

|                                |                     |                           |
|--------------------------------|---------------------|---------------------------|
| To: Paul Osborn (Chairman)     | David Gardner       | Nigel Quinton             |
| Derrick Ashley (Vice Chairman) | Steven Heather      | Mary Sartin               |
| David Andrews                  | Ross Houston        | George Sawva MBE          |
| Ken Ayling                     | Heather Johnson     | Simon Walsh               |
| John Bevan                     | Denise Jones        | Terry Wheeler             |
| Frances Button                 | Christopher Kennedy | John Wyllie               |
| Rowena Champion                | Graham McAndrew     | 2 x Vacancies             |
| Rokhsana Fiaz OBE              | Valerie Metcalfe    | Debble Jones (EA)         |
| Ricki Gadsby                   | Gordon Nicholson    | Sam Anderson-Brown (C&RT) |
| Mike Garnett                   | Dilip Patel         |                           |

A meeting of the **AUTHORITY** (Quorum - 7) will be held by remote access on:

**THURSDAY 21 JANUARY 2021 AT 14:00**

at which the following business will be transacted:

## **A G E N D A**

### **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 22 October 2020  
(copy herewith)

- 4 **PUBLIC SPEAKING**

To receive any representations from members of the public or representative of an organisation which concerns any area of the Authority's business. 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 2021/22 REVENUE BUDGET AND LEVY Paper A/4292/21

Presented by Shaun Dawson, Chief Executive  
and Keith Kellard, Head of Finance

6 WORK PROGRAMME UPDATE Paper A/4294/21

Presented by Shaun Dawson, Chief Executive

7 UPDATE ON ICE CENTRE PROJECT

Presentation by Dan Buck, Corporate Director

8 ANTI-FRAUD, BRIBERY & CORRUPTION AND WHISTLE BLOWING POLICIES Paper A/4291/21

Presented by Keith Kellard, Head of Finance

9 REDUNDANCY POLICY Paper A/4290/21

Presented by Victoria Yates, Head of Human Resources

10 DATE OF NEXT MEETING OF THE AUTHORITY

To note that the next meeting of the Authority will be held on Thursday, 29 April 2021 at 2.00pm

11 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.

12 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 1 of Schedule 12A of the Act as are listed on the Agenda.

**A G E N D A**  
**PART II**  
**(Exempt Items)**

13 VOLUNTARY REDUNDANCY Paper A/4293/21

Presented by Victoria Yates, Head of Human Resources

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

14 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.

13 January 2021

Shaun Dawson  
Chief Executive

**LEE VALLEY REGIONAL PARK AUTHORITY**

**AUTHORITY MEETING  
22 OCTOBER 2020**

|  |                               |                            |
|--|-------------------------------|----------------------------|
| <b>Members<br/>in remote presence:</b> | <b>Paul Osborn (Chairman)</b> | <b>Heather Johnson</b>     |
|  | <b>David Andrews</b>          | <b>Denise Jones</b>        |
|  | <b>Derrick Ashley</b>         | <b>Christopher Kennedy</b> |
|  | <b>Ken Ayling</b>             | <b>Graham McAndrew</b>     |
|  | <b>John Bevan</b>             | <b>Valerie Metcalfe</b>    |
|  | <b>Frances Button</b>         | <b>Gordon Nicholson</b>    |
|  | <b>Rokhsana Fiaz OBE</b>      | <b>Nigel Quinton</b>       |
|  | <b>Ricki Gadsby</b>           | <b>Mary Sartin</b>         |
|  | <b>Mike Garnett</b>           | <b>Simon Walsh</b>         |
|  | <b>David Gardner</b>          | <b>Terry Wheeler</b>       |
|  | <b>Ross Houston</b>           | <b>John Wyllie</b>         |

**Apologies Received From: Rowena Champion**

|   |                         |  |
|---|-------------------------|--|
| <b>Officers<br/>in remote presence:</b> | <b>Shaun Dawson</b>     | <b>- Chief Executive</b>                           |
|   | <b>Beryl Foster</b>     | <b>- Deputy Chief Executive</b>                    |
|   | <b>Dan Buck</b>         | <b>- Corporate Director</b>                        |
|   | <b>Jon Carney</b>       | <b>- Corporate Director</b>                        |
|   | <b>Keith Kellard</b>    | <b>- Head of Finance</b>                           |
|   | <b>Simon Clark</b>      | <b>- Head of Information Technology</b>            |
|   | <b>Victoria Yates</b>   | <b>- Head of Human Resources</b>                   |
|   | <b>Stephen Bromberg</b> | <b>- Head of Communications</b>                    |
|   | <b>Sandra Bertschin</b> | <b>- Committee &amp; Members' Services Manager</b> |
|   | <b>Lindsey Johnson</b>  | <b>- Committee Services Officer</b>                |

**Also in remote presence: Matt Bowmer (London Borough of Enfield)  
Laurie Elks (Save Lea Marshes)  
Ian Kemp (Deputy for East Herts District Council)**

**Part I**

**12 DECLARATIONS OF INTEREST**

**There were no declarations of interest.**

**13 MINUTES OF LAST MEETING**

**THAT the minutes of the meeting held on 2 July 2020 be approved and signed.**

**14 PUBLIC SPEAKING**

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

## **AUTHORITY MEETING MINUTES 22 OCTOBER 2020**

15 WORK PROGRAMME UPDATE

Paper A/4288/20

The report was introduced by the Chief Executive, where he highlighted various aspects including:

- The making safe and reopening of venues.
- How the Authority workforce has been operating.
- Supporting the government by allowing Picketts Lock carpark to be used as a Covid-19 testing centre.
- Looking ahead to the possibility of further restrictions caused by Covid-19.
- How the emergency budget created by Covid-19 originally forecast a 70% reduction in reserves, but has now improved to 50% reduction.
- Looking next year to recovery where projects and events are resumed, rebuilding reserves and improving the Authority's financial position and resilience to withstand future shocks.
- There will be a focus on the budget for next year in regards to reduce costs which will be shared with Members in the next couple of months.
- The Ice Centre has been granted planning permission from London Borough of Waltham Forest, the planning permission is still subject to the Mayor of London's consent which should be received in the next month. They will be looking to procure a contractor and are hopeful for a competitive price and are also looking at potential funding sources for the project. They hope the project will be completed by autumn 2023.
- The Wildlife Discovery Centre at Fishers Green will be opening to the public in the next couple of weeks. 37 volunteers have expressed interest in helping officers to run it.
- The Wave project has been on hold for the last 6 months, will be looking to resume that project later this year.
- The Leisure Services Contract with GLL is progressing well with the contract due to start on 1 April 2021.

Members expressed thanks to officers for their work during this challenging period.

A Member asked whether officers were exercising caution for the return to work of BAME staff, the Chief Executive replied that this is very much on their mind, especially staff at venues.

A Member asked if we had reached a settlement with London Borough of Enfield on the compulsory purchase order. The Chief Executive replied that we are in discussions with London Borough of Enfield and are working through the issues.

A Member asked what was happening with the Spitalbrook site. The Chief Executive replied that we have been in discussions with Broxbourne Borough Council in the past and are hoping to resume discussions in the next couple of weeks with a report going to the Land and Property Working Group.

A Member asked if we were fully accessing all funding availability and also asked if there was a plan for Covid-19 continuing to drain reserves, especially with so many big projects going on. The Chairman replied that we would be going through the budget process in the next couple of months and that whilst we would be focusing on rebuilding our reserves, they are meant for situations such as Covid-19. The Chief Executive added that we will need to be more outward looking in regards to securing funding opportunities.

## **AUTHORITY MEETING MINUTES 22 OCTOBER 2020**

- (1) the report was noted.**

**16 AMENDMENT OF FINANCIAL REGULATIONS**

**Paper A/4287/20**

The report was introduced by the Deputy Chief Executive who informed Members that the Financial Regulations needed to be amended to take into account the retirement of the Director of Finance. She also informed Members that under our new S151 arrangement with London Borough of Enfield we would be considering whether we need to align and modernise our regulations.

- (1) that a review of Financial Regulations, as set out in paragraph 6 of Paper A/4287/20, will be brought back to a future Authority meeting following establishment of the Service Level Agreement with the London Borough of Enfield was noted; and**
- (2) the proposed changes to Financial Regulations as detailed in Appendix A to Paper A/4287/20; and**
- (3) delegation to the Deputy Chief Executive and/or the Head of Finance to make any minor changes to Financial Regulations to assist in interpretation or clarification or to correct any administrative errors or omissions that have been overlooked was approved.**

**17 HUMAN RESOURCES POLICIES UPDATE**

**Paper A/4286/20**

The report was introduced by the Head of HR, who informed Members that this paper had gone to the Executive Committee last month where it was approved. There would also be a review next April on the Corporate Travel Policy regarding promoting public transport.

A Member pointed out on the Grievance and Problem Solving Policy that under protocols 'conservation' should be changed to 'conversation'.

A Member suggested that paragraph 3.2 of the Corporate Travel Policy, the language was too strong and suggested it be reworded to 'The Authority assumes no obligation to reimburse Business Travellers for expenses until a lack of compliance is clarified and resolved. Business travellers who do not comply with this travel policy, will be subject to delay or withholding of reimbursement'.

