

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

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

**THURSDAY, 29 FEBRUARY 2024 AT 10.30**

at which the following business will be transacted:

## **AGENDA**

### **Part I**

1 To receive apologies for absence.

2 **DECLARATION OF INTERESTS**

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

3 **MINUTES OF LAST MEETING**

To approve the Minutes of the meeting held on 18 January 2024 (copy herewith)

4 **PUBLIC SPEAKING**

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

5 **Q3 REVENUE BUDGET MONITORING 2023/24** Paper E/841/24

Presented by Keith Kellard, Head of Finance

6 **Q3 CAPITAL PROGRAMME BUDGET MONITORING 2023/24** Paper E/842/24

Presented by Keith Kellard, Head of Finance

- 7 LEISURE DEVELOPMENT OPPORTUNITY - Paper E/843/24  
AREA 4 LEE VALLEY WHITE WATER CENTRE

Presented by Beryl Foster, Deputy Chief Executive

- 8 Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency by reason of special circumstances to warrant consideration.
- 9 Consider passing a resolution based on the principles of Section 100A(4) of the Local Government Act 1972, excluding the public and press from the meeting for the items of business listed on Part II of the Agenda, on the grounds that they involve the likely disclosure of exempt information as defined in those sections of Part I of Schedule 12A of the Act specified beneath each item.

**AGENDA**  
**Part II**  
**(Exempt Items)**

- 10 LEISURE DEVELOPMENT OPPORTUNITY - Paper E/844/24  
AREA 4 LEE VALLEY WHITE WATER CENTRE

Presented by Beryl Foster, Deputy Chief Executive

Not for publication following the principles of the Local Government Act 1972, Schedule 12A, Part I, Section 3

- 11 PROPOSED DISPOSAL OF ENCROACHED LAND AT Paper E/840/24  
HAWES LANE, WALTHAM ABBEY

Presented by Beryl Foster, Deputy Chief Executive

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

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

21 February 2024

Shaun Dawson  
Chief Executive

**LEE VALLEY REGIONAL PARK AUTHORITY**

**EXECUTIVE COMMITTEE  
18 JANUARY 2024**

Members Present: Paul Osborn (Chairman) Heather Johnson  
David Andrews (Vice Chairman) Chris Kennedy  
Susan Barker Gordon Nicholson  
Ross Houston Jonathan Kaye (Deputy for Graham McAndrew)

Apologies Received From: Graham McAndrew

In Attendance: John Bevan, David Gardner

Officers Present: Shaun Dawson - Chief Executive  
Beryl Foster - Deputy Chief Executive  
Dan Buck - Corporate Director  
Keith Kellard - Head of Finance  
Michael Sterry - Senior Accountant  
Marigold Wilberforce - Head of Property  
Julie Smith - Head of Legal  
Sandra Bertschin - Committee & Members' Services Manager

Also present: Kevin Bartle – S151 Officer (London Borough of Enfield)

**Part I**

**293 DECLARATIONS OF INTEREST**

Name	Agenda Item No.	Nature of Interest	
Gordon Nicholson	10	Ward Councillor	<i>Non-pecuniary</i>

**294 MINUTES OF LAST MEETING**

**THAT the minutes of the meeting held on 14 December 2023 be approved and signed.**

**295 PUBLIC SPEAKING**

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

**296 2024/25 REVENUE BUDGET AND LEVY**

**Paper E/838/24**

The report was introduced by the Chief Executive, including:

- that the Authority now relied on cash income for 65% of its budget and was therefore more susceptible to risks on income;
- the levy had decreased in real terms by around 46% over the last ten years;
- the proposed 3% levy increase was below inflation.

Members welcomed the Authority's decreasing reliance on the levy which was the opposite to local authorities which now relied on Council Tax for a greater proportion of their funding.

- (1) the proposed Levy for 2024/25 as set out in paragraph 30 of Paper E/838/24; and**
- (2) the allocation of £1.8m to general reserves as set out in paragraph 25 of Paper E/838/24 be recommended to Authority was approved.**

**297 CAPITAL STRATEGY 2023/24 TO 2027/28**

**Paper E/836/24**

The report was introduced by the Head of Finance.

The S151 Officer highlighted the importance of Prudential Indicators and that some local authorities had gotten into financial difficulties by borrowing too much. CIPFA had introduced an index around borrowing and financial resilience and based on this the Authority was in a good financial position.

In response to a Member It was advised that an asset investment strategy was being developed, including sports buildings and wider Park assets such as bridges and footpaths.

Members endorsed the creation of a sinking fund for the Olympic venues as they were now over ten years old and there could potentially be some high cost maintenance required in the future despite the Authority's continued investment in the venues.

The Chairman commented that our Olympic venues had received no subsidy unlike other London Olympic venues and that any borrowing by the Authority was based on a solid business case to produce new income streams.

- (1) the Capital Strategy as an overarching strategy document within the body of Paper E/836/24 and Appendices B to D of Paper E/836/24; and**
- (2) the Prudential Indicators for 2023/24 to 2027/28 as set out in Appendix A to Paper E/836/24 be recommended to Authority was approved.**

**298 PROPOSED CAPITAL PROGRAMME 2023/24 (REVISED) TO 2027/28**

**Paper E/837/24**

The report was introduced by the Head of Finance.

- (1) the revised capital programme for 2023/24 (revised) to 2027/28 as set out in Appendix A to Paper E/837/24; and**
- (2) the proposed capital funding to meet the planned capital programme as set out in Appendix B to Paper E/837/24 be recommended to Authority was approved.**

**299 EXEMPT ITEMS**

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

<b>Agenda Item No</b>	<b>Subject</b>	<b>Exempt Information Section Number</b>
10	Proposed Wayleave for Underground Electricity Cables at 50 Wharf Road, Broxbourne, EN10 6HD	3
300	PROPOSED WAYLEAVE FOR UNDERGROUND ELECTRICITY CABLES AT 50 WHARF ROAD, BROXBOURNE, EN10 6HD	Paper E/839/24

The report was introduced by the Head of Property.

- (1) entering into a Wayleave In relation to the cable route shown in red on the plan at Appendix A to Paper E/839/24;**
- (2) the terms set out in paragraph 2 to Paper E/839/24; and**
- (3) the signing and sealing as appropriate of all necessary legal documentation was approved.**

Richard Bassett joined the meeting during consideration of the above item.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Date

The meeting started at 11.45am and ended at 12.28pm

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**Q3 REVENUE BUDGET MONITORING 2023/24**

Presented by the Head of Finance

**EXECUTIVE SUMMARY**

This report summarises monitoring of revenue expenditure to December 2023. It compares income and expenditure to the approved budget and includes a projection indicating the likely outturn position against the annual budget for the year ended 31 March 2024.

