



LEE VALLEY REGIONAL PARK AUTHORITY

SCRUTINY COMMITTEE

18 JUNE 2015 AT 11:00

Agenda Item No:

6

Report No:

S/32/15

SCRUTINY SCORECARD 2014/15 Q4

Presented by Director of Business Support (LVLT)

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 March 2015. 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 Q4 2014/15 – reporting actual performance from April 2014 to March 2015.

A summary of the Authority's key achievements in 2014/15:

- 6.2 million visits to the Park – 1.1 million more than 2013/14.
- Income has increased from £11.2m in 2013/14 to £13.8m in 2014/15.
- The levy has been reduced from 63% of the maximum chargeable amount in 2010/11 to 49.9% in 2014/15. The levy for 2015/16 has been set at 47.9%.
- Average customer satisfaction score of 84% across the Park – an increase from 82% in 2013/14.
- Regional usage of the Park (visitors who live within London, Hertfordshire or Essex, but further than 3 miles from the venue they visited) increased from 42% in 2013/14 to 49%.

Major factors impacting performance:

- The VeloPark and Hockey & Tennis Centre opened to the public, significantly increasing usage (VeloPark – 608,000, Hockey & Tennis Centre – 65,000), income and carbon emissions for LVRPA. The White Water Centre experienced increased usage, income and carbon emissions following the completion of developments at the venue to increase capacity.
- Weather in 2014/15 was generally better than 2013/14 with temperatures 2% warmer, 18% less rainfall and 3% more sunshine. Spring was considerably improved, but there was a worse winter. The report outlines where this

impacted on income, usage and utility consumption.

RECOMMENDATIONS

- Members Note: (1) the report; and
- Members Approve (2) the targets for 2015/16, set out in Paragraph 12 of this report be recommended to the Authority.

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 full year 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 for 2014/15 was 49.9% of the maximum 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. 23 of the 28 actions (82%) are on target at year end. The actions behind target are:

- Park Development Framework - Complete the development of area based proposals by 2014. This was delayed due to other Trust related work priorities and will now be completed in 2015/16. Extensive comments were received following public consultation and the outcome of the recent High Court cases, these influencing factors need to be evaluated and incorporated where appropriate.
- Apply for planning permission for approval of details to secure Legacy at Velopark and Eton Manor. All applications have been submitted, awaiting approvals from LLDC.

- Explore other income generation opportunities e.g. Spitalbrook, Gunpowder Park, Leisure Pool site, River Lee Country Park. Deferred due to Trust transfer work priorities.
- Secure sponsorship and naming rights deals across a number of venues and programmes. Work with potential partners has progressed but will continue into 2015/16.
- Improve the efficiency of the organisation through an IT infrastructure review, in line with the IT strategy. Work deferred until transfer to the Trust is completed and will commence in 2015/16.

7 KPI 3: Customer Satisfaction

The average customer satisfaction score for 2014/15 is 84% which is an improvement from 82% last year, but just below the target of 85%.

This score was generated from a statistically significant sample of 2,500 surveys carried out between April 2014 and March 2015 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. 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 levy
 - 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: using the major events programme as a mechanism to attract and involve a regional audience; and continuing to reduce the reliance on the levy.
- The Community Access Fund included in the budget for 2015/16 (paper A/4200/15) will enable targeted groups from London boroughs and districts in Hertfordshire and Essex to access the Park more easily.

In Q4 a range of sports development stakeholders were surveyed, including national governing bodies, county sports partnerships and local authority partners. They scored perception at 79%, the same score as last year.

In addition, a piece of research was carried out to measure awareness of the

Park amongst Londoners. YouGov were commissioned to ask several questions related to LVRPA to over 1,000 adults in London as part of one of their omnibus surveys. This followed 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 VeloPark (LVVP) and Hockey and Tennis Centre (LVHTC). The Authority generated 5,422 tonnes of carbon, which is a 31% increase (1,290 tonnes) compared to 2013/14. LVVP generated 813 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 8%. This increase has come from LVWWC, which is due to increased usage following the development of the site.

As a result of the Authority's ongoing review of energy efficiency, photovoltaic cells were installed at Holyfield Farm during 2014/15 (paper E/390/15) which will result in a reduction in carbon of roughly 84 tonnes per annum from 2015/16.

10 KPI 6: Business Priorities Progress

30 (73%) of the 41 actions in the three year Business Plan (2013/14-2015/16) have been completed or are on target. This is on target.

11 KPI 7: Usage

6.2 million visits were made to the Regional Park in 2014/15. This is 1.1 million (22%) more visits than last year.

The majority of this increase is from LVVP (608,000), Lee Valley Hockey & Tennis Centre (LVHTC) (65,000) and the increase at LVWWC following the developments at the venue (156,000). Other increases have come from across venues in general (7% on average) and 188,000 (5%) additional visits to Parklands. Weather was generally better than last year (2% warmer, 18% less rainfall and 3% more sunshine), with spring considerably improved, but a worse winter. The increased temperatures and sunshine in the spring had a positive impact on usage, whereas the colder temperatures in winter impacted utility consumption.

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%).

These 6.2 million visits include many customers who make regular repeat visits, as well as many who are making their first visit. Based on an analysis of regularity of visit we can see that there have been 2.3 million unique visits. This means that 2.3 million people have made an average of 2.7 visits to the Park in 2014/15.

PROPOSED KPI TARGETS 2015/16

- 12 Each year the Authority set targets for KPIs for the following year. This year the Authority are asked to agree targets for both LVRPA KPIs and KPIs as set out in the management contract with Lee Valley Leisure Trust (LVLT). The contract

KPIs are based on the 14 venues' performance in 2014/15. These contribute to LVRPA's overall KPIs. The proposed KPI targets for 2015/16 are set out below:

LVRPA KPIs

KPI Description	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	Proposed 2015/16 Target
Levy Contribution	55%	53%	49.9%	49.9%	47.9%
Service Plan Progress	78%	76%	90%	82%	90%
Customer satisfaction	82%	82%	85%	84%	85%
Stakeholder perception	66%	66%	75%	73%	75%
CO2 reductions from Authority Operations	3,898 tonnes CO2e (WWC reduced operation)	4,132 tonnes CO2e (WWC Full Year)	5,000 tonnes CO2e (WWC, VP & H&TC)	5,422 tonnes CO2e	5,338 tonnes CO2e
Business Priorities Progress	88%	32%	71%	73%	90%
Usage	4.6m	5.1m	5.5m	6.2m	6.3m

Contract KPIs

- 13 The targets for the first year of the contract (2015/16) will be based on a baseline created from the outturn for these indicators from Q4 in 2014/15.