A Member asked if we actively encourage staff to use bikes. The Head of HR responded that we are part of the government's scheme where staff can purchase a bike via a loan from the Authority. This scheme is promoted on the Intranet. The Chairman added that we would look to see if there was more we could do regarding green transport in the New Year. A Member added that we might like to consider purchasing an electric pool car for staff travelling between sites and that when all fleet vehicles are replaced it should be with electric vehicles.

- (1) the Performance and Conduct Policy attached at Appendix A to Paper A/4286/20;**
- (2) the Grievance and Problem Solving Policy attached at Appendix B to Paper A/4286/20; and**

## **AUTHORITY MEETING MINUTES 22 OCTOBER 2020**

- (3) the Corporate Travel Policy attached at Appendix C to Paper A/4286/20 was approved.

### 18 INFORMATION TECHNOLOGY POLICIES UPDATE

Paper A/4285/20

The report was introduced by the Head of IT, where Members were informed that procedural elements had been removed resulting in the policy being much shorter and names had been changing due to staff restructures. They have also removed the use of carbon paper.

A Member asked whether the Authority would be continuing to use Zoom after concerns over its security. The Head of IT responded that both Zoom and Microsoft Teams are conscious of their security and are working to make their systems more secure. The Authority is also constantly looking at new conference systems. The Chairman added that Authority meetings are open to the public, therefore security was not a major concern.

- (1) the IT Usage Policy attached at Appendix A to Paper A/4285/20; and  
(2) the Information and Security Policy attached at Appendix B to Paper A/4285/20 was approved.

### 19 NEXT MEETING OF THE AUTHORITY

It was noted that the next meeting of the Authority will be held on Thursday, 21 January 2021 at 2.00pm.

### 20 CHANGE TO STANDING ORDER 92

Standing Order 92 was suspended in April 2020 as it was envisaged some separate provisions might be made to allow sealing remotely. No provisions have been made but the effect of our suspension of SO 92 means that the provisions of the Park Act applied and the Chairman was in fact the designated signatory for witnessing the seal.

- (1) the lifting of the suspension of Standing Order 92 and the following amendment which will remain in place until 7<sup>th</sup> May 2021 during the period of the remote meeting arrangements. Standing Order 92 as amended was approved:

*The application of the seal of the Authority shall be witnessed by two signatories from the Chairman or Vice Chairman of the Authority or in their absence by another Member of the Executive Committee and at the request of the Chairman namely David Andrews, Ross Houston, Chris Kennedy, Heather Johnson, Valerie Metcalfe or Mary Sartin or some other Member so authorised by the Authority and from the Chief Executive or Deputy Chief Executive or an officer similarly authorised. [Schedule para 10].*

### 21 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

**AUTHORITY MEETING MINUTES  
22 OCTOBER 2020**

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> |
|-----------------------|--|--|
| 12                    | Update on Lee Valley Leisure Trust Ltd Matters | 3  |
| 22                    | UPDATE ON LEE VALLEY LEISURE TRUST LTD MATTERS | Paper A/4289/20                          |

The report was introduced by the Chief Executive.

- (1) the Authority's response since November 2019 to the two legal claims taken against it by Lee Valley Leisure Trust Ltd;
- (2) the withdrawal of the procurement claim by Lee Valley Leisure Trust Ltd on a 'drop hands' basis; and
- (3) the status of the outstanding legal claim and the Authority's position as outlined in paragraphs 11 and 12 of Paper A/4289/20 was noted.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Date

The meeting started at 2.05pm and ended at 3.20pm

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## **2020/21 REVENUE BUDGET AND LEVY**

Presented by the Head of Finance

### **SUMMARY**

The Executive Committee considered the attached paper (Annex A, Paper E/708/21) at their meeting this morning (21 January 2021) which sets out budget proposals to support the delivery of the Authority's ambitions and objectives over the coming years as part of the new Business Plan (2020-2025).

A verbal update will be provided to Members at the Authority meeting regarding the recommendations/proposals put forward by the Executive Committee at their meeting.

### **RECOMMENDATIONS**

- Members Approve:
- (1) the proposed Levy for 2021/22 as recommended by Executive Committee;
  - (2) additional expenditure, income and efficiencies as set out in Appendix B to Paper E/708/21;
  - (3) revenue financing for the capital programme of £1.2m, as set out in paragraph 25 to Paper E/708/21;
  - (4) a net revenue budget of £9.44m, as set out in paragraph 35 to Paper E/708/21; and
  - (5) a medium term general reserves policy of £3m-£4m.

### **BACKGROUND**

- 1 A Budget Workshop was held on 17 December 2020 to consider proposals for the 2021/22 budget and levy. The views of the Workshop were considered as part of the paper presented to Executive Committee this morning as set out in Annex A to this report (Paper E/708/21).
- 2 The views of the Workshop and recommendations from Executive Committee need to be considered and approved by the full Authority.

- 3 The Authority is required to set a budget and levy annually by 24 January and notify contributing authorities by no later than 15 February in the year preceding that levy.

#### **ENVIRONMENTAL IMPLICATIONS**

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

#### **EQUALITY IMPLICATIONS**

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

#### **FINANCIAL IMPLICATIONS**

- 6 These are dealt with in the body of the report attached as Annex A to this report (Paper E/708/21).

#### **HUMAN RESOURCE IMPLICATIONS**

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

#### **LEGAL IMPLICATIONS**

- 8 The Authority is required to set a budget and levy annually by 24 January and notify contributing authorities by no later than 15 February in the year preceding that levy.

#### **RISK MANAGEMENT IMPLICATIONS**

- 9 These are dealt with in the body of the report attached as Annex A to this report (Paper E/708/21).

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#### **ANNEX ATTACHED**

Annex A                      Paper E/708/21

#### **PREVIOUS COMMITTEE REPORTS**

|           |           |   |                  |
|-----------|-----------|---|------------------|
| Executive | E/708/21  | 2021-22 Revenue Budget and Levy                           | 21 January 2020  |
| Executive | E/703/20  | Proposed Capital Programme<br>2020/21 Revised to 2024/25  | 17 December 2020 |
| Executive | E/705/20  | Authority Fees & Charges Review<br>2021/22                | 17 December 2020 |
| Executive | E/699/20  | 2020/21 Budget Methodology,<br>Assumptions, and Timetable | 3 December 2020  |
| Executive | E/674/20  | Emergency Budget 2020/21                                  | 21 May 2020      |
| Authority | A/4276/20 | Proposed Budget & Levy 2020/21                            | 23 January 2020  |



**LEE VALLEY REGIONAL PARK AUTHORITY**

**EXECUTIVE COMMITTEE**

**21 JANUARY 2021 AT 11:00**

**Agenda Item No:**

**Report No:**

**E/708/21**

## **2021/22 REVENUE BUDGET AND LEVY**

Presented by the Chief Executive and Head of Finance

### **EXECUTIVE SUMMARY**

The Authority, like most public sector organisations, is facing a very challenging time with enormous pressures on public funding and the levy. The Authority is striving to be a community focused world class leisure destination, which is supported by a strong commercial base. It continues to seek to increase value to the regional constituency, whilst reducing the cost of the Lee Valley Regional Park to the taxpayer.

The context for setting the 2021/22 budget is the impact on the Authority's finances as a result of the Covid pandemic. The Authority's reserves have been depleted by circa £5mill and in the short term, next 2 years, the focus needs to be on recovering the financial position and building in resilience for any future shocks.

Over the past 4 months the Senior Management Team (SMT) and the Head of Finance have looked in detail at constructing a robust budget for 2021/22. With the need to recover the budget position and the strong likelihood that income levels will be suppressed, significant expenditure reductions have had to be explored. As part of this exercise, staffing costs, the biggest area of expenditure has been looked at and a savings target set.

The Authority is going through an exceptional period with the planning and delivery of a range of business development/investment projects; retendering the operation and management of the main sporting venues and bringing the non-sporting venues back in-house to enable further investment and development. In the medium term, 2 to 4 years, it is expected that these projects will both enhance the Park and deliver additional income streams.

The current levy was held at the 2019/20 level with a 0% change for 2020/21 and this was the eleventh consecutive year of real-term reduction. The levy for 2021/22 onwards is yet to be determined, but will be a factor in dealing with the significant challenges facing the Authority over the coming period.

The actual levy for 2020/21 is £9.576m (which is 36.7% of the maximum chargeable). This equated to £0.80p per person in Herts, Essex and London.

The Authority is required to set a budget and levy for 2021/22 by 24 January 2021 and notify contributing authorities by 15 February 2021.

This paper sets out a budget and levy proposal to support the delivery of the Authority's ambitions and objectives over the coming years as part of the new Business Plan (2020-2025).

The 2021/22 budget and levy proposal was discussed in detail at the Member Budget Workshop on 17 December 2020. Since the workshop and on the back of a deteriorating Covid situation, the Leisure Services Contract position with GLL has changed. It will no longer be possible to start the Leisure Services Contract on 1 April 2021. The reasons for this and the possible budget implications are set out in the report. Officers are of the view that whilst there may be an impact as a result of business rates, this shouldn't affect the budget and levy proposal as discussed at the Workshop.