The budget was set in the context of high energy prices that were expected to rise again in October, and high inflation and cost of living pressures on customers that were anticipated to negatively impact income. A contingency of £600,000 was included within the budget to mitigate these risks.

The year-end position shows a projected net under spend of £124,000 against the net revenue budget deficit of £456,000. The net deficit for the year is forecast as £332,000. The major variations currently projected are summarised in the table below.

Description	Annual Budget	Forecast Outturn	Variance
Interest Payable	828	1,026	198
Interest Receivable	(30)	(619)	(589)
Campsites	(911)	(691)	220
Marinas	(479)	(392)	87
Parklands and Open Spaces	2,825	2,929	104
Leisure Services Contract	2,274	2,609	335
Minimum Revenue Provision (Ice)	700	646	(54)
Corporate Services	(295)	(327)	(32)
Business Support Services	2,487	2,683	196
Other	3,104	3,115	11
Levies	(10,647)	(10,647)	0
<b>SUB-TOTAL</b>	<b>(144)</b>	<b>332</b>	<b>476</b>
Energy and General Contingency	600	0	(600)
<b>TOTAL</b>	<b>456</b>	<b>332</b>	<b>(124)</b>

## **RECOMMENDATION**

Members Note: (1) the report.

## **BACKGROUND**

- 1 The Executive Committee recommended a budget for 2023/24 at its meeting in January 2023 (Paper E/795/23). Members approved this at the Authority meeting on 19 January 2023 (Paper A/4329/23). This report compares forecast income and expenditure to 31 March 2024 with the budget.
- 2 The summary financial position of each Authority service or facility is shown in Appendix A to this report.
- 3 The net revenue budget was set at a deficit of £456,000. The year-end position is forecast as £332,000 deficit, which is a £124,000 improvement on budget.

## **GENERAL ECONOMIC FACTORS**

### **4 Inflation**

December's inflation for the Retail Price Index (RPI) stood at 5.2% and Consumer Price Index (CPI) at 4.0%. The Bank of England expect inflation to fall to 2% in the Spring before rising slightly (Bank of England Monetary Policy Committee Report February 2024). The Bank of England increased the base rate to 5.25% on 3 August in an effort to try to control inflation, and will keep rates high for long enough to bring down inflation to their target level of 2%.

### **5 Energy Costs**

The Authority purchases energy through the Laser framework that has secured energy prices below market rates and has protected the Authority from the worst of the energy price increases over the last year. The current agreement started in October 2023 and has fixed prices until September 2024.

The 2023/24 energy budgets were built based on actual energy consumption, energy tariffs secured to September 2023, and Laser's forecast at that time for the new tariff from October 2023.

Consumption across Authority venues is being monitored closely and overall there has been reduced consumption compared to last year. The new tariffs from October 2023 to September 2024 were received in early November. Electricity tariffs have increased by less than expected, and gas tariffs have reduced. Overall these tariffs are a 7% saving compared to the budget assumption, and combined with consumption levels we forecast a £60,000 saving across energy budgets, spread across the venues.

As part of the shared risk position for utilities at the Leisure Services Contract (LSC) venues, the Authority takes the risk for tariff and Greenwich Leisure Ltd (GLL) takes the risk for utility consumption. This arrangement is due to end after the first two contract years, however both parties are discussing an amendment to the contract to agree the most beneficial risk profile.

The 2023/24 budget includes £1.43 million to cover this tariff risk. To date consumption savings have been achieved across the LSC venues due to the LED investment at Lee Valley VeloPark and good management practices



across the venues. Consumption savings from the further LED investment projects across other LSC venues, as agreed by Executive in February 2023 (Paper E/802/23), will be fully seen in 2024/25. GLL have also received better than anticipated tariffs, and combined with reduced consumption it is forecast that there will be a saving of at least £120,000 against this budget.

## 6 Pay Award

In February the National Employers made a full and final offer for the 2023/24 pay award of an increase of £1,925 on all National Joint Council (NJC) pay points 1 to 43, an increase of 3.88% on all pay points above 43, and an increase of 3.88% on London Weighting. Initially the unions rejected the offer, but it was announced on 1 November 2023 that Unison and GMB have accepted the offer and, whilst Unite have refused, a majority decision has been reached to accept the offer.

Members agreed in November (Paper E/826/23) that the Authority should set a pay award for 2023/24 for officers on pay point 44 and above in line with the NJC scale.

The 2023/24 budget included provision for a 4% pay award. The final award represents an approximate 5% increase, which equates to £90,000 additional expenditure against the approved budget.

## MAIN VARIANCES FROM BUDGET

7 The main variances against this year's budget are described below.

### FINANCING

#### 8 Interest Receivable (£589,000 additional income) and Interest Payable (£198,000 additional expenditure)

The increased rates of interest have impacted both the income received on investments, and interest payable on loans. Interest receivable has been significantly increased due to a higher than anticipated cash holding and effective treasury management. This includes money that will be owed to GLL that they have not yet invoiced for (Management Fee, Year 1 Utilities risk share and investment projects at venues). Interest received on the VAT rebate, detailed in paragraph 18, is included within this figure.

#### 9 Minimum Revenue Provision / Contribution to Capital (£54,000 saving against budget)

Under the Prudential Code, we are required to make a statutory provision for repayment of debt, be that external or internal. This is based on a calculation of the Capital Financing Requirement (CFR) as at the prior year balance sheet date.

The redevelopment of Lee Valley Ice Centre is our one area of external borrowing, and the 2023/24 budget was built on the expectation that we would have borrowed, and thus have an obligation to repay, £28 million with the venue coming into operation in February 2023.

Members also agreed (Paper A/4330/23) that £5 million of the capital receipt for Mile and Langley Nursery should be used to finance the Lee Valley Ice

Centre redevelopment scheme rather than using external borrowing. This would have reduced the Minimum Revenue Provision (MRP) to £575,000 for 2023/24.