KPI Description	2014/15 Actual	Trust Contractual Target 2015/16	Proposed Stretch Target 2015/16
Management Fee	n/a	Management Fee 2015/16 was set at £3,539,400. The Management Fee for 2016/17 will be based on the criteria set out in Schedule 3 Leisure Services Contract (see attached Appendix D). Discussions will take place in the Autumn and proposals fed into the 2016/17 Budget & Levy discussion.	£3,539,400
Customer satisfaction	83%	83%	85% ⁽¹⁾
Net Promoter Score	44%	44%	46% ⁽²⁾
Regionality	31%	31%	33% ⁽³⁾
Usage	1.9m	1.9m	1.95m ⁽⁴⁾

(1) 85% has been the Authority's stretch target for the last few years. Actual Performance is at 83%. Although the Trust's contractual target is 83% (baseline 2014/15), their aim is to work towards the stretch target.

(2) Not applicable previously not a KPI for the Authority was a venue PI.

(3) Not applicable previously not a KPI for the Authority was a venue PI but the definition has been changed from the Region to Non-riparian.

(4) 1.9m is the Trust baseline for 2014/15, while the Authority stretch target has been set at 1.95m which the Trust will aim to work towards the stretch target.

VENUES SCORECARD

14 Overall

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

15 Income and Budget Variance

Budget performance across the whole of the organisation was reported to Executive committee in May (Paper E/408/15) and is attached at Appendix B to this report for reference.

Income has increased by £3.2m across venues compared to last year. The majority of this increase is from LVVP (£2.2m), LVHTC (£0.3m) and increased income at LVWWC following development at the venue (£0.5m). With these removed, income across all other venues has increased by 2% (£132,000) 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. Fourteen venues reported a year end budget variance of greater than 5%, of which seven show an under spend. The venues with a significant budget variance are:

Lee Valley White Water Centre (£149,000 over spend)

The Lee Valley White Water Centre has achieved total income of £2,552,000 this year which is £56,000 ahead of the stretch target of £2,496,000 and represents an increase of £553,000 on the previous year. Significant income growth has been achieved through the activity programme, and in particular from corporate bookings, hire of the legacy course by the emergency services for training purposes and the paddling courses programme. Due to increased pump running time a Centre electricity cost of £487,000 was incurred, an increase of £100,000 above budget and the previous year.

Food and beverage income of £445,000 has been achieved which is £107,000 short of the stretch target of £552,000 but is an increase of £162,000 compared to the previous year.

Food and beverage achieved a 10% profit against a target profit margin of 25%. Trust officers are working with consultants to carry out a full review of the venue food and beverage operation to work towards achieving a 25% profit margin in the 2015/16 season.

Overall the venue operated at a deficit of £273,000 which is a reduction of £148,000 on the previous year. With the significant rates saving impacting from April 2015 the Centre is budgeted to return a surplus in 2015/16.

Lee Valley VeloPark (£76,000 under spend £163,000 increased income)

The VeloPark has achieved a very good first year as income has exceeded budget by £163,000, with virtually all areas out-performing the stretch targets. The areas that did not meet stretch target are the outdoor areas and therefore pricing and programming has been reviewed for the current year. There will also be a time lag for outdoor activities, but there is a fundamental issue of open access to the mountain bike trails which will impact on achievable income levels. Cycling events, corporate and non-cycling have all performed strongly.

Planned expenditure on a carpet for the infield (£25,000) which was due to be replaced in March, but due to a number of late bookings and a delay in some minor building works, this work was not able to be completed in 2014/15.

There were delays due to building works, learning about the flow of customers through the building, finalising designs and receiving required planning permission that caused marketing expenditure (51,000) to be delayed.

Lee Valley Hockey and Tennis Centre (£255,000 under spend)

In addition to lower than anticipated business rates of £296,000, staff and premises cost savings of £29,000 resulting from the delayed hand over of the venue to Lee Valley Regional Park Authority following transformation have caused a net under spend of £325,000. Within this sum there is an under spend of £9,000 relating to the marketing budget which was earmarked for the completion of signage work.

Off-setting this a sum of £70,000 was approved by Members to support funding for the European Hockey Championships to England Hockey, resulting in a net under spend of £255,000.

Lee Valley Ice Centre (£52,000 increased income, £30,000 under spend)

The Ice Centre has achieved continued growth in public skating and learn to skate courses, continuing the trend of recent years and has exceeded last year's exceptional performance.

Lee Valley Riding Centre (£130,000 reduced income)

Due to an exceptionally wet winter the building of 13 additional Livery Stables was not completed until May 2014 and that initially 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 (£58,000 additional income)

Works have continued through the year to renew the pontoons within the marina. As part of these works the pontoons have been reconfigured which resulted 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.

Stanstead Marina (£43,000 reduced income)

Stanstead Marina has achieved total income of £571,000 which is an increase of £54,000 compared to the previous year. Income growth has been achieved predominantly in rechargeable works and chandlery income.

The Marina has undertaken some large fit out works which were anticipated to be completed before year end but have run into the current financial year

covering the majority of the budget variance. This will impact favourably in the 2015/16 budget.

Lee Valley Hayes Hill Farm (£60,000 reduced income, £36,000 over spend)

The Farm enjoyed a strong start to the season but income fell below anticipated levels through quarters 2 and 3. Although the Farm achieved an income of £534,000 which equals the record high achieved the previous year, it is short against the stretch target of £587,000. In 2012/13 income was £469,000 and 2011/12 it was £426,000.

Food and beverage achieved a 10% profit margin against a target profit margin of 25%, which accounts for the £36,000 reported over spend, generating a £12,000 surplus. Trust officers are further reviewing stock holdings and staff rosters against anticipated business levels to work towards achieving a 25% profit margin the current season.

Lee Valley Holyfield Hall Farm (£78,000 reduced income)

2014/15 has seen a reduced price per litre of milk across the market including our purchaser (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. Other milk purchasers have reduced their prices further in March 2015.

