee Country Park	0%	0%	1,159,607	1,123,271	86%		72%	41%	16		8		n/a	n/a	n/a	n/a	n/a	n/a	n/a	87%	84%	
Rye House Gatehouse	0%	0%	19,351		n/a	n/a	n/a	n/a	1		0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	94%	85%	
Three Mills	0%	0%	34,473	31,558	n/a	n/a	n/a	n/a	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	88%	87%	
Tottenham Marshes	n/a	n/a	247,029		76%	74%	-6%	27%	0	0	0	0	28%	n/a	n/a	n/a	n/a	n/a	n/a	98%		
Waterworks Nature Reserve	n/a	n/a	225,095		76%	78%	-6%	25%	0	0	1	1		n/a	n/a	n/a	n/a	n/a	n/a	93%	89%	
North Sites	0%	0%	357,562		86%		89%	51%	0	0	5	0		n/a	n/a	n/a	n/a	n/a	n/a	92%	89%	
South Sites	0%	0%	495,585		75%		12%	24%	7	7	1	1		n/a	n/a	n/a	n/a	n/a	n/a	93%		
ALL PARKLANDS	0%	0%	3,131,375	3,131,375	80%	84%	27%	24%	28	28	11	5								90%	86%	

Performance against target	Green
Achieving or exceeding target	Yellow
Just missed target	Red
Below target	Grey

N/A for site

North Sites	Blue
Amwell	
Dobbs Weir	
Glen Faba	
Nazeing Meads / Nazeing Marsh / Green Lane	
Spitelbrook	
Stanstead Riverside / Innings	

South Sites	Purple
Ramney Marsh	
Sewardstone Marshes / Paddocks	
Swan & Pike Pool	
Walthamstow Marshes	

Financial Measure	Light Blue
Customer Measure	Orange
Internal Process Measure	Pink
Sustainability Measure	Light Green


CORPORATE PERFORMANCE INDICATORS	2014/15 Q3			Comments
	13/14 Q3 Actual	Annual Target	Performance	
Website hits (distinct visits to the site)	950,918	1.5m	↑	1,521,469
No. articles	1,554	3,000	↑	3,446
% articles that are positive	96%	95%	↑	99%
Green Flags achieved (Number / Score)	11	11	↔	11
NI 197 Improved local biodiversity – active management of local sites	60%	60%	↔	60%
Quest accreditations (Number / Score)	3	4	↔	4
External Capital Funding	10%	40%	↔	8%
Total Income Generation	£8.06m	£13.5m	↑	£11.53m
Staff Satisfaction	72%	75%	↔	72%
No. Days Sickness	2.7	3	↓	3.1
Visitor Profiling				
- from the most deprived socio-economic groups	20%	19%	↓	14%
- from black & minority ethnic groups	32%	37%	↔	34%
- aged over 60yrs	17%	17%	↑	21%
- disabled	5%	6%	↔	4%
% Regional Users	40%	42%	↔	42%
Waste per head	0.01	0.01	↔	0.01
% Waste recycled	58%	58%	↔	58%
% staff turnover	12%	10-20%	↓	14%
Average response time to complaints, enquiries and suggestions (days)	3.6	4	↓	4.2

Performance against target
Achieving or exceeding target
Just missed target
Below target

Financial Measure
Customer Measure
Internal Process Measure
Sustainability Measure

Direction of travel
↑ Performance has improved
↓ Performance has worsened
↔ Performance has remained the same

N/A
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 <p><b>LEE VALLEY REGIONAL PARK AUTHORITY</b></p> <p><b>EXECUTIVE COMMITTEE</b></p> <p><b>26 FEBRUARY 2015 AT 11:00</b></p>	<p><b>Agenda Item No:</b></p> <p style="text-align: center;"><b>6</b></p> <p><b>Report No:</b></p> <p style="text-align: center;"><b>E/397/15</b></p>
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## REVENUE BUDGET 2014/15 PERFORMANCE MONITORING