However, with the delay to the handover until May 2023, the CFR for Lee Valley Ice Centre redevelopment based on the balance sheet was £NIL with no statutory requirement for any MRP. Whilst the CFR for Lee Valley Ice Centre is £0 for 2023/24, we still do have this external borrowing that requires financing. Therefore, we have included the £575,000 as a voluntary contribution to fund capital, and thus reduce the future requirement for external borrowing. Without this voluntary contribution, repayment of borrowing would be extended by a year, along with the associated interest costs.

An additional £71,000 contribution to capital has been funded from the returns delivered by the investment projects at Lee Valley Athletics Centre and Lee Valley Riding Centre, and as agreed by Members (Paper E/797/23) is a contribution to replacing the capital the Authority directly invested in the schemes.

## **BUSINESS SUPPORT SERVICES**

### **10 Financial Management (£174,000 additional expenditure)**

Additional consultancy support has been required which includes support from KPMG that resulted in the VAT rebate detailed in paragraph 18.

## **PARKLANDS AND OPEN SPACES**

### **11 Countryside Areas (£137,000 additional expenditure)**

The retendering of the security contract with Parkguard, reported to Executive in November (Paper E/831/23), has resulted in increased costs for the remainder of this year. Meadow cuts sit outside of the main grounds maintenance contract and actual costs for this year have come back higher than anticipated in the budget.

Ranger staffing has been brought back up to the required level this year. Due to long term staff illness there has been a requirement for additional staffing expenditure to maintain service delivery. Higher than usual instances of fly tipping and arboriculture works following storms have also increased expenditure.

## **SMALL VENUES**

### **12 Marinas (£87,000 overspend)**

The cost of living is having an impact at the marinas, with a higher turnover of moorers than in previous years. There is demand to replace these moorings, with just a few vacant hardstanding moorings at Stanstead during the summer. Demand for rechargeable works is down on previous years. This is mainly attributed to the cost of living, with customers looking to delay works, carry them out themselves, or use cheaper competitors where available for smaller jobs.

The lease for land rented at Rye House for moorings has been completed. The rent to be paid this year is £20,000, which was not included in the budget.

We are currently carrying out a review at both marinas, and following a presentation to Members in November, a report will be brought back to Executive in the Spring.

**13 Campsites (£220,000 overspend)**

Across the campsites occupancy levels for touring and rental accommodation have generally been in line with last year. However, the introduction of the extended ULEZ zone from August has had an impact. Edmonton Campsite is inside the zone and Sewardstone is just outside. Touring bookings have dropped at Edmonton and although we have been able to redirect most impacted bookings to Sewardstone, where we have seen increased occupancy, there is a risk that overall income will be down.

Income from new investment projects at Dobbs Weir and Sewardstone (Pods, customer Wi-Fi and Holiday Homes) is not expected to achieve budget targets. We have experienced some delays in delivery, and demand is building more slowly than hoped. Marketing campaigns are being used to push these products and demand is expected to pick up during the year.

Caravan sales are forecast to achieve budget, with sales expected for the five new plots at Dobbs Weir.

**LEISURE SERVICES CONTRACT**

**14 Management Fee (£47,000 additional expenditure)**

The second year of the LSC commenced on 1 April 2023. The Authority is due to make a management fee payment to GLL this year, then from year three onwards this becomes a payment to the Authority. Adjustments to the management fee and other payments to GLL are explained below.

The Executive Committee (Paper E/743/21) approved the capital project to build a new Kayak Slalom Ramp at Lee Valley White Water Centre. This was completed in May 2023. The ramp was used for the Kayak Cross events at the 2023 Canoe Slalom World Championships held at the venue in September 2023. During the build there were restrictions to the programme on the Olympic Course, and a loss of income payment of £16,745 was agreed by Authority (Paper A/4341/23).

The contractors were required to return to site in January to carry out remedial work which meant that the Olympic Course could not be used for four days. A further loss of income payment is due to GLL, and a figure of £7,500 has been agreed.

Additionally, Members approved (Paper A/4341/23) an additional £23,400 be added to the Leisure Operators Base Trading Account (LOBTA) for an engineer at the Lee Valley Ice Centre to ensure that the building and plant is maintained to a high standard.

**15 Efficiencies / Increased Income (£113,000 savings not achieved)**

The Authority is working with GLL on a number of planned investment projects across the venues. Members approved two projects in January 2023 (Paper E/796/23). The health and fitness redevelopment at Lee Valley Athletics Centre and the mechanical horse at Lee Valley Riding Centre have both been

completed. These projects will generate an additional income which will adjust the management fee by £75,000 this year. Once these two projects have reached full maturity, the annual return will be around £220,000.

Following investment in the LED lighting project at Lee Valley VeloPark, Members approved further spend to save LED investment at Lee Valley Hockey and Tennis Centre, Lee Valley Athletics Centre, Lee Valley Riding Centre and Lee Valley White Water Centre (Paper E/802/23). These projects are underway and consumption savings will benefit future years' utility risk share expenditure. There is also an associated saving on lighting lifecycle replacement costs, with a £10,000 saving this year.

#### **16 Utilities (£120,000 reduced expenditure)**

As explained earlier in this report we forecast a £120,000 saving against the LSC utilities budget. However, this still represents a payment of £1.31 million in respect of the tariff risk element of total LSC utility costs.

#### **17 Lee Valley Ice Centre (£270,000 additional expenditure)**

The new Lee Valley Ice Centre opened to the public in June 2023, later than originally planned. A management fee adjustment of £520,000 has been agreed that reflects the loss of income associated with the delay. This reflects the longer than expected delay assumed at the time of setting the £250,000 budget provision.

Members received a report in October 2023 (Paper A/4341/23) that detailed this and a number of other management fee adjustments and approved the values for payment to GLL. This additional expenditure will be covered by the budget contingency.

### **FURTHER ISSUES**

#### **18 VAT Claim on Sporting Income**

Following conclusion of the legal case around VAT on local authority non-business income, the Authority received a refund from HMRC along with accrued interest, which after fees for KPMG have been deducted results in a net receipt of £1.8 million.

In January Members approved the 2024/25 Budget (Paper A/4346/24) and for the £1.811 million refund to be held in the General Fund. The accrued interest and KPMG fees are included within the outturn within Investment income, and Business Support Services appropriately.