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 1.3 million litres per year. The price increased in April and May to 25.8p

Unfortunately from 1 June the price has again dropped by 0.8p per litre, this equates to about £10,000 loss of income 2015/16. The forecast for the Farm is to reach its budget for 2015/16 based on current milk prices and production volumes plus the additional income from the Photo Voltaic cells.

Sewardstone Camp Site (£10,000 increased income)

Use at the site has increased this year through the early part of the season as a result of a good spring/summer and the site has improved on the budget by £10,000.

16 Usage

Usage across venues is 897,000 higher than 2014/15. Of this increase, 673,000 are visits to LVVP and LVHTC. LVWWC has also seen an increase of 156,000 visits following the development of the venue.

Overall usage across other venues has increased by 7% (67,000), with increases at the Athletics Centre, Ice Centre, Riding Centre, Sewardstone Campsite, Dobbs Weir Campsite, Fisheries and Youth and School.

Usage at Hayes Hill Farm has fallen by 10% (12,000) compared to last year. This is mainly due to wet weather conditions through the last two weeks of the summer holiday period.

17 Customer Satisfaction

Customer Satisfaction scores across all venues average 84% which is an improvement on last year but just below the target of 85%. All venues achieved

or only narrowly missed their targets.

18 Net Promoter Score

Net Promoter Scores across venues have increased from 42% in 2013/14 to 47%, which is above target and the leisure industry average of 24%, which includes both public and private sector.

19 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 last year. This is due to correspondence concerning possible closure.

Myddelton House Gardens has received 17 formal complaints, compared to none last year. The majority of these have been regarding the introduction of car parking charges.

Springfield Marina has received 11 formal complaints, compared to none last year. These were due to the price increases for 2015/16 that were communicated to customers in February.

Appendix C to this report contains a summary of the numbers of complaints that were raised to stage 2 or above in the complaints process. This shows that three complaints were escalated to level 2 and then level 3 in 2014/15 – these were all in relation to LVRPA’s opposition to the development of industrial glass houses in Nazeing, and the subsequent application for Judicial Review in the High Court.

20 Utility Consumption

Utility consumption across venues has increased by 2,686,000kwh (30%). This increase is due to the opening of LVVP, LVHTC and increased operation at LVWWC.

PARKLANDS SCORECARD

21 Overall

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

22 Usage

Usage has increased by 188,000 (5%) across the parklands compared to the previous year. This was caused by generally improved weather (2% warmer, 18% less rainfall and 3% more sunshine) particularly during the spring and summer.

23 Customer Satisfaction

Overall satisfaction across parklands is 83%, 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 & Rivers Trust on Tottenham Marshes. Officers continue to work with partner organisations to improve external management standards.

24 Net Promoter Score

The Net Promoter Score across parklands has increased to 39% 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 22.

25 Cleanliness

The average cleanliness score of 87% across all parklands has fallen from 90% in 2013/14 and is slightly below the target of 90%. River Lee Country Park scored significantly below target and performance is being monitored closely, with improvements seen in the second half of the year compared to the first two quarters. All areas of unacceptable cleanliness are reported to the grounds maintenance contractor.

CORPORATE SCORECARD

26 The Authority's Corporate Scorecard performance shows that 12 measures have achieved or exceeded target. Explanation is given below for the measure where the target has not been met.

27 The average number of days sickness taken by employees has increased from 3.2 in 2013/14 to 4.8 in 2014/15. This is more than the stretch target of 3 days. However this still outperforms both the public and private sector industry averages. 53% of this absence was attributed to long term sickness, which is down from 68% in 2013/14. This was reported to Executive committee in May (paper E/406/15).

FINANCIAL IMPLICATIONS

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

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

EQUALITIES IMPLICATIONS

- 32 There are no equalities 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 – Provisional Outturn
Appendix C	Complaints raised to Stage 2 and above
Appendix D	Management Fee

LIST OF ABBREVIATIONS

KPI	Key Performance Indicator
LVWWC	Lee Valley White Water Centre
LVVP	Lee Valley VeloPark
LVHTC	Lee Valley Hockey & Tennis Centre
LVRPA	Lee Valley Regional Park Authority
LLDC	London Legacy Development Corporation
UKCSI	UK Customer Satisfaction Index
LVLT	Lee Valley Leisure Trust
CBI	Confederation of Business Industry

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CORPORATE PERFORMANCE INDICATORS		2014/15 Q4			Comments
	13/14 Q4 Actual	Annual Target	Performance	Q4 Actual	
Website hits (distinct visits to the site)	1,395,896	1.5m	↑	2,248,637	
No. articles	2,738	3,000	↑	4,861	
% 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	11%	13%	↔	9%	
Total Income Generation	£11.2m	£13.6m	↑	£13.8m	
Staff Satisfaction	72%	75%	↔	72%	
No. Days Sickness	3.2	3	↓	4.8	
Visitor Profiling					
- from the most deprived socio-economic groups	19%	19%	↓	14%	
- from black & minority ethnic groups	37%	37%	↓	34%	
- aged over 60yrs	17%	17%	↑	22%	
- disabled	6%	6%	↔	6%	
% Regional Users	42%	42%	↑	49%	
Waste per head	0.01	0.01	↔	0.01	
% Waste recycled	58%	58%	↔	58%	
% staff turnover	16%	10-20%	↓	21%	
Average response time to complaints, enquiries and suggestions (days)	3.7	4	↓	4.7	

Performance Indicators

↑	Performance has improved
↓	Performance has worsened
↔	Performance has remained the same
	N/A

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

	Financial Measure
	Customer Measure
	Internal Process Measure
	Sustainability Measure