Presented by the Director of Finance & Resources

### EXECUTIVE SUMMARY

This report provides monitoring of revenue expenditure to 25 January 2015. It compares actual net expenditure to the profiled budget. It also provides a projection indicating the likely out-turn position against the annual budget for the year ending 31 March 2015. The overall operational expenditure at the year end is expected to be an estimated £361,000 under the approved budget for 2014/15. The major variations are summarised in the table below:

Service Description	Variance 2014/15	Included in 2015/16 Budget
	£	£
Investment Income	(53,000)	0
Information Technology	(45,000)	0
Internal Audit Contract	(10,000)	0
Performance Management	(11,000)	0
Audit Fee	(12,000)	(9,000)
Asset Management, Protection & Development	(99,000)	0
Lee Valley White Water Centre	92,000	0
Lee Valley Hockey & Tennis Centre	(280,000)	(260,000)
Lee Valley Ice Centre	(57,000)	(27,000)
Lee Valley Riding Centre	70,000	0
Springfield Marina	(30,000)	(30,000)
Lee Valley Farm Holyfield	56,000	56,000
Lee Valley Farm Hayes Hill	40,000	0
Leyton Marsh	(35,000)	35,000
Sewardstone Campsite	(10,000)	0
Other	23,000	0
<b>Total Estimated Under Spend:</b>	<b>(361,000)</b>	<b>(235,000)</b>

### RECOMMENDATIONS

- Members Approve (1) the carry forward of £30,000 for phase 3 of the Ice Centre feasibility study as set out in

paragraph 19 of this report; and

Members Note: (2) the report.

## **BACKGROUND**

- 1 The Executive Committee recommended a budget for 2014/15 at its meeting in January 2014 (Paper E/335/14). This was approved by Members at the Authority meeting on 23 January 2014 (Paper A/4180/14). This report compares actual net expenditure to 25 January 2015 with the profiled budget and projected net expenditure through to the year end (31 March 2015).
- 2 Details of the financial position of each service or facility are shown in Appendix A to this report.
- 3 Currently net expenditure is £6.8 million at the end of January 2015. At this stage it is estimated that at the year end there will be a projected under spend of £361,000.
- 4 Where significant over/under spends are projected at the year end for particular facilities/services a brief explanation is provided below.

## **SPECIFIC EXPLANATIONS**

### **GENERAL ECONOMIC FACTORS**

- 5 Certain financial and economic factors will impact on the budget during 2014/15 and next financial year and these are summarised in the following paragraphs.
- 6 Members received a paper in December (Paper E/381/14) which set out that agreement had been reached by employers and the relevant unions in respect of the pay award for National Joint Council (NJC) for local government services.

The agreed pay award of 2.2% formed part of a national agreement and was applied to all officers up to scale point 49 with effect from 1 January 2015. In addition Members approved that posts above scale point 49 would also receive this inflationary increase. These increases have been met from the original 1% provision in 2014/15 as the increase only applies for a part year and an additional 1.2% was built in to the 2015/16 budget to cover the increased costs.

- 7 Continued uncertainty in the banking sector and European economies as a whole have an impact on investment returns and certainty around where investments are deposited. The Authority has significantly adjusted its base level of investment income downwards for this and future years and this formed part of the budget setting process for 2014/15. The target rate of return agreed by Members as part of the Annual Report on Treasury Management was approved at 1.4% (Paper E/358/14).

The Director of Finance & Resources continues to monitor our investments and the institutions that they are invested in. Officers will keep Members updated on this position through the quarterly monitoring reports.

- 8 Locally the Authority is still awaiting the outcome of the 2010/15 rating appeal for its facilities, specifically in relation to the Lee Valley White Water Centre (LWWC).

The Authority has yet to be advised of the rating valuation for the Lee Valley VeloPark, currently budgeted at £1million. The outcome of the valuation for this site is imminent and any material variation from the existing budget could result in a major variation in 2014/15 and subsequent financial years.