### **ENVIRONMENTAL IMPLICATIONS**

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

### **FINANCIAL IMPLICATIONS**

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

## **HUMAN RESOURCE IMPLICATIONS**

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

## **LEGAL IMPLICATIONS**

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

## **RISK MANAGEMENT IMPLICATIONS**

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

## **EQUALITY IMPLICATIONS**

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

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## **PREVIOUS COMMITTEE REPORTS**

Executive Committee	E/827/23	Q2 Revenue Budget Monitoring 2023/24	23 November 2023
Executive Committee	E/816/23	Q1 Revenue Budget Monitoring 2023/24	21 September 2023
Authority	A/4329/23	2023/24 Revenue Budget & Levy	19 January 2023
Executive Committee	E/795/23	2023/24 Revenue Budget & Levy	19 January 2023

## **APPENDIX ATTACHED**

Appendix A Detailed outturn forecast

## **LIST OF ABBREVIATIONS**

LSC	Leisure Services Contract
GLL	Greenwich Leisure Limited
NJC	National Joint Council
CFR	Capital Financing Requirement
MRP	Minimum Revenue Provision
LOBTA	Leisure Operators Base Trading Account

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YEAR 2023/24

PERIOD: 09 (December 2023)

	Actual To Date			Annual Net Budget	Proposed Net Outturn	Variance	
	Income	Expenditure	Net			£000s	%
<b>OPERATIONAL SERVICES</b>							
Chief Executive	(5)	449	444	609	607	(2)	(0%)
Corporate Services	(1,554)	1,019	(535)	(295)	(327)	(32)	(11%)
Business Support Services	(46)	1,768	1,722	2,487	2,688	196	8%
Sport and Leisure	(282)	918	636	988	1,010	22	2%
Parklands and Open Spaces	(646)	2,591	1,945	2,825	2,990	105	4%
Small Venues	(4,224)	3,160	(1,064)	(1,253)	(958)	295	24%
Leisure Services Contract	0	9	9	2,274	2,609	335	15%
	(6,757)	9,914	3,157	7,635	8,554	919	12%
<b>FINANCING</b>							
Interest Receivable	(437)	0	(437)	(30)	(619)	(589)	(1963%)
Interest Payable & Bank Charges	0	504	504	828	1,026	198	24%
Contributions to/from Earmarked Reserves	0	0	0	940	942	2	0%
Financing of Capital Expenditure	0	0	0	0	646	646	0%
Minimum Revenue Provision (Pre-2007)	0	0	0	430	430	0	0%
Minimum Revenue Provision (Ice Centre)	0	0	0	700	0	(700)	(100%)
						0	
Levies on Local Authorities	(7,985)	0	(7,985)	(10,647)	(10,647)	0	0%
Income And Energy Contingency	0	0	0	600	0		
<b>Movement in General Fund</b>				<b>456</b>	<b>992</b>	<b>(124)</b>	<b>(27%)</b>
VAT refund - allocated to General Fund					(1,811)		
<b>TOTAL MOVEMENT IN GENERAL FUND</b>					<b>(1,479)</b>		

	Actual To Date			Annual	Proposed	Variance	
	Income	Expenditure	Net	Net Budget	Net Outturn	£000s	%
<b>CHIEF EXECUTIVE</b>							
Chief Executive	0	172	172	234	234	0	0%
PR / Communications	(5)	277	272	375	373	(2)	(1%)
<b>TOTAL CHIEF EXECUTIVE</b>	<b>(5)</b>	<b>449</b>	<b>444</b>	<b>609</b>	<b>607</b>	<b>(2)</b>	<b>(0%)</b>
<b>CORPORATE SERVICES</b>							
Legal Service	(2)	329	327	539	535	(4)	(1%)
Property Management	(1,552)	284	(1,269)	(1,406)	(1,430)	(24)	(2%)
Planning and Strategic Partnerships	0	77	77	155	117	(38)	(25%)
Asset Protection, Maintenance & Development	0	232	232	292	321	29	10%
Committee Service	0	97	97	125	130	5	4%
<b>TOTAL CORPORATE SERVICES</b>	<b>(1,554)</b>	<b>1,019</b>	<b>(535)</b>	<b>(295)</b>	<b>(327)</b>	<b>(32)</b>	<b>(11%)</b>
<b>BUSINESS SUPPORT SERVICES</b>							
Financial Management	0	500	500	502	676	174	35%
Human Resources Management	0	177	177	217	229	12	6%
Information Technology	(29)	597	568	871	880	9	1%
Corporate Insurances	0	217	217	489	489	0	0%
Audit / Health & Safety	(17)	108	90	206	199	(7)	(3%)
Non Distributed Costs	0	48	48	62	63	1	2%
Corporate Training / Apprenticeships	0	45	45	42	47	5	12%
Project & Funding Delivery	0	76	76	98	100	2	2%
<b>TOTAL FINANCIAL SERVICES</b>	<b>(46)</b>	<b>1,768</b>	<b>1,722</b>	<b>2,487</b>	<b>2,683</b>	<b>196</b>	<b>8%</b>
<b>SPORT AND LEISURE</b>							
Events	(248)	253	5	41	68	27	66%
Sports Development	(7)	34	26	89	82	(7)	(8%)
Policy and Performance	0	499	499	682	690	8	1%
Learning & Engagement Service	(24)	112	88	136	133	(3)	(2%)
Community Access	(3)	20	16	40	37	(3)	(8%)
<b>TOTAL SPORT AND LEISURE</b>	<b>(282)</b>	<b>918</b>	<b>636</b>	<b>988</b>	<b>1,010</b>	<b>22</b>	<b>2%</b>