## RECOMMENDATIONS

- |                                |  |
|--------------------------------|--|
| Members Recommend to Authority | (1) a proposed levy for 2021/22;   |
|                                | (2) additional expenditure, income and efficiencies as set out in Appendix B to this report; |
|                                | (3) revenue financing for the capital programme of £1.2m, as set out in paragraph 26;        |
|                                | (4) a net revenue budget of £9.44m, as set out in paragraph 36; and                          |
|                                | (5) a medium term general reserves policy of £3m-£4m.  |

## BACKGROUND

### 1 Remit

The Authority and its Members have a statutory duty to develop the 10,000 acre Park as a regional leisure destination and 'green lung' and to promote the Park to the communities of London, Essex and Herts. The Authority's vision is that the Lee Valley Regional Park should be "A World Class Leisure Destination" and this will drive a new business plan from 2021 onwards.

### 2 Business Strategy

The Authority is continuing to be "community focused and commercially driven" as it works to deliver this vision. It continues to increase value and to enhance the visitor offer for constituent Boroughs, whilst reducing the cost of the Lee Valley Regional Park to the taxpayer. Following the 0% change in 2020/21 the levy is 36.7% of the maximum chargeable. The cost per head of population from London, Essex and Herts is £0.80p in 2020/21.

### 3 As set out in the Authority's current Business Plan the aspiration is:

- to become a world class leisure destination;
- to establish a strong commercial base;
- to increase regional relevance and value; and
- to have an enhanced reputation and stronger political position.

**4 Levy Strategy**

Over the last ten years Members have approved a continuous reduction in the levy as part of a strategy to become more commercial and to generate resources from existing assets, and so reduce the financial burden on the regional tax payer. As part of the 2016-19 Business Plan a Member led Levy Strategy Working Group was established to review the levy policy going forward. Its objective was to look at options for a significant reduction of the levy. The 24% reduction in levy represents a real term reduction of 54.7%.

| <b>Year</b>  | <b>Levy Reduction</b> | <b>Levy as a proportion of the Maximum Chargeable</b> |
|--------------|-----------------------|---|
| 2011/12      | 2%                    | 59.3%   |
| 2012/13      | 2%                    | 55.1%   |
| 2013/14      | 2%                    | 52.6%   |
| 2014/15      | 2%                    | 49.9%   |
| 2015/16      | 2%                    | 47.9%   |
| 2016/17      | 2%                    | 46.6%   |
| 2017/18      | 6%                    | 42.9%   |
| 2018/19      | 6%                    | 38.8%   |
| 2019/20      | 0%                    | 37.6%   |
| 2020/21      | 0%                    | 36.7%   |
| <b>Total</b> | <b>24%</b>            |   |

**5 Funding Strategy**

The Authority recognises the importance of developing new income streams, making efficiency savings and maximising the return from its assets to enable it to reduce its reliance on the levy and at the same time fulfilling its statutory remit to enhance the Park through further investment. Over the past ten years the Authority has successfully applied a measured approach to reducing the levy by 2% per annum since 2011/12 and 6% in both 2017/18 and 2018/19, managed by realistic increases in income, some stretch targets and expenditure efficiencies, whilst incorporating major parts of the Olympic Legacy into its property portfolio and increasing the quality and value of its services.

**6 The Authority continues to focus on the following areas to reduce its reliance on the levy:**

- implementing the retendered Leisure Services Contract (LSC) for the six sporting venues;
- investing in and developing the non-sporting venues and open spaces;
- investing in new business development, e.g. Ice Centre; and
- developing new opportunities e.g. Picketts Lock site, Broxbourne Riverside and Eton Manor.

**7** Work is in progress on all of the above areas and detailed reports (have been) will continue to be presented to the Executive Committee and/or Authority for consideration and approval in the coming months.

**8 Contributing Authorities – Funding**

Following the November Spending Review announcement, the Provisional Local Government Finance Settlement was published on 17 December 2020. Appendix G to this report sets out the proposed settlement figures for 2021/22, alongside the previous two years for contributing authorities and the percentage

change for 2021/22 is a headline average (mean) increase of 4.4%.

- 9 In the Spending Review, the government announced that English authorities will overall receive an increase in their core spending power of 4.5%.
- 10 Each year the Mayor publishes a Budget Guidance document to aid the GLA and GLA group in preparing their budgets for the next financial year. The Mayor published his budget guidance for 2021-22 on 26 June 2020. In it, three scenarios were set out based on different levels of funding. As set out in the 2020/21 budget, it remains the assumption that future year budgets should broadly increase by 1.99%. The GLA 2020/21 budget increased the band D by £11.56 (including £10.00 increase in the policing element and £1.56 in the basic amount) to £332.07. The Mayor's 2021/22 Budget was published for consultation on 15 December, and the consolidated budget will be published in February.

## **DEMANDS ON THE AUTHORITY**

- 11 The demands on the organisation over the next few years are significant:
  - recovery from the Covid-19 pandemic;
  - rebuild Authority's cash reserves to pre-pandemic levels;
  - creating resilience against potential impact from future similar events;
  - successfully implementing the re-let LSC;
  - successfully ensuring the continued operation and enhancement of the non-sporting venues transferred back to the Authority;
  - generating additional income through a range of investment projects across the Venues and the Park's open spaces;
  - enhancing the Regional Park as a visitor destination through a number of developments; and
  - marketing the Park to a regional audience and delivering greater value to the communities of London, Essex and Herts.

## **AUTHORITY'S CURRENT FINANCIAL POSITION**

- 12 The Authority enters the coming financial year with a cautious financial approach. Through prudent and efficient financial management, the Authority was in a strong position ahead of the lockdown that impacted the current financial year. Current projections are for a net loss on revenue of around £2.3million, and added to the £2.8million committed capital programme expenditure on the Ice Centre, Wildlife Discovery Centre, and Asset Maintenance, will see the Authority's cash reserves reduce to around £5million. Appendix F to this report sets out reserves position and movement in cash in line with the Medium Term Financial Plan (MTFP).
- 13 The MTFP has been updated to recognise the budget recovery programme, as well as the mid-term delivery of the Authority's vision and its business priorities to 2025 (see Appendix E to this report). It provides a snapshot in time as it is difficult to predict with any level of certainty beyond the next financial year. The figures beyond 2021/22 should only be used as a guide to determine the general direction of travel.
- 14 Members discussed a proposed levy increase of 2% at the Budget Workshop, held on 17 December 2020, and requested a second option of a 0% increase. Where the levy is held at the current levy, it would mean either a reduced

budgeted contribution to general reserves, or the removal of built-in contingency. With the current uncertainty over income levels into 2021/22, Members will need to review the level of risk involved.

- 15 The MTFP is attached at Appendix A to this report. The options for the 2021/22 budget and levy are summarised in Table 1 below. Option A is the proposed option of a 2% increase to the levy. Option B is to hold the levy at the current, 2020/21 level. Future years assume maintaining the real term downward trend in the levy, whilst progressing the major development at the Ice Centre, and longer term at Picketts Lock, which is in line with previous assumptions.

16 **Table 1: Draft 2021/22 Budget Summary**

|  | <b>2020/21<br/>£000s</b> | <b>Option A<br/>2%<br/>Increase<br/>2021/22<br/>£000s</b> | <b>Option B<br/>0%<br/>Increase<br/>2021/22<br/>£000s</b> |
|--|--------------------------|---|---|
| Base Budget 2020/21 Authority                                  | 6,831                    | 6,831   | 6,831   |
| Base Budget 2020/21 LSC Venues                                 | 6,463                    | 0   | 0   |
| New LSC Management Fee/Budget for Managing the 6 Sports Venues | 0                        | 1,557   | 1,557   |
| Budget base and inflation adjustments                          | 46                       | 861   | 861   |
| Authority 2020/21 net efficiencies                             | 0                        | (1,010)   | (1,010)   |
| Covid Recovery Plan  | 0                        | 1,200   | 1,200   |
| Redundancies & LSC Liabilities                                 | 800                      | 0   | 0   |
| Outturn surplus against budget.                                | (2,556)                  | 0   | 0   |
| <b>Total Budget</b>  | <b>11,584</b>            | <b>9,439</b>  | <b>9,439</b>  |
| Levy   | (9,576)                  | (9,768)   | (9,576)   |
| <b>Deficit/(Surplus)</b>                                       | <b>2,008</b>             | <b>(329)</b>  | <b>(137)</b>  |
| <b>Opening Common Fund balance</b>                             | <b>(4,384)</b>           | <b>(2,376)</b>  | <b>(2,376)</b>  |
| <b>Budget Deficit/(Surplus)</b>                                | <b>2,008</b>             | <b>(329)</b>  | <b>(329)</b>  |
| <b>Closing Common Fund balance</b>                             | <b>(2,376)</b>           | <b>(2,705)</b>  | <b>(2,513)</b>  |

17 **Budget Savings for 2021/22**

The Authority needs to look for significant efficiencies and savings within the organisation. The key areas of focus will be staffing efficiencies, and officers estimate a significant saving can be achieved through service reviews across the organisation and will be looking to voluntary redundancies as the key mechanism. The decision by Executive Committee on 3 December 2020 to proceed with a lease for Hayes Hill Farm will deliver further cost base savings.

Proposed expenditure/savings/additional income for 2021/22, which will lead the recovery and enable the delivery of the corporate priorities are set out in Appendix B to this report, along with projections for the next few years. The main areas for savings in 2021/22 are as follows:

- **Staff efficiencies £410k**

Efficiency savings from the review of all Authority services has been an objective of the MTFP and annual budget process for a number of years. In the last couple of years the Ranger service and senior management structure have been reviewed, delivering a more cost effective approach in both areas. Over the past year the Sport and Recreation service and

support services have been reviewed/in the process of being reviewed. The savings target of £410k represents 4% of the Authority's total staffing budget and the management team's view is that this reduction in the organisation's capacity will not compromise the Authority's effectiveness. It is proposed that the mechanism for achieving these savings is via voluntary redundancy and this proposal is presented in a separate report to the Authority.