The Lee Valley Hockey & Tennis Centre rating valuation has been confirmed by the valuation office at £265,000. This gives an annual rates bill of £136,740 which has a pro rata reduction to £103,500 due to the later than expected opening. The budget this year was set at £400,000 resulting in a saving of £296,500 in 2014/15 and an on-going saving of circa £260,000.

- 9 Inflation rates have reduced continually during the year. December inflation for the Retail Price Index stood at 1.6% and Consumer Price Index at 0.5%.
- 10 Variances against this year's budget are described in more detail below.

#### **DIRECTOR OF FINANCE & RESOURCES**

##### **11 Investment Income (£53,000 additional income)**

More cash held on deposit due to not having the rates assessment for the Lee Valley VeloPark (estimated at £1m), a lower than expected rates bill at Lee Valley Hockey & Tennis Centre (£0.4m) and slippage in the capital programme have resulted in more investment income than originally anticipated.

##### **12 Information Technology (IT) (£45,000 under spend)**

Vacancies have arisen in the IT Manager post (retired) and one of the IT Analyst posts (through career progression outside of the Authority). A further IT Analyst post will retire at the end of February. The post of IT Manager has now been filled. Both IT Analyst posts are being covered by additional support from the Authority's external IT contractors. Recruitment for the IT Analyst posts will be undertaken following the transfer of the service to the Trust. It is estimated that this will result in an under spend on the IT budget this year, however all priority work and projects are still being covered.

##### **13 Internal Audit Contract (£10,000 under spend)**

Specific contingency days were set aside in the audit contract to support officers in the preparation of final accounts for both the Authority and the Trust. This detailed work has commenced but the majority of advice and support will occur during March, April and May. These days will probably not be utilised elsewhere as internal auditors are engaged in completing the remainder of the annual audits. It is anticipated that most of the required support can be met from next year's plan and completed within the existing contract.

##### **14 Performance Management (£11,000 under spend)**

Vacancies arose due to the departure of the Information Officer post and the Research Officer post, both because of career progression outside of the Authority. The Information Officer and Market Research Officer posts have both recently been recruited to.

##### **15 Audit Fee (£12,000 under spend)**

The current external audit fee for 2014/15 is set at £18,620. The budget of

£27,000 carries a provisional sum for potential additional work related to the audit of accounts. In previous years this sum has been required to deal with the complexities of accounting for Olympic Assets and their associated liabilities. In addition a creditor of £12,000 was set aside to deal with additional work relating to the 2012/13 accounts – this sum has now been settled at a cost of £9,000 giving an extra saving of £3,000. At this point in time it is anticipated that this sum will not be required as all assets have now been transferred to the Authority and included on the balance sheet as required. However, there is the risk of additional work on the 2014/15 accounts due to the increased accounting work following the set-up of the Trust. Officers believe most of this will be contained within the existing fee and are therefore projecting an under spend of £12,000.

#### **CORPORATE DIRECTOR OF PARKLANDS & VENUES**

##### **16 Asset Management, Protection & Development (AMPD) (£99,000 under spend)**

The AMPD section was restructured in April 2014 (Paper E/349/14). Since then the Project Officer post has remained unfilled, following the retirement of the Building Surveyor in August 2014. Two attempts to recruit to this post have currently proved unsuccessful although the second recruitment process did result in a formal offer but the candidate subsequently declined. The Management Support Officer is covering some of the work through additional responsibilities and attempts to fill the vacancy are on-going.

The consequences of the section being below capacity has had a knock-on effect regarding consultant appointments to deliver specific works and this resulted in non-priority work as part of the asset maintenance programme (revised down in December from £1.2m to just over £1.0m) being re-phased into 2015/16.