Reporting Period

2014/15 Q4

Performance Indicators

PARKLANDS	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
Overall Target		+ / -5%		3,934,413				28%		24%		36		21		80%		95%		90%
Abbey Gardens	0%	-6%	293,520	245,510	82%	85%	38%	41%	16%	31%	2	0	0	0	n/a	n/a	n/a	n/a	88%	86%
Bow Creek / EIDB	0%	0	100,554	115,111	77%	75%	-13%	12%	22%	45%	0	0	0	0	n/a	n/a	n/a	n/a	89%	86%
Gunpowder Park	0%	0	349,535	357,733	79%	55%	33%	41%	27%	40%	3	0	0	0	n/a	n/a	n/a	n/a	94%	94%
River Lee Country Park	0%	0	1,455,686	1,409,437	86%	80%	72%	57%	41%	67%	25	15	48	15	n/a	n/a	n/a	n/a	87%	84%
Rye House Gatehouse	0%	0	24,078	27,418	n/a	n/a	n/a	n/a	n/a	n/a	1	0	0	0	n/a	n/a	n/a	n/a	94%	87%
Three Mills	0%	-13%	39,103	36,188	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	n/a	n/a	n/a	n/a	88%	89%
Tottenham Marshes	n/a	n/a	299,965	330,361	76%	75%	-5%	5%	27%	23%	0	1	0	0	n/a	n/a	n/a	n/a	98%	95%
Waterworks Nature Reserve	n/a	n/a	285,223	325,022	76%	70%	-6%	13%	25%	55%	0	2	2	1	n/a	n/a	n/a	n/a	93%	88%
North Sites	0%	0	450,533	408,612	86%	83%	89%	81%	51%	57%	0	5	0	0	n/a	n/a	n/a	n/a	92%	91%
South Sites	0%	0	636,216	757,767	75%	82%	12%	23%	24%	50%	6	3	2	2	n/a	n/a	n/a	n/a	93%	91%
ALL PARKLANDS	0%	0	3,934,413	4,122,157	80%	83%	27%	33%	24%	45%	37	20	35	20	89%	87%	94%	91%	90%	87%

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

N/A for site

Financial Measure	
Customer Measure	
Internal Process Measure	
Sustainability Measure	

North Sites	
Arnwell	
Debbs Weir	
Glen Faba	
Nazeing Meads / Nazeing Marsh / Green Lane	
Spitelbrook	
Stanstead Riverside / Innings	

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

2014/15 Q4

Reporting Period


VENUES	Income (£000's)		Budget Variance		Usage		Customer Satisfaction		Net Promoter Score		Regionality		Formal Complaints		Formal 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	
Overall Target	11,863		+/-5%	1,898,176	88%	43%	47%	136	1,160	95%	80%	11,412	44.2												
Venues																									
VeloPark	n/a	2,218	n/a	-1.4%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	67	n/a	665	n/a	n/a	n/a	n/a	n/a	n/a	1,898	n/a	6.4
Hockey & Tennis Centre	n/a	294	n/a	-25%	n/a	n/a	n/a	n/a	n/a	n/a	10%	23%	n/a	11	n/a	22	n/a	n/a	n/a	n/a	n/a	n/a	247	n/a	0.0
White Water Centre	2,019		231%	13%	143,449	90%	86%	12	228	71%	86%	51%	14	14	228	71%	94%	92%	74%	3,515	4,086	5.1			
Athletics Centre	516		-4%		178,912	87%	77%	4	13	47%	47%	47%	4	4	13	47%	92%	90%	82%	571	603	2.8	5.1		
Ice Centre	1,183		-309%	-234%	336,923	78%	45%	6	18	43%	42%	43%	6	6	18	43%	94%	94%	89%	2,297	2,316	4.5			
Riding Centre	852		205%	141%	101,437	87%	57%	3	7	28%	28%	28%	3	3	7	28%	90%	88%	86%	177					
WaterWorks	43		244%	-8%	36,309			8	8				8	8	8		82%	82%	83%	163					
Picketts Lock Golf	224		192	-2%	22,757	77%	29%	2	15	83%	83%	83%	2	2	15	0	75%	75%	70%	116			3.5	4.3	
Accommodation																									
Edmonton Campsite	536		360	1%	47,775	85%	51%	3	6	11%	13%	13%	3	6	53	1	92%	92%	70%	720			Incl in PL Golf		
Sewardstone Campsite	515		27%	-11%	29,112	82%	41%	5	6	16%	19%	16%	5	6	16	6	50%	50%	66%	143			5.2	7.6	
Dobbs Weir Campsite	544		84%		6,882	85%	52%	3	3	38%	38%	38%	3	3	25	2	81%	81%	n/a	19			2.5		
Attractions																									
Myd Hse Gardens & Vis Cntr	152		-7%		53,927	91%	77%	0	1	49%	49%	49%	0	1	37	0	94%	94%	71%	703			4.2		
Hayes Hill Farm	534		333	320%	121,131	78%	57%	3	12	67%	67%	67%	3	12	59	4	85%	85%	57%	124			152	Incl in Holy	
Others																									
Springfield Marina	556		-8%	-63%		62%	-44%	0	11	47%	47%	47%	0	11	0	0	86%	87%	78%	365			3.4	3.8	
Stanstead Marina	517		30%	10%		68%	-20%	7	1	65%	65%	65%	7	1	1	1	92%	91%	86%	129			n/a	n/a	
Holyfield Farm	614		-3%					0	0				0	0	0	0	95%	92%	92%	25					
Fisheries	144		-38%	-56%	1,906	78%	0%	2	6	13%	13%	13%	2	6	5	6	95%	95%	92%	5			6.5		
Education	34		1%	3%	20,632	93%	81%	0	0	41%	41%	41%	0	0	0	0	93%	94%	96%	0					
Volunteers	3		1		24,520			0	0	76%	76%	76%	0	0	0	0									
ALL VENUES	8,992		144%		1,105,062	81%	42%	56	479	47%	47%	47%	56	479	473	1,038	90%	92%	79%	82	9,067	11,763	37.8	46.1	

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

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

Education & Volunteers report non-riparian usage

Financial Measure
 Customer Measure
 Internal Process Measure
 Sustainability Measure

 <p>LEE VALLEY REGIONAL PARK AUTHORITY</p> <p>EXECUTIVE COMMITTEE</p> <p>21 MAY 2015 AT 10:30</p>	<p>Agenda Item No:</p> <p style="text-align: center;">7</p> <p>Report No:</p> <p style="text-align: center;">E/408/15</p>
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REVENUE BUDGET 2014/15 PERFORMANCE – PROVISIONAL OUTTURN

Presented by the Director of Finance & Resources

EXECUTIVE SUMMARY

This report summarises service spending for 2014/15 compared to the budget. Figures are 'near final' and are only likely to be the subject of minor changes during the remainder of the closure of accounts process.

Overall, net service spending is £325,000 (2.7%) below the budget for 2014/15 of which £203,000 relates to specific work that has slipped over into the next financial year and is requested to be carried forward to enable project completion. The net service under spend compares to a projected under spend of £361,000 reported to Executive Committee at its meeting in February (Paper E/397/15).