- **Community Access Fund (CAF) £50k**

It is anticipated that the demand for Community Access Fund (CAF) funded activities will be lower in 2021/22. If the demand for Authority activities increase, with greater revenues generated, then the inherent flexibility in the budget will allow an expansion of the CAF programme, in response to increasing demand from community groups and schools. The annual budget for the CAF has been £80k and any underspend on that sum in 2021/22 can roll forward to 2022/23, thereby ensuring no reduction in the CAF budget over the 2-year period.

- **Marinas and Campsites £250k**

The review of Campsites was a task initially started whilst the venues were under operation of Lee Valley Leisure Trust, but never completed. Changes to the management and operation of the Campsites have identified a significant saving potential. This review is subject to a separate Committee Paper. In addition, there is opportunity to further develop out the chandlery offering at the marinas.

- **Hayes Hill Farm £350k**

Members recently agreed to award a 50-year lease for the operation of Hayes Hill Farm which is due to commence on 1 March 2020. The saving of £350k represents the direct cost of keeping the Farm in the Authority's operation, assuming it remained closed for the 2021/22 financial year.

**18 Budget Growth in 2021/22**

There is one item of budget growth and that is a part year repayment cost for the new Ice Centre. If Members give approval in the spring, the construction of the Ice Centre will start in the summer. The MTFP has been built on the basis of short term borrowing over the build period, where interest rates are low, and not rolling up this interest cost, and then borrowing long term over the lifetime of the new asset. However, officers are also exploring funding models which defer all repayments until the new centre opens in 2023/24.

**19 The draft budget, which includes a small surplus of either £329k (option A) or £137k (option B), which can only be delivered by achieving these on-going net savings/income of £1,010,000 as part of the 2021/22 proposed budget. A summary of the proposal is set out below:**

- 0% or 2% increase in the levy in 2021/22;
- service reviews and efficiencies;
- future year surpluses can be invested in the Park;
- proposed Levy in 2021/22 at £9.768m; and
- maintain the medium term general reserves policy of £3-£4m – although this should be subject to annual review.

**20 Covid Recovery Plan**

A sum of £1.2mill has been included in the budget to allow for costs that may



arise as the Authority works to recover from the pandemic. It includes a provision for costs involved in the voluntary redundancy process, such as direct redundancy payment or additional pension costs.

In addition, whilst staff efficiencies are forecast to generate £410k savings, it is likely that the full benefit of these will not be achieved in the first year, specifically due to the timing and the requirement to discuss and implement.

Also built in is a 20% upwards flexibility in the LSC Management Fee/budget for managing the sports venues due to the uncertainty around operations and income levels going into 2021/22. Whilst the initial fee has been set at £1.557m, this allows an upper fee of £1.87m

|                                  | <b>2020/21<br/>£000s</b> |
|----------------------------------|--------------------------|
| Redundancy Provision             | 500                      |
| Service Review Contingency       | 200                      |
| LSC Management Fee Flexibility   | 320                      |
| General Income Contingency       | 180                      |
| <b>TOTAL COVID RECOVERY PLAN</b> | <b>1,200</b>             |

The venue operational budgets have been increased from the emergency 2020/21 base budget, to reflect the expected outturn should operations continue at a similar level throughout 2021/22. However, whilst it will be necessary to increase expenditure in certain areas, that had not been possible in the current year, there is no certainty that an additional level of income will be achieved, and therefore a contingency for reduced income of £180k in 2021/22 has been included.

However, should the financial outlook be more positive, then this fund could be utilised in 2021/22.

**21 LSC and GLL Position**

It had been hoped that the Authority and GLL could agree a 2021/22 LSC arrangement which saw both parties sharing financial risk, which would be capped and a Management Fee of £1.557mill. As set out above, the Authority is budgeting £1.87mill for the LSC for 2021/22 (Management Fee + £320k contingency). In light of the rapidly deteriorating Covid situation in recent weeks the Authority and GLL officers met on 6 January.

As a result of now even greater uncertainty around when sports venues will fully open and how income budgets will be achieved in 2021/22, it is now not possible for the Authority and GLL to agree a Management Fee arrangement which suits both parties, at this time. In addition, the impact of having to close all of its venues nationwide and furloughing the majority of its staff means that there is a major organisational capacity challenge for GLL over the next few months at least.

The LSC with GLL will not therefore start on 1 April 2021.

From an operational standpoint officers can plan for a continuation of the Authority managing the 6 venues from 1 April. The big issue for the Authority is the potential impact of the business rates in 2021/22. Realistically the earliest the LSC can start is October 2021 which would need to be confirmed by 1 July 2021 at the very latest.

The annual business rates bill for the 6 sports venues is £2.23mill. As only 80% relief is available when the venues are managed via a charitable body, like GLL, the Authority budgets for the 20% i.e. £450k. The maximum additional liability for 2021/22 is therefore £1.78mill. The significant portion of this rates bill is attributed to the Lee Valley VeloPark £1.16mill. With the additional budget liability of £0.91m officers, along with our rating consultants Montagu Evans, have been liaising with the Valuation Office over the past year seeking a reduction Rating Value of the Lee Valley VeloPark and thus a reduction in the Business Rates liability. We are hopeful that there will be a reduction, but this may be subject to a tribunal in the autumn.

The maximum additional business rates liability for a 6-month period is £890k.

There is a possibility that the Government may extend business rates relief into 2021/22 as a mechanism to assist the recovery of the leisure and hospitality sector, but it is also possible that this measure won't be extended. Officers have started to liaise with the relevant rating authorities - Enfield, Broxbourne, Newham and Waltham Forest - with the aim of obtaining rate relief for the 6 sports venues.

In addition, officers are confident that the management of the 6 venues can be achieved well within the £1.557mill budget, as a result of not having to incur contract mobilisation costs which GLL has had to build into year 1 of the LSC. If savings can be made and the contingency of £320k is available, then the impact of any business rates liability can be mitigated.

**22 The key risk areas in relation to the current MTFP are set out below:**

- **Covid-19** - the Authority approaches the coming financial year from a challenging position. The impact of the Coronavirus pandemic in 2020 has had a significant impact on the Authority's cash resources. This is likely to have a significant impact on the national economy over the coming year, and result in further financial pressure around income levels. Whilst the recent roll out of vaccinations is a promising step forward, there is still uncertainty around when 'normality' will return and the peak income generating period for the Authority starts in April.
- **Income Generation** – the Authority's net budget, and therefore the annual levy, depends on income generated from fees and charges. It is estimated that around £4.6million will be collected through fees and charges in 2021/22 i.e. from the non LSC venues. However, income can be adversely, or favourably, affected by many factors; market demand; weather; but especially in the coming year, the general national economy. Fees and charges have been set to reflect both the need of the Authority with regards to its own income targets, but recognising the pricing impact in the wider economy. Prices for the Authority's activities and services have been increased by an average of 2% for 2012/22.
- **Inflation** - the re-costed base budget assumes pay increases at 2% for 2021/22. At the recent Spending Review, the Chancellor announced a pay freeze on local government pay for next year, but the prudent increase includes standard increments and possible changes to National Insurance contributions. It covers a 15.0% increase assumed for insurances for next year, and 5% in future years; a 5% increase for electricity, gas and water; 1% for investment income in 2020/21; and 0% for contractual arrangements/supplies and services except grounds maintenance and IT

licence arrangements which have a contractual uplift built in linked to inflation (either CPI or RPI).

However, the economic climate is uncertain at present although expectations is for CPI inflation to remain between 0.5% - 1% for the next year. However, a 1% variance in inflation could impact on the base budget by up to an additional £100k. The latest Consumer Price Index (CPI) is currently 0.7% and 1.3% for RPI (October 2020). These figures will be monitored on a regular basis and any variation reported to Members through the quarterly revenue monitoring reports.

- **Budget uncertainties** – in addition to the above, there are a number of specific budget uncertainties. These include the level of car parking income, grain and milk prices and income levels generated as a result of the economic climate. Estimates for these areas have been included within the budget proposals based on previous experience/usage. However, there may be some variation to these figures, which will be reported to Members through the quarterly revenue monitoring reports.
  - **Investment Income** – low levels of investment income are anticipated due to the reduction in available cash resources. Currently investments are securing a maximum of 0.2% return. It is possible that similar reinvestments will only continue to achieve this level of return. Future year returns will depend on utilisation of borrowing to achieve short-term returns, investment periods, demands placed on the capital programme (resulting in outgoing capital funds) and potential future capital receipts.
- 23 Subject to the underlying assumptions and risks/uncertainties as set out above, a proposed balanced budget can be achieved in 2021/22. This will include contingency provision in respect of costs involved in rebuilding for the future, flexibility around the new Year 1 LSC Management Fee and liabilities that may yet arise with the previous LSC contract, and mitigation against potential further Covid-19 lockdowns that may arise during 2021/22.
- 24 Officers have taken a prudent approach to producing the draft Budget for 2021/22, being mindful of the need to consolidate our financial position and rebuild for the future financial strength of the Authority. Income levels have been set at realistic expected levels, without building back-in to pre-pandemic levels. In addition, a cautious approach to expenditure has also been built in. Certain areas, such as the CAF, have been reduced, mindful of the likelihood of reduced need in 2021/22. However, should income levels pick up above net budget level, Members should consider the opportunity to reinvest within services in year, rather than simply build cash reserves.