	Actual To Date			Annual Net Budget	Proposed Net Outturn	Variance	
	Income	Expenditure	Net			£000s	%
<b>PARKLANDS AND OPEN SPACES</b>							
<b>Management</b>							
Operational Management	0	221	221	294	295	1	0%
Myddelton House Management	(10)	311	301	371	368	(3)	(1%)
<b>Parklands</b>							
River Lee Country Park	(6)	239	233	356	338	(23)	(6%)
Gunpowder Park	(1)	67	66	89	92	3	3%
Countryside Areas	(146)	1,009	863	1,250	1,387	137	11%
Abbey Gardens	(2)	63	61	81	82	1	1%
Three Mills	0	19	19	25	26	1	4%
East India Dock and Bow Creek	(4)	19	15	27	23	(4)	(15%)
Leyton Marsh	0	0	0	0	0	0	0%
Broxbourne Riverside	(20)	15	(4)	18	18	0	0%
Fisheries	(111)	18	(94)	(72)	(86)	(14)	(19%)
<b>Visitor Attractions</b>							
Myddelton House	(130)	242	112	178	176	(2)	(1%)
Rye House Gatehouse	0	2	2	5	5	0	0%
<b>Park Projects</b>							
Volunteers	0	36	36	46	47	1	2%
Biodiversity Management	0	87	87	118	119	1	1%
<b>Farms</b>							
Lee Valley Farm, Holyfieldhall	(154)	229	76	93	99	6	6%
<b>Initiatives and Partnerships</b>							
King George Reservoir South	(11)	14	3	(1)	(1)	0	0%
Lee Valley Boat Centre	(41)	0	(41)	(41)	(41)	0	0%
Broxbourne Chalets	(10)	0	(10)	(12)	(12)	0	0%
<b>TOTAL PARKLAND AND OPEN SPACES</b>	<b>(646)</b>	<b>2,591</b>	<b>1,945</b>	<b>2,825</b>	<b>2,930</b>	<b>105</b>	<b>4%</b>
<b>Small Venues</b>							
Lee Valley Marina Springfield	(875)	537	(339)	(391)	(372)	19	5%
Lee Valley Marina Stanstead	(634)	599	(34)	(88)	(20)	68	77%
Lee Valley Waterworks Centre	(6)	53	48	84	81	(3)	(4%)
Lee Valley Campsite (Sewardstone)	(611)	417	(194)	(154)	(119)	35	23%
Lee Valley Caravan Park (Dobbs Weir)	(826)	570	(256)	(391)	(223)	168	43%
Lee Valley Leisure Centre Campsite	(524)	375	(149)	(108)	(89)	19	18%
Lee Valley Leisure Centre Golf Course	(102)	119	16	53	44	(9)	(17%)
Almost Wild Campsite	(50)	24	(26)	(15)	(19)	(4)	(27%)
Caravan Sales	(596)	466	(130)	(243)	(241)	2	1%
<b>TOTAL SMALL VENUES</b>	<b>(4,224)</b>	<b>3,160</b>	<b>(1,064)</b>	<b>(1,253)</b>	<b>(958)</b>	<b>295</b>	<b>24%</b>

	Actual To Date			Annual Net Budget	Proposed Net Outturn	Variance	
	Income	Expenditure	Net			£000s	%
<b>LEISURE SERVICES CONTRACT</b>							
Management Fee	0	0	0	561	608	47	8%
Efficiencies / Increased Income	0	0	0	(200)	(117)	113	57%
LSC Support	0	0	0	0	0	0	0%
LSC Venues Direct Costs	0	9	9	233	238	25	11%
LSC Contingency (Utilities)	0	0	0	1,430	1,310	(120)	(8%)
LSC Operations (Ice Centre)	0	0	0	250	520	270	108%
<b>TOTAL LSC VENUES AND BUSINESS SUPPORT</b>	<b>0</b>	<b>9</b>	<b>9</b>	<b>2,274</b>	<b>2,609</b>	<b>335</b>	<b>15%</b>
<b>TOTAL OPERATIONAL SERVICES</b>	<b>(6,757)</b>	<b>9,914</b>	<b>3,157</b>	<b>7,485</b>	<b>8,554</b>	<b>919</b>	<b>12%</b>



**LEE VALLEY REGIONAL PARK AUTHORITY**

**EXECUTIVE COMMITTEE**

**29 FEBRUARY 2024 AT 10:30**

**Agenda Item No:**

**6**

**Report No:**

**E/842/24**

**Q3 CAPITAL PROGRAMME BUDGET MONITORING 2023/24**

Presented by Head of Finance

**EXECUTIVE SUMMARY**

This report summarises capital spending in 2023/24 compared to the current capital programme.

Appendix A to this report provides a financial summary of current schemes within the capital programme and shows that overall capital expenditure for the year-end is currently projected to be £6.200 million, along with £0.374 million of capital related income.

**RECOMMENDATION**

Members Note: (1) the report.

**BACKGROUND**

- 1 Authority initially approved the capital programme for 2023/24 at its meeting on 19 January 2023 (Paper A/4330/23). Additional approvals for investment at Lee Valley VeloPark (Papers A/4340/23 and E/833/23) and LED lighting at Leisure Services Contract (LSC) venues (Paper E/802/23), has updated the programme. This report compares the actual spend with the current programme.
- 2 Where there is a significant variance, resulting in a projected under or over spend for a particular project, a brief explanation for the variance is provided below by the Accountable Officer for that scheme.
- 3 Where slippage is projected and reported, those resources remain earmarked for the particular schemes in question in future years. Where an under spend is reported these savings are added back into capital funds.
- 4 The original annual budget for 2023/24 was £6.837 million net expenditure. However, reprofiling due to prior year slippage, along with the inclusion of other identified schemes, has meant the current capital budget is now £8.923 million. The projected capital position for the year is £6.121 million, with £0.399 million of capital related income.

## **SPECIFIC SCHEMES**

5 The review of major schemes in 2023/24 is detailed below.

### **6 Lee Valley Ice Centre Redevelopment**

The Lee Valley Ice Centre redevelopment project reached Practical Completion on 11 May 2023 and was immediately handed over to Greenwich Leisure Ltd (GLL) after completion of the Lease and associated Deed of Variation.

The Venue opened to the public on 17 June. There are a number of snagging / defects that were being remedied until Buckingham Group Contracting Limited (BGCL) filed for administration in August due to escalating contract losses (unrelated to Lee Valley Ice Centre redevelopment). They were unable to continue trading and issued a notice of intention to appoint Administrators.

On 4 September 2023 BGCL entered into administration, with Rob Parker, Jon Roden and Kevin Coates of Grant Thornton UK LLP being appointed as Joint Administrators. At this point BGCL officially ceased to continue with any contracts that they were involved with.

Members approved the recommendations within Paper E/820/23 to make a claim for the outstanding liquidated damages owed to the Authority, terminate the contract with BGCL and, following the termination, where possible to require BGCL's sub-contractors to remedy defects under collateral warranties and to employ third parties to undertake any remaining outstanding snagging and defect works.

Officers have undertaken all of the above and the process for rectification of the snagging and defects is being undertaken and making good progress. The Authority has made its commercial position clear with the Administrators and will update Members in due course of any progress in this area.