The major reasons for this under spend were mostly anticipated and reported to Members during the year as part of quarterly monitoring reports to the Executive Committee.

Final figures will be incorporated in the un-audited accounts which are to be reported to the Audit Committee on 25 June 2015.

Service Description	Variance 2014/15	Included in 2015/16 Budget
	£	£
Property Management	55,000	0
Planning & Strategic Partnerships	(66,000)	0
Investment Income	(58,000)	0
Finance	(26,000)	(26,000)
Information Technology	(74,000)	0
Internal Audit Contract	(27,000)	0
Performance Management	(11,000)	0
Human Resources	(21,000)	0
Audit Fee	(15,000)	(9,000)
Parks & Venues Management	327,000	(133,000)
Asset Management, Protection & Dev	(184,000)	0

Lee Valley White Water Centre	149,000	0
Lee Valley Athletics Centre	(17,000)	0
Lee Valley VeloPark	(239,000)	0
Lee Valley Hockey & Tennis Centre	(255,000)	(260,000)
Lee Valley Ice Centre	(82,000)	(27,000)
Lee Valley Riding Centre	130,000	0
Springfield Marina	(58,000)	(30,000)
Stanstead Marina	43,000	0
Lee Valley Farm Holyfield	78,000	56,000
Lee Valley Farm Hayes Hill	96,000	0
Leyton Marsh	(43,000)	0
Sewardstone Campsite	(10,000)	0
Other	(19,000)	0
Total Estimated Under Spend:	(325,000)	(343,000)

RECOMMENDATIONS

- Members Approve (1) the carry forwards as requested and summarised in paragraph 39 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 and accruals to 31 March 2015 with the approved budget.
- 2 Details of the financial position of each service or facility are shown in Appendix A to this report.
- 3 The figures exclude 'below the line' entries for capital charges, support service recharges, contributions to/from reserves and the financing of capital expenditure. These accounting adjustments will be included in the statutory accounts which will be reported to the Audit Committee on 25 June 2015.
- 4 Where significant over/under spends are shown 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 have impacted on the budget during 2014/15 and will continue to do so in this financial year. These are summarised in the following paragraphs.
- 6 Members received a paper in December 2014 (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 2015/16. 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) and this was achieved. Treasury Management is the subject of a separate report on this agenda.

The Director of Finance & Resources continues to monitor 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 2010/17 rating appeal for some of its facilities, specifically in relation to the Lee Valley White Water Centre (LVWWC). It is possible that this could lead to a reduction in the rateable value (RV) by up to a half for the period it was open from 2011 to 2015. This could result in a retrospective rebate of up to £850,000. Any reduction in the RV would also have a downward effect on the rates bill going forward with a consequential reduction in the management fee required by the Trust.

On 10 April 2015 the Authority received the rating valuation for 2015/16 for the Lee Valley VeloPark (RV £2,040,000) with a gross rates bill of £1,013,880. The 2014/15 bill was received shortly after (£1.024m) against a current budget of £1million.

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.

All eligible centres that transferred to the Trust have applied for and received 80% mandatory relief going into 2015/16. This amounts to a saving of £1.7 million and this was built into the 2015/16 budget.

- 9 Inflation rates have reduced continually during the year. March 2015 inflation for the Retail Price Index stood at 0.9% and Consumer Price Index at 0.0%.
- 10 Variances against this year's budget are described in more detail below.

CHIEF EXECUTIVE

- 11 **Property Management (£55,000 reduced income)**

The current variance of £55,000 is the anticipated profit share from the YHA Cheshunt hostel. Management accounts to calculate the Authority's entitlement are still awaited from the YHA, but as the gross proceeds for the last season are

in line with previous years, profitability is also anticipated to be similar.

The final profit-rent adjustment will be made as soon as this information is available and before the final closure of accounts, but based on the YHA estimate, this will bring the property budget in line with expectations.

12 Planning & Strategic Partnerships (£66,000 under spend)

This under spend relates to consultancy work in relation to the Contaminated Land project (£45,000) and the Park Development Framework (£21,000).

Paper A/4208/15 in April 2015 updated Authority Members on progress to date on the Contaminated Land Strategy and the next steps regarding further environmental assessment of the four sites concluded to be moderate/high risk. A budget of £47,000 was set aside in 2014/15 and up to 31 March 2015 £2,000 had been spent. To complete this next stage of work it is proposed to carry forward the remaining £45,000.

The development of draft proposals for the Park Development Framework has slipped due to other urgent priorities (e.g., High Court action work), subsequently causing the deferral of several Panel meetings.

DIRECTOR OF FINANCE & RESOURCES

13 Investment Income (£56,000 additional income)

More cash held on deposit due to not having the rates assessment for the Lee Valley VeloPark (£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.

14 Finance (£26,000 under spend)

Following retirement of the Senior Finance Officer in 2013 a residual budget was held for temporary support to ensure the new structure was properly bedded in. Only part of this budget was utilised and subsequently the balance is no longer required. This budget was deleted as part of the 2015/16 budget process.

15 Information Technology (IT) (£74,000 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 retired 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 has resulted in an under spend on the IT budget this year, however all priority work and projects are still being covered.

16 Internal Audit Contract (£27,000 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, May and June. These contingency days could not be utilised elsewhere as the internal auditors were engaged in completing the remainder of the annual audits. It is anticipated that most of the required accounting support can be met from next year's audit plan and completed within the existing contract sum. The 2015/16 Audit Plan will be presented to the Audit Committee in June.

17 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.

18 Human Resources (£21,000 under spend)

The under spend of £21,000 relates in the main to the consultancy budget set aside to deal with specialist advice relating to employment matters. The majority of advice in 2014/15 related to the transfer of staff to the Trust and this was managed through the Trust implementation budget. In addition a small part of the variance related to having a vacancy at the start of 2014/15 for the HR Business Partner. The HR Business Partner vacancy has now been recruited to meaning that the HR Team are now fully resourced.

19 Audit Fee (£15,000 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 was settled at a cost of £9,000, giving an extra saving of £3,000. At this point in time the provisional sum has not been 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 budget in 2015/16.