##### **17 Lee Valley White Water Centre (£90,000 reduced income)**

The Lee Valley White Water Centre has achieved total income of £2,465,000 this year which falls £31,000 short of the stretch target of £2,496,000, but is an increase of £446,000 on the previous year. Overall the venue will operate at a deficit of £216,000 which is a reduction of £205,000 on the previous year.

The food and beverage is forecast to operate at a 15% profit margin against a target profit margin of 25%, generating a £53,000 surplus. Officers are further reviewing stock holdings against anticipated business levels to work towards achieving a 25% profit margin in the coming season.

##### **18 Lee Valley Hockey and Tennis Centre (£280,000 under spend)**

In addition to the lower than anticipated business rates of £296,000 detailed in paragraph 8, it is anticipated that £54,000 in staff and premises costs will be achieved as a direct result of delayed hand over of the venue to Lee Valley Regional Park Authority following transformation.

The previous report on this agenda recommends funding for the European Hockey Championships to England Hockey (£70,000), subject to Member approval of that report, this could be made available from this underspend. If this is agreed the net underspend will be £280,000.



**19 Lee Valley Ice Centre (£27,000 increased income, £30,000 under spend)**

The Lee Valley Ice Centre has achieved continued growth in public skating and learn to skate courses, continuing the trend of recent years and is currently on target to exceed last year's exceptional performance.

As a result of a review of the Lee Valley Ice Centre by the Scrutiny Committee Members approved the sum of £50,000 for a feasibility exercise into developing a twin pad Ice Centre. Phases 1 and 2 of the feasibility study which reviewed the current operation and considered the business case for expansion has been completed at a cost of £20,000 and officers request that the remaining £30,000 is carried forward to complete the final phase of the feasibility exercise which will consider location and capital funding streams.

Officers request a carry forward of £30,000 to complete the Twin Pad feasibility exercise.

**20 Lee Valley Riding Centre (£70,000 reduced income)**

Due to an exceptionally wet winter the building of 13 additional Livery Stables was not completed until May and that has delayed sales, but the liveries are now all sold. In addition group lessons have also followed the trend of recent years with income below historical levels. Officers are currently reviewing the balance of the programme and trialling new products to be less reliant on group lesson income for future years.

**21 Springfield Marina (£30,000 additional income)**

Works have continued through the year to renew the pontoons within the marina. As part of these works the pontoons have reconfigured, resulting in the creation of additional moorings. The marina has also introduced formal mooring agreements along the Authority owned river bank of Leyton Marsh.

The additional moorings have been included within the 2015/16 budget.

**22 Lee Valley Holyfield Hall Farm (£57,000 reduced income)**

A reduced price per litre of milk has been introduced by our milk buyer (Arla) due to the import ban by Russia and an over-production of milk across the world. World market pressures have resulted in further reductions to the milk prices throughout the winter with another reduction in January of 1.7p per litre. Unfortunately other milk buyers have reduced their prices further in March. Officers have been assured by the Authority's purchaser (Arla) that the current price will remain until April. Our milk consultants (Kite) have also advised that in their opinion the market has bottomed out and signs of recovery can be seen, this will hopefully mean no further reductions. This financial year has seen the Authority's milk price reduce from 35p per litre (April 2014) to 24p per litre (a reduction of 11p per litre) and the farm produces 1.2 million litres per year.

**23 Lee Valley Hayes Hill Farm (£40,000 reduced income)**

The Farm enjoyed a strong start to the season but income fell below anticipated levels through quarters 2 and 3. Although the Farm is forecast to achieve its second highest income in its history of £517,000 this falls short of the record high of £534,000 achieved last year, and is short against the stretch target of £587,000. In 2012/13 income was £469,000 and 2011/12 it was £426,000.

**24 Leyton Marsh (£35,000 under spend)**

A sum of £73,000 (taken from the funding received from the temporary Olympic basketball training venue) was approved for community projects at Leyton Marsh to be spent over a three year period. Whilst some of the works, including a new mural, have been completed other works, community activities and site improvements will continue to be developed throughout 2014-15. This will leave £35,000 to spend in the third and final year of the project (2015/16).