### **7 Lee Valley Ice Centre Funding**

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

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

Due to the current volatility in rates we have continued with this approach as it gives the Authority greater freedom and flexibility to respond should rates drop. Over the last few weeks we have seen Public Works Loans Board (PWL) long term rates at around 5.50%. Our Medium Term Financial Forecast is based on rates being around 4%. The rates in the short-term market are around 5.30%, although our current borrowing is between 4.10% and 4.50%. It would therefore be prudent to wait for when it may be appropriate to take longer-term borrowing.

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

We continue to be supported by the London Borough of Enfield, via the Section 151 Officer, along with their external treasury advisors, Arlingclose, in adopting this approach to borrowing.

Since the Q2 report one loan of £5 million @ 4.50% interest was repaid in December, which was refinanced by a further one year loan, at 4.30%, which was forward arranged in March 2023. The next loan repayment that currently doesn't have financing is due for repayment in April 2024.

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

## **8 Asset Maintenance**

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

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

The annual AM profiled budget is expected to be around £0.94 million, and includes schemes carried over from the prior year. Main areas included in the programme for 2023/24 include:

- Lee Valley Marina Springfield – asbestos roof replacement;
- Marina lighting upgrades;
- Footpath maintenance;
- Bridge maintenance and repairs; and
- Abbey Gardens.

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

## **9 Hostile Vehicle Mitigation**

This project has seen a number of delays due to both the planning process and a significant increase in material costs. This has seen a significant rise in costs above the current approved budget. The scheme has now been fully redesigned with support from counter terrorism experts and the changes have achieved the project requirements whilst reducing the overall scheme costs. The project is being procured during the planning process to enable a start on site within this financial year.

## **10 Lee Valley Park Farm, Holyfield Hall**

A paper giving an update on the change of operation at the Farm was presented to Members in October (Paper E/825/23). We are still experiencing difficulty in disposing of some machinery relating to the milking parlour, and may have to

take the approach to scrapping this due to the reduction of dairy farms over the last few years.

On the back of this, we have not yet fully invested in all the livestock, fencing, nor the baler, due in part to the delays in rolling out the Stewardship Agreement at the Farm.

The capital received for the sale of livestock and machinery will be ring-fenced for reinvestment in the Farm, which is now expected in the next financial year.

## **11 Landscape, Open Spaces and Investment Projects**

### **Middlesex Filter Beds**

We now have costings for the interim solution and are progressing quotes to obtain a contractor. The option of a suitable electric feed continues to be investigated and positive steps have been made with Canal & River Trust (CRT). It has been difficult to engage with Thames Water where the potential electric feed would come from a sub-meter on their land but CRT have provided some additional information and we will now work in partnership to get a feed to site as soon as possible. Bio-fuel options and Hydro-treated Vegetable Oil (HVO) will be used for the generator. Consultants are progressing the required works and we expect to procure contractors and install the interim solution by March 2024. Members will be updated as to how this project is progressing and when completion is expected once contractors have been procured. Habitat improvement works are underway and will be completed this winter in preparation of installation of the pumps.

### **East India Dock Basin**

Final sampling points are still being agreed with the Marine Management Organisation (MMO) and Port of London Authority (PLA) and we are seeking value for money options from the consultants to complete this final element of the sampling stage. This will allow the application for a licence to disperse silt into the Thames. The officer view remains that we should wait until Spring 2024 and see if there is any progress on the adjacent Orchard Wharf planning application as this may have an impact on the direction of this project and may open up further funding streams. A paper will be brought to Members in the first half of 2024 when more information is available.

### **St Pauls Field**

The St Paul's Field project will deliver 3.25km of new footpath from Meadgate Road in Nazeing to Dobbs Weir Road. This will open up an area of the Park which has been inaccessible to the public, delivering a countryside and lakeland pathway for pedestrians and cyclists.

Works have commenced with clearance completed. Procurement for the fishing swims contract is prepared and final contamination surveys are being undertaken to ensure we can proceed safely. This has caused a slight delay whilst we wait for results and seek the final consultation with the Environment Agency. We expect construction work on the path to commence in late March or early April with completion within a few months of contractors taking possession of the site.

### **North Wall Road**

North Wall Road is north of Lee Valley VeloPark and jointly owned with the London Legacy Development Corporation (LLDC). It is a hard landscape which has had little value for either organisation. We have received and commented on

two versions of draft proposals and are on track to receive RIBA Stage 2 proposals by the end of March 2024. Officers will report back to Members on the designs, costs and outcome of the development work early in 2024. Delivery funding will be investigated but it is currently unclear from the GLA if the Green and Resilient Spaces funding stream will continue and we are likely to know further details on this early in 2024.

## 12 Venue Investment Projects

Main updates since Q2 are as follows.

### **Lee Valley VeloPark Spectator Barrier**

The scheme is to remove the current track barrier and handrail around the indoor velodrome track and replace it with a clear Perspex screen that will be around 1400mm high. This will not only enhance significantly the spectator experience but also allow the venue to achieve accreditation to stage UCI events when the new governance comes into place. This is after a review by UCI into the major incident when a rider and bike traversed the old barrier and injured a spectator during a UCI event held at the Velodrome last year. The details and design have been approved by UCI and the cost of the scheme is approx £300,000.

We are discussing with GLL to identify a suitable date for installation, and a loss of income calculation.

## **CAPITAL RECEIPTS**

- 13 As reported in Q2, the Authority has received a small capital receipt of £11,250 in respect of the disposal of land at the rear of 42 South Street, Stanstead Abbots, along with receipts of £171,500 relating to the sale of the dairy herd at Lee Valley Farm, Holyfield Hall, and some machinery.

Subject to Member approval, we also expect a small receipt from disposal of encroached land at Hawes Lane, Waltham Abbey (as set out in Paper E/840/24), although this may not be received until after April, so is not included in the current forecast outturn.