## REVENUE CONTRIBUTION TO CAPITAL

- 25 The Authority is in a new phase of capital programming. Over the last couple of years there has been a shift from replacement and renewal to maintenance of assets and investment in existing assets/business development projects to increase income.

However, expenditure on asset management has been restricted over the last year, and will continue to remain at low level over the next year. The recent condition survey identified areas that required investment over the coming years, and longer term additional contributions and investment will be needed to ensure the wider estate is maintained to the standard required and this will be

identified through further condition surveys, and discussion with GLL at venues that fall within the LSC.

- 26 **It is proposed to set the annual revenue contribution at £0.8m** which will enable delivery of the current capital and asset maintenance programme. A major part of any future capital development programme will be reliant upon capital receipts to support future investment proposals. The Authority can also consider borrowing to fund any potential developments. Given the current favourable borrowing rates, it may be beneficial for the Authority to undertake borrowing at this time if required. Any loan repayments would however need to be funded from the levy/additional income or savings.
- 27 The revised capital programme 2020/21 to 2024/25 was considered by the Executive Committee on 17 December 2020 (Paper E/703/20). Based on the proposed capital programme and financing, capital reserves are projected to stand at an estimated £9.8m at the end of 2024/25.

### THE LEVY

- 28 The maximum levy is determined by law. The annual increase for the maximum levy in the year ahead is based on the Retail Price Index (RPI) as at the preceding September. The RPI for September 2020 was 1.1%. Therefore, the maximum levy for 2021/22 is set at £26.4m (2020/21 was £26.1m).
- 29 A 1% movement in the levy equates to approximately £96k per annum for the Authority. Whilst a 1% movement in the levy impacts between £190 and £12,541 for the smallest (Corporation of London) and the largest contributing authority (Essex) respectively. With the majority of contributing authorities falling between £1,200 and £3,400 per annum.
- 30 Over the last 10 years changes in the levy have been significantly below inflation (RPI) with a real term decrease of over 50% over the last ten years.

|               | 3 Year Change | 5 Year Change | 10 Year Change |
|---------------|---------------|---------------|----------------|
| Levy decrease | -6.0%         | -14.0%        | -24.0%         |
| RPI increase  | 9.6%          | 12.4%         | 30.7%          |
|               | -15.6%        | -26.4%        | -54.7%         |

- 31 Last year's funding settlement for contributing authorities following the spending review in November 2020 (as set out in paragraphs 8 and 9 above) for most contributing authorities saw funding increased. Appendix C to this report sets out the cash and real term decrease in the levy experienced by contributing Authorities since 2011.

### RESERVES

- 32 Any decision taken by Members that does not provide for a balanced budget will have a downward impact on reserves. The unallocated General Fund reserve was £4.4m as at 1 April 2020. However, the impact of the Covid-19 pandemic on the Authority means this balance is currently forecast to reduce to £2.4m by 31 March 2021. This level is under constant review and reported to Members at the quarterly revenue monitoring throughout the year.
- 33 **To use reserves to fund any on-going deficit is not recommended;** unless it is only for a temporary period, i.e. one/two years and that it can be demonstrated

there is a clear plan to address the ongoing deficit. The external auditor has previously highlighted the unsustainability of relying on general reserves to fund budget deficits.

- 34 Members annually review the existing policy on revenue reserves ensuring minimum levels of cash reserves are maintained to deal with unforeseen circumstances. Members had previously agreed a flexible level of between £3m-£4m of unallocated General Fund.

The new LSC transfers the risk for income from the Authority to the contractor and minimises the need to consider shortfalls in income at these major venues as an ongoing risk. This income is also protected to a certain degree by business interruption insurance held by the contractor. Other earmarked reserves, e.g. the insurance fund, are established to deal with specific matters. The Authority currently has an insurance fund of £0.4m that deals with excesses on the existing policies, i.e. £10,000 or uninsured/self-insured items.

When considering reserve levels financial risks should be assessed and these include:

- further covid-19 related impacts;
- assumptions around inflation and interest rates;
- estimates and timing of capital receipts and expenditure;
- the treatment of demand led pressures;
- the treatment of planned efficiency savings;
- the availability of existing reserves;
- the general economic climate; and
- the impact of Brexit.

Historic analysis of reserves over the past five years has shown there has been small draw downs and has mainly related to funding one-off events and meeting commitments under Clause 14 of the LSC. The new LSC removes the Clause 14 requirements so that this risk is transferred to the new operator.

| <b>Year</b>         | <b>2015/16</b> | <b>2016/17</b> | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> |
|---------------------|----------------|----------------|----------------|----------------|----------------|
|                     | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      |
| <b>General Fund</b> | 4.8            | 4.6            | 4.2            | 4.2            | 4.4            |

Based on the risk factors set out in this paper it is recommended that the current minimum level of reserves is maintained between £3m and £4m over the short/medium term, allowing for short term annual fluctuations that may materialise, and any “one-off” commitments approved by Members in a given year.

- 35 An analysis of Revenue and Capital Reserves is presented in Appendix F to this report. It compares these reserves against available cash balances, and identifies the year-on-year movement in capital and revenue.

**PROPOSED LEVY**

- 36 Subject to the underlying assumptions and risks/uncertainties as set out, the proposed budget for 2021/22 is £9.44m (and is calculated in line with the Budget Methodology and Assumptions paper which was presented to the Executive Committee on 3 December 2020).

- 37 Appendix D to this report sets out the indicative impact of a 0% and 2% increases in the levy for contributing authorities based upon the 2020/21 Council Tax Band D calculations submitted. These calculations usually change between years and therefore will affect the actual sum charged in 2021/22.

## **CONCLUSIONS**

- 38 The Authority has significant demands in the next couple of years, including financial recovery from the Covid-19 pandemic, implementing the new LSC; the investment in and development of the non-LSC venues alongside the longer-term development and implementation of major investment projects at Picketts Lock, Eton Manor and the Ice Centre. These initiatives, when developed, will allow the Authority to continue to seek reductions in its reliance on the levy longer term as well as delivering key land disposals to support the capital programme and new investment.

**The proposal to increase the levy will enable the Authority to meet its corporate objectives, fulfil its statutory duties and ensure that there is greater clarity regarding the current financial uncertainties over the coming year.**

- 39 The Authority will continue to strive to increase value to the regional constituency, whilst reducing the cost of the Lee Valley Regional Park to the taxpayer. It will continue to work with partners, outsource/buy-in services and further investigate shared service provision, to push down on costs and to improve quality. Furthermore, it will continue to use and develop technology to further improve efficiency, e.g. new Geographical Information System (GIS).
- 40 Increases to the levy above its current level (£9.576m) will have a negative impact on the contributing authorities who themselves are already under significant financial pressure to make reductions and savings. This view needs to be balanced against the Authority's recovery programme, as well as its own statutory remit as set out in the Lee Valley Regional Park Act 1966 (the Park Act 1966). The longer term levy direction has provided contributors reassurance in this area and will be subject of on-going review by the Levy Strategy Working Group.

## **ENVIRONMENTAL IMPLICATIONS**

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

## **FINANCIAL IMPLICATIONS**

- 42 The financial implications are fully considered within the body of the report.

## **HUMAN RESOURCE IMPLICATIONS**

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

## **LEGAL IMPLICATIONS**

- 44 The Authority is required under section 48 of the Park Act 1966 to set a budget

and levy annually by 24 January 2021 and notify contributing authorities by no later than the 15 February 2021 in the year preceding the levy.

- 45 Members should note that under the provisions of Section 48 of the Park Act 1966 the Authority would be permitted to make an increase to the levy in case of a deficiency within the financial year and provided any such increase would not exceed the maximum levy that could have been set.

## RISK MANAGEMENT IMPLICATIONS

- 46 Paragraph 22 sets out the main risks and uncertainties the Authority faces in achieving the budget during 2021/22. Most significantly the economic climate remains extremely uncertain particularly against the back-drop of Covid-19 and Brexit and could impact significantly on any of the assumptions made.