**25 Sewardstone Camp Site (£10,000 increased income)**

Usage at the site has increased this year through the early part of the season as a result of a good spring/summer and it is expected that the site will improve on the budget by £10,000.

**TRUST IMPLEMENTATION BUDGET**

26 In February Members of the Authority approved additional one-off funding of £500,000 to support the transfer of services to the Lee Valley Leisure Trust by April 2015 (Paper A/4181/14). This sum has been added to the Authority's existing budget.

27 This budget is to provide for the necessary legal, financial, tax, TUPE, charitable and pension advice and any other associated expenditure to allow the effective transfer of venues and services into the Trust by April 2015. Members approved that £266,000 of this budget should be transferred to the Trust (Paper E/376/14) to allow it to commission its own legal, financial and tax advice independently of the Authority.

28 The table below sets out identified commitments and expenditure to date.

Identified Commitments	Estimated Authority	Estimated Trust	Total	Actual To Date
	£'000	£'000	£'000	£'000
Legal & TUPE Advice *	58	120	178	81
Finance & Tax Advice *	66	80	146	66
Pension Work*	14	0	14	16
Project Management	54	0	54	27
Trustee Recruitment	15	0	15	15
Management Review	21	0	21	18
Equalities Impact Assessment	5	0	5	0
Asset Condition Work	15	0	15	0
Secondments plus salaries	20	0	20	14
Trust Branding *	0	24	24	0
Board Meetings/ Trustee Expenses/ Training etc*	0	10	10	1
PA to Trust Chairman & Clerk to the Board *	0	20	20	6
Website *	0	12	12	0
<b>Total</b>	<b>268</b>	<b>266</b>	<b>534</b>	<b>244</b>
*Indicates estimated £44,000 non-reclaimable VAT included at 20% in proposed Trust budget				

29 Currently existing estimated expenditure will just exceed the approved budget of

£500,000. This is due to the inclusion of VAT at 20% on all Trust expenditure which is approximately £44,000 (included in the £266,000 above). This VAT expenditure cannot be classified as Authority expenditure and this will not be reclaimable.

- 30 There are anticipated marginal savings from the original plan that will assist in bringing this figure closer to the planned £500,000 total, for example, the Equality Impact Assessment has been completed in-house and will not, as originally anticipated, require external support of £5,000.

#### **ENVIRONMENTAL IMPLICATIONS**

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

#### **EQUALITY IMPLICATIONS**

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

#### **FINANCIAL IMPLICATIONS**

- 33 These are dealt with in the body of the report.

#### **HUMAN RESOURCE IMPLICATIONS**

- 34 These are dealt with in the body of the report.

#### **LEGAL IMPLICATIONS**

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

#### **RISK MANAGEMENT IMPLICATIONS**

- 36 Spending of the budget is important in achieving the Authority's corporate objectives. The projected spend to the end of this financial year will have an impact on the Authority's budget in future years and will be incorporated into future resource planning.

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#### **PREVIOUS COMMITTEE REPORTS**

Executive Committee	E/381/14	2014/16 Pay Award	18 December 2014
Executive Committee	E/376/14	Revenue Budget 2014/15 Performance Monitoring	23 October 2014
Executive Committee	E/370/14	Revenue Budget 2014/15 Performance Monitoring	24 July 2014

<b>Executive Committee</b>	<b>E/358/14</b>	<b>Annual Report on Treasury Management Activity 2013/14 and Annual Investment Strategy 2014/15</b>	<b>19 June 2014</b>
<b>Authority</b>	<b>Paper A/4181/14</b>	<b>A New Operational Model for LVRPA Venues</b>	<b>27 February 2014</b>
<b>Authority</b>	<b>Paper A/4180/14</b>	<b>Proposed Budget &amp; Levy 2014/2015</b>	<b>23 January 2014</b>
<b>Executive Committee</b>	<b>Paper E/335/14</b>	<b>Proposed Budget &amp; Levy 2014/2015</b>	<b>23 January 2014</b>