## **ENVIRONMENTAL IMPLICATIONS**

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

## **EQUALITY IMPLICATIONS**

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

## **FINANCIAL IMPLICATIONS**

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

## HUMAN RESOURCE IMPLICATIONS

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

## LEGAL IMPLICATIONS

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

## RISK MANAGEMENT IMPLICATIONS

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

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## APPENDIX ATTACHED

Appendix A Capital Monitoring 2023/24 Q3 Outturn

## PREVIOUS COMMITTEE REPORTS

Authority	A/4348/24	Proposed Capital Programme 2023/24 (Revised) to 2027/28	18 January 2024
Executive Committee	E/828/23	Q2 Capital Programme Budget Monitoring 2023/24	23 November 2023
Executive Committee	E/817/23	Q1 Capital Programme Budget Monitoring 2023/24	21 September 2023
Executive Committee	E/810/23	Q4 Capital Programme Budget Monitoring 2022/23	24 May 2023
Executive Committee	E/800/23	Q3 Capital Programme Budget Monitoring 2022/23	23 February 2023

## ABBREVIATIONS

AM	Asset Maintenance
CRT	Canal & River Trust
HVO	Hydro-treated Vegetable Oil
GLL	Greenwich Leisure Limited
LLDC	London Legacy Development Corporation
MMO	Marine Management Organisation
PLA	Port of London Authority
RIBA	Royal Institute of British Architects
LSC	Leisure Services Contract
BGCL	Buckingham Group Contracting Ltd



Project Name	Fall Scheme Budget	Prior Years Spend To Date	Profilled Budget 2023/24	Actual to 31 Dec 2023	Projected Outturn at 31/03/2024	Projected Variance	Comment
	£000s	£000s	£000s	£000s	£000s	£000s	
<b>ANNUAL EARMARKED PROVISION</b>							
Biodiversity Action Plan	-	-	50	16	55	5	Programme Delivery Profiling
IT Infrastructure & Communications	-	-	140	61	70	-70	Programme Delivery Profiling
Asset Management	-	-	942	623	940	-2	Programme Delivery Profiling
<b>PROJECT SPECIFIC BUDGETS</b>							
Lee Valley Ice Centre Redevelopment	30,000	27,100	2,300	1,207	2,000	-300	Programme Delivery Profiling
Olympic Park Hostile Vehicle Mitigation	495	5	490	7	7	-483	Slippage/In Progress
White Water Pumps Replacement	1,040	885	155	149	149	-6	Additional works - Scheme Complete
Holyfieldhall Farm Operational Change	155	0	66	56	66	0	On target
<b>LANDSCAPE, OPEN SPACE &amp; INVESTMENT PROJECTS</b>							
East India Dock Basin - Feasibility	85	61	24	16	16	-8	Stage Complete
East India Dock Basin - De-silting works	500	0	500	0	50	-450	Provisional Budget
Middlesex Filter Beds Sluice	240	0	240	5	40	-200	Slippage/In Progress
St Pauls Field - Feasibility	50	22	28	18	33	5	In progress
St Pauls Field	300	0	300	0	300	0	Provisional Budget
North Wall Road	40	0	40	23	40	0	On target
Three Mills Green	340	331	9	9	9	0	Retention - Scheme Complete
<b>VENUES INVESTMENT PROJECTS</b>							
<b>Non-Sports Venues</b>							
Feeder Pillars (Springfield)	75	0	75	31	50	-25	In progress
Workshop Extension (Springfield)	100	0	100	0	0	-100	Scheme Delay
Scout Hut Refurbishment (Springfield)	50	0	50	0	0	-50	Scheme Delay
Laundry Room Extend (Stanstead Abbots)	70	0	70	18	56	-14	In progress
Dobbs Welr Bungalow (Renovation)	55	8	47	90	90	43	In progress
Sewardstone House (Renovation)	40	21	19	25	25	6	In progress
<b>Sports Venues</b>							
WhiteWater - Offices/Meeting Rooms	500	496	0	61	60	60	Additional works - Scheme Complete
Whitewater - Slalom Ramp	340	32	308	325	325	17	Scheme Complete
LVRC Equestrian Simulator	65	0	65	0	65	0	Scheme Complete
LVAC Health & Fitness Refurbishment	575	0	575	1	575	0	In progress
LSC LED Lighting	1,522	0	1,522	5	800	-722	Slippage/In Progress
Velo Spectator Barrier	300	0	300	8	300	0	Scheme Delay
Velopark Health & Fitness Offer	508	0	508	0	508	0	In progress
<b>TOTAL PROGRAMME</b>			<b>8,923</b>	<b>2,754</b>	<b>6,121</b>	<b>-2,802</b>	
<b>External Funding</b>							
Whitewater - Slalom Ramp	-150	0	-150	-150	-150	0	
North Wall Road	-40	0	-40	-4	-40	0	
<b>Capital Receipts</b>							
Land Disposal, Stansted Abbots	0	0	-12	-12	-12	0	
Holyfieldhall Farm Livestock/Machinery	-200	0	-200	-172	-197	3	
<b>TOTAL INCOME</b>			<b>(402)</b>	<b>(338)</b>	<b>(399)</b>	<b>3</b>	
<b>CAPITAL PROGRAMME FINANCING</b>							
Borrowing			2,300		2,000		
External Funding			402		399		
AM Reserve			942		940		
Earmarked Reserves			190		125		
Capital Receipts			5,089		2,657		
<b>TOTAL FINANCING</b>			<b>8,923</b>		<b>6,121</b>		

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**LEISURE DEVELOPMENT OPPORTUNITY – AREA 4  
LEE VALLEY WHITE WATER CENTRE**

Presented by the Deputy Chief Executive

**EXECUTIVE SUMMARY**

Located adjacent to the Lee Valley White Water Centre, the parcel of land known as Area 4 measures approximately 6.25 acre (2.53 ha). The River Lee Navigation runs along its eastern boundary and it is bordered to its north and west by the Lee Valley White Water Centre site, see Appendix A to this report.

Area 4 benefits from an allocation in the Broxbourne Borough Council Local Plan for a leisure-led development. In May 2023, the Authority instructed Montagu Evans (agents) to market this site by offering to the market a long leasehold leisure development opportunity. The marketing exercise culminated with bids received from five interested parties by the closing date on 21 July 2023. The ensuing process included interviews with each of the shortlisted parties followed by a clarification process with final bids received in October 2023.

This Paper provides Members with an update on the outcome of the marketing exercise for the selection of a preferred bidder for the Leisure Development opportunity at the Lee Valley White Water Centre.

Members are asked to consider the recommendations as detailed within this and Paper E/844/23.

**RECOMMENDATIONS**

- Members Approve:
- (1) the appointment of the preferred bidder outlined in the Part 2 report (Paper E/844/24) on this agenda; and
  - (2) to proceed to the next steps of agreeing Heads of Terms and an Exclusivity Agreement with the preferred bidder.

**BACKGROUND**

- 1 Area 4 as it is known is an area of land situated to the south east of the Lee Valley White Water Centre (LVWWC) see Appendix A to this report. Access to

the site is provided from the A121 Station Road, which connects the A10 to the west with Waltham Abbey to the east. Area 4 measures approximately 6.25 acres (2.53 ha) in size.