CORPORATE DIRECTOR OF PARKLANDS & VENUES

20 Parklands & Venues Management (£327,000 over spend)

Paper A/4193/14 in July 2014 approved restructuring of the Trust and Authority senior management and resulted in two compulsory redundancies. The costs of redundancy and related capital contribution to pension costs (£283,000) are charged at the point of redundancy in the old year as at 31 March 2015 and were not part of the normal 2014/15 budget setting process. Usually these costs would be funded from general reserves but have in effect been managed within the overall underspend in 2014/15. These costs are reported in detail as part of the statutory accounts and the ongoing savings are reflected in the 2015/16 budget.

The rest of the over spend relates to salary changes as a consequence of the senior management restructuring and implementation of the third tier from the

1 January 2015 and additional travel costs of approximately £37,000 due to additional work relating to events carried out during 2014/15. The ongoing saving of £133,000 in 2015/16 and full year saving of £203,000 (from 2016/17) has been built into the budget and the medium term financial plan.

21 Asset Management, Protection & Development (AMPD) (£184,000 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 currently covering some of the work through additional responsibilities.

The consequences of the section being below capacity together with the additional work undertaken to ensure the implementation of the Trust contract on time 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 2014 from £1.2m to just over £1.0m) being re-phased into 2015/16.

An initial review has been undertaken and temporary cover and measures will be put in place to assist in the short-term. Due to the recent changes in the organisation it is proposed to wait until the autumn to re-evaluate the needs in this area taking into account the needs of both the Authority and the Trust going forward which will then be better understood.

22 Lee Valley White Water Centre (£149,000 reduced income)

The LVWWC has achieved total income of £2,552,000 (including catering) this year which is £56,000 ahead of the stretch target of £2,496,000 and represents an increase of £553,000 on the previous year. Significant income growth has been achieved through the activity programme, and in particular from corporate bookings, hire of the legacy course by the emergency services for training purposes and the paddling courses programme. Due to increased pump running time a Centre electricity cost of £487,000 was incurred, an increase of £100,000 above budget and the previous year.

Food and beverage income of £445,000 has been achieved which is £107,000 short of the stretch target of £552,000 but is an increase of £162,000 compared to the previous year.

Food and beverage achieved a 10% profit against a target profit margin of 25%. Trust officers are working with consultants to carry out a full review of the venue food and beverage operation to work towards achieving a 25% profit margin in the 2015/16 season.

Overall the venue operated at a deficit of £273,000 which is a reduction of £148,000 on the previous year. With the significant rates saving impacting from April 2015 the Centre is budgeted to return a surplus in 2015/16.

23 Lee Valley Athletics Centre (£17,000 under spend)

Last summer Lee Valley Athletics Centre was a host venue for the Invictus Games, resulting in one off additional income from hire fee and a secondary catering concession, resulting in additional net income of £17,000. With the significant rates saving impacting from April 2015 the Centre is budgeted to return only a small deficit in 2015/16.

24 Lee Valley VeloPark (£76,000 under spend £163,000 increased Income)

The VeloPark has achieved a very good first year as income has exceeded budget by £163,000, with virtually all areas out-performing the stretch targets. The areas that did not meet stretch targets are the outdoor areas and therefore pricing and programming has been reviewed for the current year. There will also be a time lag for outdoor activities, but there is the fundamental issue of open access to the mountain bike trails which will impact on achievable income levels. Cycling events, corporate and non-cycling have all performed strongly.

Planned expenditure on a carpet for the infield which was due to be replaced in March, but due to a number of late bookings and a delay in some minor building works, this work was not able to be completed in 2014/15. It is proposed that £25,000 is carried forward to undertake the carpet replacement in the summer.

There were delays due to building works, learning about the flow of customers through the building, finalising designs and receiving required planning permission that caused marketing expenditure to be delayed. Members are requested to approve a total carry forward of £51,000 from the VeloPark marketing budget to cover manufacture and installation of a main entrance sign (£11,000), manufacture and installation of remaining large scale site dressing (£32,000) and further marketing activity (£8,000).

25 Lee Valley Hockey and Tennis Centre (£255,000 under spend)

In addition to the lower than anticipated business rates of £296,000 detailed in paragraph 8, staff and premises cost savings of £29,000 resulting from the delayed hand over of the venue to Lee Valley Regional Park Authority following transformation have caused a net under spend of £325,000. Within this sum there is an under spend of £9,000 relating to the marketing budget which was earmarked for the completion of signage work. Members are requested to approve the carry forward of this sum.

Off-setting this a sum of £70,000 was approved by Members (Paper E/395/15) to support funding for the European Hockey Championships to England Hockey, resulting in a net underspend of £255,000.

26 Lee Valley Ice Centre (£52,000 increased Income, £30,000 under spend)

The Ice Centre has achieved continued growth in public skating and learn to skate courses, continuing the trend of recent years and has exceeded last year's exceptional performance.

As a result of a review of the Ice Centre by the Scrutiny Committee, Members approved the sum of £50,000 for a feasibility study 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 have been

completed at a cost of £20,000. Members approved at the last Executive Committee (Paper E/397/15) that the remaining £30,000 is carried forward to complete the final phase of the feasibility study which will consider location and capital funding streams. The next stage of the feasibility study is a separate item on this agenda.

27 Lee Valley Riding Centre (£130,000 reduced income)

Due to an exceptionally wet winter the building of 13 additional Livery Stables was not completed until May 2014 and that initially 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.

28 Springfield Marina (£58,000 additional income)

Works have continued through the year to renew the pontoons within the Marina. As part of these works the pontoons have been reconfigured which resulted 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.

29 Stanstead Marina (£43,000 reduced income)

Stanstead Marina has achieved total income of £571,000 which is an increase of £54,000 compared to the previous year. Income growth has been achieved predominately in rechargeable works and chandlery income.

The Marina has undertaken some large fit out works which were anticipated to be completed before year end but have run into the current year covering the majority of the budget variance. This will impact favourably on the 2015/16 budget.

30 Lee Valley Holyfield Hall Farm (£78,000 reduced income)

2014/15 has seen a reduced price per litre of milk across the market including our milk purchaser (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. Other milk purchasers reduced their prices further in March 2015.

Advice from the dairy consultants (Kite) and by the Authority's purchaser (Arla) is that the forecast price for milk is for it to increase marginally over the coming year.