**APPENDIX ATTACHED**

**Appendix A**      **Details of the financial position of each service or facility**

	Full Year Budget £000's	Budget to Jan 2015 £000's	Expenditure to Jan 2015 £000's	Over/(Under) to Jan 2015 £000's	Estimated to March 2015 £000's	Over/(Under) to March 2015 £000's	Budget Variance %
Chief Executive	1,574	1,391	1,226	-165	1,574	0	0%
Resources & Business Development	2,984	2,584	2,170	-414	2,916	-78	(3%)
Parklands & Venues	7,602	6,950	3,432	-3,518	7,372	-230	(3%)
Non distributed costs	77	64	58	-6	77	0	0%
<b>Services total</b>	<b>12,247</b>	<b>10,989</b>	<b>6,886</b>	<b>-4,103</b>	<b>11,939</b>	<b>-308</b>	
Investment Income - bank	-260	-133	-130	3	-313	-53	(21%)
<b>Operational total</b>	<b>11,987</b>	<b>10,856</b>	<b>6,756</b>	<b>-4,100</b>	<b>11,626</b>	<b>-361</b>	
<b>Operational costs only</b>							

LEE VALLEY REGIONAL PARK AUTHORITY  
 OPERATIONAL PERFORMANCE SUMMARY TO JANUARY 2015

	Full Year Budget £000's	Budget to Jan 2015 £000's	Expenditure to Jan 2015 £000's	Over/(Under) to Jan 2015 £000's	Estimated to March 2015 £000's	Over/(Under) to March 2015 £000's	Budget Variance %
<b>CHIEF EXECUTIVE</b>							
Chief Executive	249	208	205	-3	249	0	0%
PR / Communications	1,036	862	799	-63	1,036	0	0%
Legal	398	335	311	-24	398	0	0%
Corporate and Democratic Core	97	81	77	-4	97	0	0%
Property Management	-672	-487	-482	5	-672	0	0%
Planning & Strategic Partnerships	466	392	316	-76	466	0	0%
<b>Total Chief Executive</b>	<b>1,574</b>	<b>1,391</b>	<b>1,228</b>	<b>-165</b>	<b>1,574</b>	<b>0</b>	
<b>RESOURCES &amp; BUSINESS DEVELOPMENT</b>							
Resources & B Development Management	892	829	779	-50	892	0	0%
Finance	232	195	175	-20	232	0	0%
Information Technology	667	559	356	-203	622	-45	(7%)
Internal Audit / Health & Safety	154	128	80	-68	144	-10	(6%)
Corporate Systems	98	82	83	1	98	0	0%
Performance Management	376	306	282	-24	365	-11	(3%)
Business Development	158	132	146	14	158	0	0%
Human Resources	390	330	287	-43	390	0	0%
External Audit Fee	27	23	2	-21	15	-12	(44%)
<b>Total Resources &amp; Business Development</b>	<b>2,894</b>	<b>2,584</b>	<b>2,170</b>	<b>-414</b>	<b>2,916</b>	<b>-78</b>	
<b>NON DISTRIBUTED COSTS</b>							
Non Distributed Costs	77	64	58	-6	77	0	0%
<b>Total Non Distributed Costs</b>	<b>77</b>	<b>64</b>	<b>58</b>	<b>-6</b>	<b>77</b>	<b>0</b>	