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## BACKGROUND REPORTS

None

## PREVIOUS COMMITTEE REPORTS

|           |           |  |                  |
|-----------|-----------|--|------------------|
| Executive | E/703/20  | Proposed Capital Programme 2020/21 Revised to 2024/25  | 17 December 2020 |
| Executive | E/705/20  | Authority Fees & Charges Review 2021/22                | 17 December 2020 |
| Executive | E/699/20  | 2020/21 Budget Methodology, Assumptions, and Timetable | 3 December 2020  |
| Executive | E/674/20  | Emergency Budget 2020/21                               | 21 May 2020      |
| Authority | A/4276/20 | Proposed Budget & Levy 2010/21                         | 23 January 2020  |

## APPENDICES ATTACHED

|            |  |
|------------|--|
| Appendix A | Medium Term Financial Plan                                     |
| Appendix B | Proposed Increased Expenditure, Income & Efficiencies 2021/22  |
| Appendix C | Cash & Real Term Savings - Contributing Authorities since 2010 |
| Appendix D | 2% change in levy for contributing authorities                 |
| Appendix E | Summary of 2020-25 Business Plan Priority Areas                |
| Appendix F | Analysis of Revenue and Capital Reserves                       |
| Appendix G | Funding settlement for contributing Authorities                |

## LIST OF ABBREVIATIONS

|          |                                   |
|----------|-----------------------------------|
| MTFP     | Medium Term Financial Plan        |
| RPI      | Retail Price Index                |
| CPI      | Consumer Price Index              |
| GLA      | Greater London Authority          |
| LWVWC    | Lee Valley White Water Centre     |
| LVAC     | Lee Valley Athletics Centre       |
| CAF      | Community Access Fund             |
| LSC      | Leisure Services Contract         |
| Park Act | Lee Valley Regional Park Act 1966 |

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OPTION A - 2% LEVY INCREASE

|  | Note | 2020/21        | 2021/22        | 2022/23        | 2023/24        | 2024/25        |
|--|------|----------------|----------------|----------------|----------------|----------------|
| <b>Base Emergency Budget APRIL 2020</b>                      |      |                |                |                |                |                |
| Authority Base   |      | 6,831          | 6,831          | 6,831          | 6,831          | 6,831          |
| LSC Venues Base  |      | 6,463          | 0              | 0              | 0              | 0              |
| LSC Management Fee   | 1    | 0              | 1,557          | 1,119          | 902            | 843            |
|  |      | <b>13,294</b>  | <b>8,388</b>   | <b>7,950</b>   | <b>7,733</b>   | <b>7,674</b>   |
| Income/Expenditure Adjustments to 2020/21 Emergency Budget   | 2    | 0              | (275)          | (273)          | (291)          | (308)          |
| Add back Contribution to Earmarked Reserves from Common Fund | 3    | 0              | 830            | 830            | 830            | 830            |
| <b>Total Amendments to 2020/21 Emergency Budget Base</b>     |      | <b>0</b>       | <b>555</b>     | <b>557</b>     | <b>539</b>     | <b>522</b>     |
| <b>AUTHORITY BASE BUDGET</b>                                 |      | <b>13,294</b>  | <b>8,943</b>   | <b>8,507</b>   | <b>8,272</b>   | <b>8,196</b>   |
| <b>Annual Increase to Authority in year</b>                  |      |                |                |                |                |                |
| Impact of Pay Awards & Increments                            | 4    | 46             | 138            | 230            | 322            | 414            |
| Insurance Premiums   | 5    | 0              | 80             | 102            | 124            | 146            |
| Non Salary Inflation   | 6    | 0              | 68             | 136            | 155            | 155            |
| Income Inflation   | 7    | 0              | 0              | (90)           | (180)          | (270)          |
| Utilities/Business Rates                                     | 8    | 0              | 20             | 40             | 60             | 80             |
| Pension Fund (Triennial Valuation Growth)                    | 9    | 0              | 0              | 0              | 200            | 200            |
| <b>Net In Year Inflation and base adjustments</b>            |      | <b>46</b>      | <b>306</b>     | <b>418</b>     | <b>681</b>     | <b>725</b>     |
| <b>TOTAL PROJECTED BASE BUDGET</b>                           |      | <b>13,340</b>  | <b>9,249</b>   | <b>8,925</b>   | <b>8,953</b>   | <b>8,921</b>   |
| <b>LEVY</b>  |      | <b>(9,576)</b> | <b>(9,768)</b> | <b>(9,768)</b> | <b>(9,768)</b> | <b>(9,768)</b> |
| Proposed Levy Change   | 10   | 0.0%           | 2.0%           | 0.0%           | 0.0%           | 0.0%           |
| <b>Budget Deficit/(Surplus)</b>                              | 11   | <b>3,764</b>   | <b>(519)</b>   | <b>(843)</b>   | <b>(815)</b>   | <b>(847)</b>   |
| Growth/Savings Schedule 2021                                 |      | 0              | (1,010)        | (250)          | (540)          | (126)          |
| <b>REVISED BUDGET REQUIREMENT</b>                            |      | <b>13,340</b>  | <b>8,239</b>   | <b>8,675</b>   | <b>8,413</b>   | <b>8,795</b>   |
| <b>REVISED Budget Deficit/(Surplus)</b>                      | 11   | <b>3,764</b>   | <b>(1,529)</b> | <b>(1,093)</b> | <b>(1,355)</b> | <b>(973)</b>   |
| Provision for LSC Liabilities and Redundancies               | 13   | 800            | 0              | 0              | 0              | 0              |
| Covid Recovery Plan  | 14   | 0              | 1,200          | 230            | 0              | 0              |
| Use of Insurance Fund  |      | (239)          | 0              | 0              | 0              | 0              |
| Surplus Against Budget 2020/21                               | 15   | (2,317)        | 0              | 0              | 0              | 0              |
| <b>TOTAL MOVEMENT IN COMMON FUND</b>                         | 16   | <b>2,008</b>   | <b>(329)</b>   | <b>(863)</b>   | <b>(1,355)</b> | <b>(973)</b>   |
| Opening Common Fund Balance                                  |      | (4,384)        | (2,376)        | (2,705)        | (3,568)        | (4,923)        |
| <b>Closing Common Fund Balance</b>                           | 17   | <b>(2,376)</b> | <b>(2,705)</b> | <b>(3,568)</b> | <b>(4,923)</b> | <b>(5,896)</b> |

LEE VALLEY REGIONAL PARK AUTHORITY  
MEDIUM TERM FINANCIAL PLAN 2020/21 to 2024/25

OPTION B - 0% LEVY INCREASE

|  | Note | 2020/21        | 2021/22        | 2022/23        | 2023/24        | 2024/25        |
|--|------|----------------|----------------|----------------|----------------|----------------|
| <b>Base Emergency Budget APRIL 2020</b>                      |      |                |                |                |                |                |
| Authority Base   |      | 6,831          | 6,831          | 6,831          | 6,831          | 6,831          |
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| Add back Contribution to Earmarked Reserves from Common Fund | 3    | 0              | 830            | 830            | 830            | 830            |
| <b>Total Amendments to 2020/21 Emergency Budget Base</b>     |      | <b>0</b>       | <b>555</b>     | <b>557</b>     | <b>539</b>     | <b>522</b>     |
| <b>AUTHORITY BASE BUDGET</b>                                 |      | <b>13,294</b>  | <b>8,943</b>   | <b>8,507</b>   | <b>8,272</b>   | <b>8,196</b>   |
| <b>Annual Increase to Authority in year</b>                  |      |                |                |                |                |                |
| Impact of Pay Awards & Increments                            | 4    | 46             | 138            | 230            | 322            | 414            |
| Insurance Premiums   | 5    | 0              | 80             | 102            | 124            | 146            |
| Non Salary Inflation   | 6    | 0              | 68             | 136            | 155            | 155            |
| Income Inflation   | 7    | 0              | 0              | (90)           | (180)          | (270)          |
| Utilities/Business Rates                                     | 8    | 0              | 20             | 40             | 60             | 80             |
| Pension Fund (Triennial Valuation Growth)                    | 9    | 0              | 0              | 0              | 200            | 200            |
| <b>Net In Year Inflation and base adjustments</b>            |      | <b>46</b>      | <b>306</b>     | <b>418</b>     | <b>681</b>     | <b>725</b>     |
| <b>TOTAL PROJECTED BASE BUDGET</b>                           |      | <b>13,340</b>  | <b>9,249</b>   | <b>8,925</b>   | <b>8,953</b>   | <b>8,921</b>   |
| <b>LEVY</b>  |      | <b>(9,576)</b> | <b>(9,576)</b> | <b>(9,576)</b> | <b>(9,576)</b> | <b>(9,576)</b> |
| Proposed Levy Change   | 10   | 0.0%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           |
| <b>Budget Deficit/(Surplus)</b>                              | 11   | <b>3,764</b>   | <b>(327)</b>   | <b>(651)</b>   | <b>(623)</b>   | <b>(655)</b>   |
| Growth/Savings Schedule 2021                                 |      | 0              | (1,010)        | (250)          | (540)          | (126)          |
| <b>REVISED BUDGET REQUIREMENT</b>                            |      | <b>13,340</b>  | <b>8,239</b>   | <b>8,675</b>   | <b>8,413</b>   | <b>8,795</b>   |
| <b>REVISED Budget Deficit/(Surplus)</b>                      | 12   | <b>3,764</b>   | <b>(1,337)</b> | <b>(901)</b>   | <b>(1,163)</b> | <b>(781)</b>   |
| Provision for LSC Liabilities and Redundancies               | 13   | 800            | 0              | 0              | 0              | 0              |
| Covid Recovery Plan  | 14   | 0              | 1,200          | 230            | 0              | 0              |
| Use of Insurance Fund  |      | (239)          | 0              | 0              | 0              | 0              |
| Surplus Against Budget 2020/21                               | 15   | (2,317)        | 0              | 0              | 0              | 0              |
| <b>TOTAL MOVEMENT IN COMMON FUND</b>                         | 16   | <b>2,008</b>   | <b>(137)</b>   | <b>(671)</b>   | <b>(1,163)</b> | <b>(781)</b>   |
| Opening Common Fund Balance                                  |      | (4,384)        | (2,376)        | (2,513)        | (3,184)        | (4,347)        |
| Closing Common Fund Balance                                  | 17   | (2,376)        | (2,513)        | (3,184)        | (4,347)        | (5,128)        |