This financial year has seen the Authority's milk price fall from 35p per litre (April 2014) to a low of 24p per litre (a reduction of 11p per litre) and the Farm produces 1.2 million litres per year. The current price is 25.8p per litre which increased on 1 April, which supports the market view that the price for milk has

bottomed out and is now on the rise. The forecast is for the Farm to reach its budget for 2015/16 based on current milk prices plus the additional income from the Photo Voltaic cells.

31 Lee Valley Hayes Hill Farm (£60,000 reduced Income, £36,000 over spend)

The Farm enjoyed a strong start to the season but income fell below anticipated levels through quarters 2 and 3. Although the Farm achieved an income of £534,000, which equals the record high achieved the previous year, it is short against the stretch target of £587,000. In 2012/13 income was £469,000 and 2011/12 it was £426,000.

Food and beverage achieved a 10% profit margin against a target profit margin of 25%, which accounts for the £36,000 reported over spend, generating a £12,000 surplus. Trust officers are further reviewing stock holdings and staff rosters against anticipated business levels to work towards achieving a 25% profit margin in the current season.

32 Leyton Marsh (£43,000 under spend)

A sum of £73,000 (taken from the funding received from the temporary Olympic basketball training venue) was approved and ring-fenced for community projects at Leyton Marsh. 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 £43,000 to spend in the third and final year of the project (2015/16) and Members are requested to carry forward this sum.

33 Sewardstone Camp Site (£10,000 Increased income)

Use at the site has increased this year through the early part of the season as a result of a good spring/summer and the site has improved on the budget by £10,000.

TRUST IMPLEMENTATION BUDGET

34 In February 2014 Members of the Authority approved additional one-off funding of £500,000 to support the transfer of services to Lee Valley Leisure Trust Limited by April 2015 (Paper A/4181/14). This sum was added to the Authority's existing budget.

35 This budget provided 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. The total expenditure including an estimate of non-recoverable VAT within the Trust falls just within the £500,000 allocated. The under spend reflects that some work has been absorbed within existing base budgets e.g., legal, finance, website development and asset management.

36 Although work is still on-going within the Authority and Trust, since April these on-going costs will be met from existing and approved 2015/16 budgets or the dual running costs budget of £250,000.

The table below sets out the year end position.

Identified Commitments	Estimated Authority	Estimated Trust	Total	Actual To Date
	£'000	£'000	£'000	£'000
Legal & TUPE Advice	58	100	158	213
Finance & Tax Advice	66	78	144	86
Pension Work	14	0	14	19
Project Management	54	0	54	56
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	20
Trust Branding	0	20	20	6
Board Meetings/ Trustee Expenses/ Training etc	0	8	8	4
PA to Trust Chairman & Clerk to the Board	0	16	16	8
Website	0	10	10	0
Approved Budget	268	232	500	445
Est. Non Recoverable VAT	0	34	34	34
Total	268	266	534	479

ENVIRONMENTAL IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

39 These are dealt with in the body of the report. A summary of approved/requested carry forwards is set out in the table below

Para	Description	Amount	Approved/Requested
		£	
12	Contaminated Land Studies	45,000	Requested
24	VeloPark Carpeting	25,000	Requested
24	VeloPark Signage/Marketing	51,000	Requested
25	Hockey & Tennis Centre Signage	9,000	Requested
26	Ice Centre Feasibility Study	30,000	Approved E/397/15
32	Leyton Marsh Project	43,000	Requested
	Total	203,000	

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

42 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

Authority	A/4208/15	Contaminated Land Strategy Update	30 April 2015
Executive Committee	E/397/15	Revenue Budget 2014/15	26 February 2015
Executive Committee	E/395/15	Performance Monitoring European Hockey Championships 2015	26 February 2015
Executive Committee	E/381/14	2014/16 Pay Award	18 December 2014
Executive Committee	E/376/14	Revenue Budget 2014/15	23 October 2014
Additional Authority	A/4193/14 Part II	Performance Monitoring Proposed Senior Management Structures for LVLTA and LVRPA	31 July 2014
Executive Committee	E/370/14	Revenue Budget 2014/15	24 July 2014
Executive Committee	E/358/14	Performance Monitoring Annual Report on Treasury Management Activity 2013/14 and Annual Investment Strategy 2014/15	19 June 2014
Executive Committee	E/349/14 Part II	Restructure of the Asset Protection Section	24 April 2014
Authority	A/4181/14	A New Operational Model for LVRPA Venues	27 February 2014
Authority	A/4180/14	Proposed Budget & Levy 2014/2015	23 January 2014
Executive Committee	E/335/14	Proposed Budget & Levy 2014/2015	23 January 2014

APPENDIX ATTACHED

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

LIST OF ABBREVIATIONS

LWWC	Lee Valley White Water Centre
RV	Rateable Value
AMPD	Asset Management, Protection & Development

LEE VALLEY REGIONAL PARK AUTHORITY
 OPERATIONAL PERFORMANCE SUMMARY TO MARCH 2015

Appendix A to Paper E/408/15

	Full Year Budget £000's	Expenditure to Mar 2015 £000's	Over/(Under) to March 2015 £000's	Budget Variance %
Chief Executive	1,573	1,542	-31	(2%)
Resources & Business Development	3,018	2,843	-175	(6%)
Parklands & Venues	7,586	7,524	-62	(1%)
Non distributed costs	77	76	-1	(1%)
Services total	12,254	11,985	-269	
Investment income - bank	-260	-316	-56	(22%)
Operational total	11,995	11,669	-325	(3%)
Operational costs only				

LEE VALLEY REGIONAL PARK AUTHORITY
OPERATIONAL PERFORMANCE SUMMARY TO MARCH 2015

	Full Year Budget £000's	Expenditure to Mar 2015 £000's	Over/(Under) to March 2015 £000's	Budget Variance %
CHIEF EXECUTIVE				
Chief Executive	249	246	-3	(1%)
PR / Communications	1,036	1,027	-9	(1%)
Legal	398	394	-4	(1%)
Corporate and Democratic Core	97	93	-4	(4%)
Property Management	-673	-618	55	8%
Planning & Strategic Partnerships	466	400	-66	(14%)
Total Chief Executive	1,573	1,542	-31	(2%)
RESOURCES & BUSINESS DEVELOPMENT				
Resources & B Development Management	899	897	-2	(0%)
Finance	232	206	-26	(11%)
Information Technology	667	593	-74	(11%)
Internal Audit / Health & Safety	154	127	-27	(18%)
Corporate Systems	98	99	1	1%
Performance Management	376	365	-11	(3%)
Business Development	175	175	0	0%
Human Resources	390	369	-21	(5%)
External Audit Fee	27	12	-15	(56%)
Total Resources & Business Development	3,018	2,843	-175	(6%)
NON DISTRIBUTED COSTS				
Non Distributed Costs	77	76	-1	(1%)
Total Non Distributed Costs	77	76	-1	