LEE VALLEY REGIONAL PARK AUTHORITY  
OPERATIONAL PERFORMANCE SUMMARY TO JANUARY 2015

	Full Year Budget £000's	Budget to Jan 2015 £000's	Expenditure to Jan 2015 £000's	Over/(Under) to Jan 2015 £000's	Estimated to March 2015 £000's	Over/(Under) to March 2015 £000's	Budget Variance %
<b>PARKLAND AND VENUES</b>							
<b>Management</b>							
Parkland & Venues Management	1,333	1,112	1,133	21	1,333	0	0%
Asset Protection, Maintenance, Developme	534	609	263	-346	435	-99	(19%)
Myddelton House	281	257	281	24	281	0	0%
Fisheries Management	-15	-22	-36	-14	-15	0	0%
<b>Sports Facilities</b>							
Lee Valley White Water Centre	126	204	-34	-238	216	90	71%
Lee Valley Leisure Centre Golf Course	44	21	4	-17	50	6	14%
Lee Valley Athletics Centre	474	444	392	-52	476	2	0%
Lee Valley Velopark	1,671	1,576	-401	-1,979	1,662	-9	(1%)
Lee Valley Hockey and Tennis Centre	1,007	911	505	-406	727	-280	(28%)
Lee Valley Ice Centre	-33	19	-155	-174	-90	-57	173%
Riverside (Former Lido Site)	-5	-8	16	22	-5	0	0%
Lee Valley Riding Centre	-90	-39	66	105	-20	70	(78%)
Lee Valley Waterworks Centre	79	69	45	-24	88	9	11%
<b>Sports Development</b>							
Sports development	92	70	65	-5	90	-2	(2%)
<b>Marinas</b>							
Lee Valley Marina, Springfield	-91	-64	-211	-147	-121	-30	33%
Lee Valley Marina, Stanstead Abbots	-60	-44	-20	24	-59	1	(2%)
<b>Farms</b>							
Lee Valley Farm, Holyfieldhall	11	45	179	134	68	57	518%
Lee Valley Farm, Hayes Hill	-29	-50	56	106	11	40	(138%)
<b>Visitor Attractions</b>							
Myddelton House Gardens	182	156	147	-9	181	9	5%
Rye House Gatehouse	8	8	5	-3	8	0	0%

LEE VALLEY REGIONAL PARK AUTHORITY  
 OPERATIONAL PERFORMANCE SUMMARY TO JANUARY 2015

	Full Year Budget £000's	Budget to Jan 2015 £000's	Expenditure to Jan 2015 £000's	Over/(Under) to Jan 2015 £000's	Estimated to March 2015 £000's	Over/(Under) to March 2015 £000's	Budget Variance %
<b>Countryside Recreation</b>							
Myddelton House Gardens Heritage Centre	54	46	18	-28	54	0	0%
Abbey Gardens	150	130	53	-77	150	0	0%
Gunpowder Park	165	142	116	-26	165	0	0%
River Lee Country Park	740	635	513	-122	740	0	0%
Countryside Areas	789	680	548	-132	789	0	0%
East India Dock and Bow Creek	51	44	25	-19	51	0	0%
Three Mills	31	25	12	-13	31	0	0%
Leyton Marsh	67	46	14	-32	32	-35	(52%)
<b>Holiday Accommodation</b>							
Lee Valley Leisure Centre Campsite	-129	-141	-135	6	-129	0	0%
Lee Valley Campsite, Sewardstone	-93	-121	-180	-59	-103	-10	11%
Lee Valley Campsite, Caravan Sales	0	0	0	0	0	0	-
Lee Valley Caravan Park, Dobbs Weir	27	3	-14	-17	27	0	0%
Broxbourne Chalets	2	2	2	0	2	0	0%
<b>Park Projects</b>							
Countryside Live	20	16	19	3	20	0	0%
Youth & Schools Service	144	115	121	6	152	8	6%
Biodiversity Action Plan	95	80	57	-23	95	0	0%
<b>Sports Initiatives &amp; Partnerships</b>							
King George Reservoir South	0	0	-5	-5	0	0	-
Lee Valley Boat Centre	-30	-30	-32	-2	-30	0	0%
<b>Total Parks and Venues</b>	<b>7,802</b>	<b>6,950</b>	<b>3,432</b>	<b>-3,518</b>	<b>7,372</b>	<b>-230</b>	