- 2 The site comprises an area of hardstanding which is secured with fencing, together with car parking outside of its fence line. The major part of the site is mainly vacant open land but has a small residential building located towards the southern boundary. This property is currently occupied by tenants on an Assured Shorthold Tenancy.

The site has a substation located to its central east area (this serves the LVWWC) and a smaller substation to its south as identified on the aerial map attached as Appendix B to this report. It should be noted that both bid options will require for the substation to be relocated to the perimeter of the site (along to the eastern boundary) and whilst this has not yet been fully costed, it is expected these costs to be circa £xxxx.

- 3 The LVWWC was constructed to host the canoe slalom events of the London 2012 Games and to provide a world class legacy for white water sport and recreation. The venue has since staged four major international events, including two World Championships and two World Cups. The most recent being the ICF Canoe Slalom World Championship which was successfully held at the venue in September 2023.

As well as being a major events venue, it also delivers regular training events, hosts corporate away days/team building activities and is a popular tourist attraction.

- 4 The LVWWC is one of the Lee Valley Regional Park Authority's (the Authority) sporting venues currently operated by Greenwich Leisure Ltd (GLL) under a Leisure Services Contract (LSC) which includes a lease to the operator. The Area 4 site is not included within the GLL lease demise and is also not included in the operation of the LVWWC.

- 5 Area 4 is situated in close proximity to the Lee Valley Showground, (immediately east of the River Lee and accessible by foot). The Showground is a major site for the Authority both in terms of its place within River Lee Country Park and for events. Over the course of 2022 and 2023 events held attracted approximately 38,000 people from all over the UK and supported the major events programme at the LVWWC.

## 6 **Site Designation**

Under Broxbourne Borough Council's (BCC) current adopted Local Plan, Area 4 is the subject of the following site specific or policy designations:

- The site benefits from an allocation in the BCC Local Plan for leisure-led development, where proposals to expand the site as a leisure facility are supported in principle by BCC;
- Policy LV2 provides in principle support to development at the Centre to support its function as an 'adrenaline hub'. The supportive text to the policy identifies that the Authority is looking to expand and diversify the Centre with new and improved outdoor activities to deliver a 'major family leisure destination' to attract visitors across the region;
- Policy LV1 provides in principle support to the Authority for proposals that

- seek to improve the Regional Park;
- Policy GB1 Green Belt;
- Policy ORC1 as the site is within an Area of Open Space, Leisure, Sport and Recreation;
- The site lies within Flood Zone 2 and 3 and Policy W5 'Flood Risk' will apply; and
- Policy NEB1 General Strategy for Biodiversity' in the Local Plan requires that development proposals should result in net gains to biodiversity wherever possible. This will however also be subject to the new UK legislation and where a minimum 10% biodiversity net gain is mandatory.

The site includes areas of woodland identified as Priority Habitat along the southern and eastern boundary of the site and identified on the Appendix A site plan. Therefore ecological surveys would be required to determine any use of the site by protected species and mitigation and enhancement measures should be integrated into any plans.

- 7 The site also falls within the Sites of Special Scientific Interest (SSSI) Impact Risk Zone and any planning application would need to be assessed for any likely impacts on the nearby SSSI's, Lee Valley Special Protection Area (SPA) and Epping Forest Special Area of Conservation (SAC).

## **MARKETING PROCESS**

- 8 Ahead of formally approaching the market in Spring 2023, agents Montagu Evans were previously instructed to assess the market by way of a soft market testing exercise. This exercise was required to support and shape the Authority's internal decision making and strategy for the Area 4 site. The soft market exercise which was carried out in the Autumn of 2022 was used to assess the market appetite and interest.

The initial assessment provided the Authority with sufficient feedback to embark on a formal marketing process.

Officers worked with the agents to provide a full marketing pack including site information, information on the LVWWC, legal overview, site constraints and a planning review.

The Authority proceeded to instruct Montagu Evans to commence with marketing the site to seek initial expressions of interest from the market.

The site was openly marketed via an informal tender process commencing in May 2023, with advertising in the property press (Estates Gazette), as well as direct contact with targeted parties known to Montagu Evans and others that had shown interest in the site to the Authority. A bid deadline of 21 July 2023 was set.

- 9 The formal marketing resulted in interest received from 5 parties which identified the site as a possible location for:
  - Health and Fitness;
  - Hotel and entertainment;
  - Football pitches;
  - Conferencing and events; and

- Other ancillary leisure based uses.

10 A summary of five expressions of interest received in July 2023 are outlined in the Part 2 report (Paper E/844/24).

#### **ENVIRONMENTAL IMPLICATIONS**

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

#### **FINANCIAL IMPLICATIONS**

12 Montagu Evans marketing and valuation advice costs will be in the region of £30,000. In addition, external solicitors will be required to assist with the legal work and this is anticipated to be in the region of £30,000.

#### **HUMAN RESOURCE IMPLICATIONS**

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

#### **LEGAL IMPLICATIONS**

14 The Legal implications as set out in the Part 2 report (Paper E/844/24).

15 When considering a disposal of land by way of a leasehold disposal and a letting for a term exceeding seven years the Authority is required to obtain consent from the Secretary of State (SOS) and obtain best consideration. SOS consent will only be sought when the Authority has made a decision to enter into a lease and is in a position to provide final form of Agreement for Lease (or Lease).

#### **RISK MANAGEMENT IMPLICATIONS**

16 Securing planning permission remains the greatest risk factor and this has been a significant factor guiding officers' opinion when assessing the two offers in the above paragraphs. The site's Green Belt designation policies point to a development of less rather than more.

17 There is potential that contaminated land could result in the development not proceeding and/or a reduction in the rental income that the Authority will receive.

#### **EQUALITY IMPLICATIONS**

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

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#### **BACKGROUND REPORTS**

None

**APPENDICES ATTACHED**

Appendix A	Site plan
Appendix B	Area 4 Substation

**LIST OF ABBREVIATIONS**

SOS	Secretary of State
the Park Act	Lee Valley Regional Park Act 1966
SSSI	Sites of Special Scientific Interest
SPA	Site of Special Protection
SAC	Special Area of Conservation
LWWC	Lee Valley White Water Centre
LVRPA	Lee Valley Regional Park Authority
LSC	Leisure Services Contract
GLL	Greenwich Leisure Limited

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Lee Valley White Water Centre, Area 4 Marketing Exercise

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