**NOTES**

1. LSC Management Fee at level initially agreed. Subject to confirmation
2. Amendment to Authority Base include
  - Removal of CJRS Furlough Claim Income (£400k)
  - Remove Senior Director salary costs (£285k)
  - Add back Business Rates as 100% rates relief in Emergency Budget. Assume full rates payable from 2021/22.
  - Authority use properties only (£140k)
  - Add Net Operational Income at 20/21 forecast levels (£750k)
3. Restore Contributions to Earmarked Reserves, and Revenue Contribution to Capital
4. Pay Rise assumed at 2% pa from 2021/22, plus Increments
5. Growth In Insurance Premiums
6. Non-salary Inflation on contracts eg Grounds Maintenance
7. Income inflation at average 2% (subject to Fees & Charges Review)
8. Gas, Electricity, Water at 5% average 2021/22 onwards
9. Potential Estimated adjustment to pension fund following triennial valuation
10. Annual change in Levy. Subject to Budget & Levy Strategy
11. Budget deficit/surplus before savings implemented
12. Budget deficit/surplus after savings achieved
13. Additional costs associated with end of LSC, and senior officer redundancy/retirement costs
14. Funding of service review redundancies, LSC liabilities/legal costs, variation to new LSC Management Fee
15. Estimated Revenue underspend against approved Emergency Budget 2020/21
16. Forecast deficit/surplus to Common Fund in year
17. Closing Common Fund Balance at year end.

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LEE VALLEY REGIONAL PARK AUTHORITY  
GROWTH & SAVINGS SCHEDULE

|  | 2020/21  | 2021/22        | 2022/23      | 2023/24      | 2024/25      | Notes   |
|--|----------|----------------|--------------|--------------|--------------|---|
| <b>Efficiency/Increased Income</b>           |          |                |              |              |              |   |
| Service Reviews                              | 0        | (410)          | (410)        | (410)        | (410)        | Officer estimate on achievable savings                                      |
| Ice Centre                                   | 0        | 0              | 0            | (100)        | (500)        | Subject to final LSC  |
| Picketts Lock (Wave)                         | 0        | 0              | 0            | 0            | (160)        | Pending decisions to be made  |
| Velopark Rental                              | 0        | 0              | (90)         | (180)        | (180)        | Pending confirmation the College World or Sport will be able to start 22/23 |
| Eton Manor Development                       | 0        | 0              | 0            | 0            | (16)         | Pending decisions to be made  |
| Community Access Fund                        | 0        | (50)           | 50           | 0            | 0            | Reduce for 21/22, rebuild back to Original Budget for 22/23                 |
| Marinas & Campsites                          | 0        | (250)          | (250)        | (250)        | (250)        | Restructure   |
| Hayes Hill cost saving on New Lease          | 0        | (350)          | (350)        | (350)        | (350)        | Remove cost of HHF from Emergency Budget base                               |
| New Hayes Hill Farm Rental                   | 0        | 0              | 0            | (50)         | (100)        | Assume 2 year rent-free period, then Base Rent 23/24, Base + Turnover 24/25 |
|  | 0        | (1,060)        | (1,050)      | (1,340)      | (1,966)      |   |
| <b>Budget Pressures</b>                      |          |                |              |              |              |   |
| Borrowing Costs Ice Centre                   | 0        | 50             | 200          | 300          | 1,340        | Subject to phased loan repayment costs, non rolled-up interest              |
| Lost Ice Centre Operation                    | 0        | 0              | 100          | 0            | 0            | Subject to final LSC  |
|  | 0        | 50             | 300          | 300          | 1,340        |   |
| <b>Asset &amp; Infrastructure Investment</b> |          |                |              |              |              |   |
| Asset Maintenance                            | 0        | 0              | 250          | 250          | 250          | Need for investment in assets as programme cut for 20/21 & 21/22            |
| Infrastructure Maintenance                   | 0        | 0              | 250          | 250          | 250          | Invest in Open Spaces Infrastructure in line with AM programme              |
| <b>NET EXPENDITURE/(SAVINGS)</b>             | <b>0</b> | <b>(1,010)</b> | <b>(250)</b> | <b>(540)</b> | <b>(136)</b> |   |

|  | 2010/11           | 2010/11<br>RPI Inflated | 2020/21          | Real Term<br>Change in<br>Levy | Cash/Actual<br>Change in levy |
|--|-------------------|-------------------------|------------------|--------------------------------|-------------------------------|
|  | £                 | £                       | £                | £                              | £                             |
| <b>CORPORATION OF LONDON</b>               | 18,101            | 24,075                  | 19,074           | (£5,001)                       | £972                          |
| <b>Inner London Boroughs</b>               |                   |                         |                  |                                |                               |
| CAMDEN                                     | 290,471           | 386,326                 | 216,970          | (£169,356)                     | (£73,501)                     |
| GREENWICH                                  | 238,976           | 317,838                 | 195,823          | (£122,015)                     | (£43,153)                     |
| HACKNEY                                    | 224,407           | 298,461                 | 174,105          | (£124,356)                     | (£50,302)                     |
| HAMMERSMITH AND FULHAM                     | 241,201           | 320,797                 | 188,404          | (£132,393)                     | (£52,797)                     |
| ISLINGTON                                  | 262,883           | 349,634                 | 190,104          | (£159,531)                     | (£72,780)                     |
| KENSINGTON AND CHELSEA                     | 303,768           | 404,011                 | 228,219          | (£175,792)                     | (£75,549)                     |
| LAMBETH                                    | 316,383           | 420,789                 | 261,020          | (£159,769)                     | (£55,363)                     |
| LEWISHAM                                   | 266,974           | 355,075                 | 210,883          | (£144,192)                     | (£56,091)                     |
| SOUTHWARK                                  | 294,190           | 391,273                 | 248,765          | (£142,508)                     | (£45,426)                     |
| TOWER HAMLETS                              | 257,344           | 342,268                 | 239,360          | (£102,908)                     | (£17,984)                     |
| WANDSWORTH                                 | 381,264           | 507,082                 | 316,742          | (£190,340)                     | (£64,523)                     |
| WESTMINSTER                                | 395,345           | 525,809                 | 310,589          | (£215,220)                     | (£84,756)                     |
| <b>Outer London Boroughs</b>               |                   |                         |                  |                                |                               |
| BARKING AND DAGENHAM                       | 157,533           | 209,519                 | 119,846          | (£89,673)                      | (£37,687)                     |
| BARNET                                     | 419,370           | 557,763                 | 345,966          | (£211,797)                     | (£73,405)                     |
| BEXLEY                                     | 253,997           | 337,816                 | 192,439          | (£145,378)                     | (£61,558)                     |
| BRENT                                      | 294,306           | 391,427                 | 228,451          | (£162,976)                     | (£65,855)                     |
| BROMLEY                                    | 405,286           | 539,031                 | 309,015          | (£230,015)                     | (£96,271)                     |
| CROYDON                                    | 386,067           | 513,469                 | 310,661          | (£202,808)                     | (£75,406)                     |
| EALING                                     | 357,095           | 474,936                 | 273,467          | (£201,469)                     | (£83,628)                     |
| ENFIELD                                    | 334,569           | 444,977                 | 228,734          | (£216,243)                     | (£105,835)                    |
| HARINGEY                                   | 260,130           | 345,973                 | 183,835          | (£162,138)                     | (£76,295)                     |
| HARROW                                     | 263,505           | 350,461                 | 205,190          | (£145,271)                     | (£58,314)                     |
| HAVERING                                   | 272,109           | 361,905                 | 208,036          | (£153,869)                     | (£64,073)                     |
| HILLINGDON                                 | 298,868           | 397,494                 | 238,988          | (£158,506)                     | (£59,880)                     |
| HOUNSLOW                                   | 263,044           | 349,848                 | 201,878          | (£147,970)                     | (£61,166)                     |
| KINGSTON UPON THAMES                       | 188,889           | 251,222                 | 149,454          | (£101,768)                     | (£39,435)                     |
| MERTON                                     | 226,549           | 301,311                 | 177,859          | (£123,451)                     | (£48,690)                     |
| NEWHAM                                     | 227,614           | 302,726                 | 190,939          | (£111,788)                     | (£36,675)                     |
| REDBRIDGE                                  | 275,740           | 366,734                 | 214,461          | (£152,273)                     | (£61,279)                     |
| RICHMOND UPON THAMES                       | 271,235           | 360,742                 | 207,706          | (£153,036)                     | (£63,528)                     |
| SUTTON                                     | 224,871           | 299,078                 | 172,042          | (£127,036)                     | (£52,829)                     |
| WALTHAM FOREST                             | 230,253           | 306,237                 | 180,741          | (£125,496)                     | (£49,512)                     |
| <b>Total London</b>                        | <b>9,102,338</b>  | <b>12,106,110</b>       | <b>7,139,766</b> | <b>(4,966,344)</b>             | <b>(1,962,572)</b>            |
| <b>Hertfordshire and Essex Authorities</b> |                   |                         |                  |                                |                               |
| HERTFORDSHIRE                              | 1,359,909         | 1,808,679               | 1,060,369        | (£748,310)                     | (£299,540)                    |
| ESSEX                                      | 1,614,250         | 2,146,953               | 1,254,097        | (£892,856)                     | (£360,154)                    |
| THURROCK                                   | 157,303           | 209,213                 | 121,468          | (£87,744)                      | (£35,835)                     |
| <b>Total Levy on Local Authorities</b>     | <b>12,233,800</b> | <b>16,270,954</b>       | <b>9,575,700</b> | <b>(6,695,254)</b>             | <b>(2,658,100)</b>            |