	Full Year Budget £000's	Expenditure to Mar 2015 £000's	Over/(Under) to March 2015 £000's	Budget Variance %
PARKLAND AND VENUES				
Management				
Parkland & Venues Management	1,333	1,660	327	25%
Asset Protection, Maintenance, Developme	534	350	-184	(34%)
Myddelton House	280	296	16	6%
Fisheries Management	-16	-25	-9	(56%)
Sports Facilities				
Lee Valley White Water Centre	122	271	149	122%
Lee Valley Leisure Centre Golf Course	44	56	12	27%
Lee Valley Athletics Centre	473	456	-17	(4%)
Lee Valley Velopark	1,671	1,432	-239	(14%)
Lee Valley Hockey and Tennis Centre	1,007	752	-255	(25%)
Lee Valley Ice Centre	-35	-117	-82	(234%)
Riverside (Former Lido Site)	-5	-17	-12	(240%)
Lee Valley Riding Centre	-92	38	130	141%
Lee Valley Waterworks Centre	79	73	-6	(8%)
Sports Development				
Sports development	92	91	-1	(1%)
Marinas				
Lee Valley Marina, Springfield	-92	-150	-58	(63%)
Lee Valley Marina, Stanstead Abbots	-81	-18	43	70%
Farms				
Lee Valley Farm, Holyfieldhall	10	88	78	780%
Lee Valley Farm, Hayes Hill	-30	66	96	320%
Visitor Attractions				
Myddelton House Gardens	182	177	-5	(3%)
Rye House Gatehouse	8	8	0	0%

LEE VALLEY REGIONAL PARK AUTHORITY
OPERATIONAL PERFORMANCE SUMMARY TO MARCH 2015

	Full Year Budget £000's	Expenditure to Mar 2015 £000's	Over/(Under) to March 2015 £000's	Budget Variance %
Countryside Recreation				
Myddelton House Gardens Heritage Centre	54	51	-3	(6%)
Abbey Gardens	150	148	-2	(1%)
Gunpowder Park	165	165	0	0%
River Lee Country Park	740	748	8	1%
Countryside Areas	788	796	8	1%
East India Dock and Bow Creek	51	51	0	0%
Three Mills	31	27	-4	(13%)
Leyton Marsh	87	24	-43	(64%)
Holiday Accommodation				
Lee Valley Leisure Centre Campsite	-130	-126	4	(3%)
Lee Valley Campsite, Sewardstone	-94	-104	-10	11%
Lee Valley Campsite, Caravan Sales	0	0	0	-
Lee Valley Caravan Park, Dobbs Weir	26	26	0	0%
Broxbourne Chalets	2	2	0	0%
Park Projects				
Countryside Live	20	19	-1	(5%)
Youth & Schools Service	147	152	5	3%
Biodiversity Action Plan	95	90	-5	(5%)
Sports Initiatives & Partnerships				
King George Reservoir South	0	0	0	
Lee Valley Boat Centre	-30	-32	-2	(7%)
Total Parklands and Venues	7,586	7,524	-62	(1%)

Complaints raised to Stage 2 and above

	2011/12	2012/13	2013/14	2014/15
Stage 2 Complaints	2	2	3	3
Stage 3 Complaints	0	0	0	3

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Schedule 3

Management Fee

Introduction

The Management Fee has been calculated by apportioning the approved 2015/16 revenue budget of the Authority across all of the Services and then by allocating within the overall budget of the Authority relevant budget items that relate to the services the Trust are required to deliver. This has informed the calculation of the amount required for the Trust's first year of operation. It is accepted that this process results in an estimate of the amount that might reasonably be required by the Trust and that it will be necessary to reassess the accuracy of the budget allocations during the six months from the Commencement Date. Without prejudice to the operation of clause 14 of the Agreement the Authority and Trust will re-evaluate the budget allocation over the coming 6 months against actual income and expenditure and the Management Fee may be adjusted accordingly to a more accurate allocation of the overall budget of the Authority (taking account the budgetary requirements of the continuing operations of the Authority and the Trust). This allocation excludes any apportionment or transfer of funds relevant to the specific Services being transferred eg Repairs and Renewal Funds.

1 First Service Year

The Management Fee in respect of the first Service Year shall be three million five hundred and thirty-nine thousand and four hundred pounds (£3,539,400) and shall be paid as follows:

Date Payable	Amount (£)
First Quarter Day (Commencement Date)	[£1,539,400]
Second Quarter Day	[£500,000]
Third Quarter Day	[£500,000]
Fourth Quarter Day	[£1,000,000]

2 Subsequent Service Years

2.1 The Management Fee in respect of each Service Year after the first Service Year shall be calculated in accordance with the following principles:

- 2.1.1 To aim for all venues to achieve operational break-even and/or operational budget surplus by the fifth (5th) year after the Commencement Date.
- 2.1.2 To investigate and develop plans to reduce central support overheads through new contracts and/or shared business.
- 2.1.3 To ensure VAT and tax efficiency.

- 2.1.4 To support the Authority's aspiration to reduce the burden on tax payer.
- 2.1.5 To demonstrate value for money and business efficiency from Authority funds.
- 2.1.6 To ensure efficiency/maximisation on investment income through implementation of a treasury management policy and annual investment strategy.

2.2 Without prejudice to the generality of paragraph 2.1, the annual calculation and negotiation of the Management Fee shall be based on the following formula:

The Authority's base budget as approved (split Authority/Trust)

Plus an adjustment for inflation using relevant indices, (for example utility inflation/insurance inflation/staffing costs and any other relevant indices) as per any budget assumptions agreed between the parties

Less the impact of approved stretch targets (as agreed between the parties)

Less reduction in funding target (for example levy direction set by Members)

Plus approved business/service development plans (e.g. growth)

Plus adjustment for any new capital investment (by instalment - annual capital charge and interest)

Plus/Minus adjustment for previous Service Year's over/under funding.