| Authority                              | Current<br>Levy<br>2020/21 | Option A<br>2.00%<br>Increase<br>2021/22 | Option B<br>0.00%<br>increase<br>2021/22 |
|--|----------------------------|--|--|
| Corporation of London                  | £19,074                    | £19,500                                  | £19,074                                  |
| <b>Inner London Boroughs</b>           |                            |  |  |
| London Borough of Camden               | £216,970                   | £221,350                                 | £216,970                                 |
| London Borough of Greenwich            | £195,823                   | £199,750                                 | £195,823                                 |
| London Borough of Hackney              | £174,105                   | £177,600                                 | £174,105                                 |
| London Borough of Hammersmith & Fulham | £188,404                   | £192,200                                 | £188,404                                 |
| London Borough of Islington            | £190,104                   | £193,950                                 | £190,104                                 |
| Royal Borough of Kensington & Chelsea  | £228,219                   | £232,800                                 | £228,219                                 |
| London Borough of Lambeth              | £261,020                   | £266,250                                 | £261,020                                 |
| London Borough of Lewisham             | £210,883                   | £215,150                                 | £210,883                                 |
| London Borough of Southwark            | £248,765                   | £253,750                                 | £248,765                                 |
| London Borough of Tower Hamlets        | £239,360                   | £244,150                                 | £239,360                                 |
| London Borough of Wandsworth           | £316,742                   | £323,100                                 | £316,742                                 |
| City of Westminster                    | £310,589                   | £316,850                                 | £310,589                                 |
| <b>Outer London Boroughs</b>           |                            |  |  |
| London Borough of Barking & Dagenham   | £119,846                   | £122,250                                 | £119,846                                 |
| London Borough of Barnet               | £345,966                   | £352,900                                 | £345,966                                 |
| London Borough of Bexley               | £192,439                   | £196,300                                 | £192,439                                 |
| London Borough of Brent                | £228,451                   | £233,050                                 | £228,451                                 |
| London Borough of Bromley              | £309,015                   | £315,200                                 | £309,015                                 |
| London Borough of Croydon              | £310,661                   | £316,900                                 | £310,661                                 |
| London Borough of Ealing               | £273,467                   | £278,950                                 | £273,467                                 |
| London Borough of Enfield              | £228,734                   | £233,350                                 | £228,734                                 |
| London Borough of Haringey             | £183,835                   | £187,550                                 | £183,835                                 |
| London Borough of Harrow               | £205,190                   | £209,300                                 | £205,190                                 |
| London Borough of Havering             | £208,036                   | £212,200                                 | £208,036                                 |
| London Borough of Hillingdon           | £238,988                   | £243,800                                 | £238,988                                 |
| London Borough of Hounslow             | £201,878                   | £205,950                                 | £201,878                                 |
| Royal Borough of Kingston upon Thames  | £149,454                   | £152,450                                 | £149,454                                 |
| London Borough of Merton               | £177,859                   | £181,450                                 | £177,859                                 |
| London Borough of Newham               | £190,939                   | £194,800                                 | £190,939                                 |
| London Borough of Redbridge            | £214,461                   | £218,800                                 | £214,461                                 |
| London Borough of Richmond upon Thames | £207,706                   | £211,900                                 | £207,706                                 |
| London Borough of Sutton               | £172,042                   | £175,500                                 | £172,042                                 |
| London Borough of Waltham Forest       | £180,741                   | £184,400                                 | £180,741                                 |
|  | <b>£7,139,766</b>          | <b>£7,283,400</b>                        | <b>£7,139,766</b>                        |
| Hertfordshire County Council           | £1,060,369                 | £1,081,600                               | £1,060,369                               |
| Essex County Council                   | £1,254,097                 | £1,279,200                               | £1,254,097                               |
| Thurrock Council                       | £121,468                   | £123,900                                 | £121,468                                 |
| <b>Total Levy on Local Authorities</b> | <b>£9,575,700</b>          | <b>£9,768,100</b>                        | <b>£9,575,700</b>                        |
| Increase (£)                           |                            | £192,400                                 | £0                                       |

Apportionment based on 2020/21 Council Tax Band D calculations and subject to change for 2021/22.

## **Summary of 2020-25 Business Plan Priority Areas**

- a) **Major developments and investment opportunities**
  - Ice Centre
  - The Wave
  - Hotel at Eton Manor
  - Blitern Information Point
  - White Water Centre (additional leisure/hotel development)
  - East India Dock Basin
  - Hayes Hill Farm
  - Campsites and Marinas
- b) **Management of the new LSC**
  - Develop an effective working relationship with new contractor
  - Maximise investment opportunities at the 6 major sports venues
- c) **Land and Property Plan**
  - Identify and deliver land acquisition and disposal opportunities
- d) **Park Infrastructure**
  - Develop and deliver a range of Park Infrastructure projects as identified in the Park Development Framework
- e) **Active Communities**
  - Further develop the range of Active Community programmes, including the Community Access Fund, to provide greater access to the Park from across the region
- f) **Biodiversity**
  - Working with partners to conserve, create, restore and enhance the biodiversity of the Park
- g) **Events**
  - One major international event per year 2020-2023 including the Commonwealth Games in 2022
  - FIH Pro League Hockey 2019-2023 and potentially 2024-2028
  - Expand the events programme across the Park
- h) **Organisational development**
  - Review ways of working, optimising use of new technology
  - Review office accommodation requirements
  - Develop a new Environmental Policy and action plan
- i) **Levy Strategy**
  - To continue to reduce the burden on the regional tax payer



LEE VALLEY REGIONAL PARK AUTHORITY  
FINANCIAL RESERVES STATEMENT

OPTION A - 2% LEVY INCREASE

| Note   | 2019/20         | 2020/21         | 2021/22         | 2022/23         | 2023/24         | 2024/25         |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>COMMON FUND</b>                           |                 |                 |                 |                 |                 |                 |
| <b>Earmarked Revenue Reserves</b>            |                 |                 |                 |                 |                 |                 |
| Insurance Fund                               | (689)           | (450)           | (430)           | (410)           | (390)           | (370)           |
| Repairs/Renewals <sup>1</sup>                | (1,437)         | (1,377)         | (1,377)         | (1,377)         | (1,377)         | (1,377)         |
| Asset Maintenance Reserve                    | (1,369)         | (369)           | (219)           | (219)           | (219)           | (219)           |
|  | <b>(3,495)</b>  | <b>(2,196)</b>  | <b>(2,026)</b>  | <b>(2,006)</b>  | <b>(1,986)</b>  | <b>(1,966)</b>  |
| Capital Receipts/Grants <sup>2</sup>         | (12,748)        | (10,891)        | (10,696)        | (10,146)        | (9,846)         | (9,546)         |
| <b>Total Usable Reserves</b>                 | <b>(20,627)</b> | <b>(15,463)</b> | <b>(15,427)</b> | <b>(15,720)</b> | <b>(16,755)</b> | <b>(16,208)</b> |
| <b>Unusable Reserves</b>                     |                 |                 |                 |                 |                 |                 |
| Creditors/Debtors <sup>3</sup>               | (1,663)         | (1,200)         | (1,200)         | (1,200)         | (1,200)         | (1,200)         |
| Capital Financing Requirement                | 12,161          | 11,674          | 11,207          | 10,758          | 40,327          | 37,963          |
| Long Term Borrowing <sup>4</sup>             | 0               | 0               | 0               | 0               | (30,000)        | (29,250)        |
| <b>TOTAL AVAILABLE CASH</b>                  | <b>(10,129)</b> | <b>(4,989)</b>  | <b>(5,420)</b>  | <b>(6,162)</b>  | <b>(7,628)</b>  | <b>(8,695)</b>  |
| Ice Centre Borrowing Short Term <sup>4</sup> | 0               | 0               | (13,000)        | (4,000)         | 0               | 0               |
| <b>TOTAL CASH HOLDING, INCLUDING LOAN</b>    | <b>(10,129)</b> | <b>(4,989)</b>  | <b>(18,420)</b> | <b>(10,162)</b> | <b>(7,628)</b>  | <b>(8,695)</b>  |

1. Repairs & Renewals assumes same level contributions as expenditure. Subject to review of forward plan for R&R
2. Capital Receipts. Does not include land sale receipts
3. Estimate year end liabilities, based of historic trend
4. Short term borrowing for duration of build, overall cash holding higher than actual available cash. Long term borrowing on opening

LEE VALLEY REGIONAL PARK AUTHORITY  
FINANCIAL RESERVES STATEMENT

OPTION A - 2% LEVY INCREASE

| Movement in Cash                      | 2020/21  | 2021/22  | 2022/23  | 2023/24  | 2024/25 |
|---------------------------------------|----------|----------|----------|----------|---------|
| Opening Cash Balance                  | (10,129) | (4,989)  | (18,420) | (10,162) | (7,628) |
| Movement on Common Fund               | 2,008    | (329)    | (863)    | (1,355)  | 227     |
| Revenue Contributions in General Fund | (248)    | (1,277)  | (1,259)  | (1,241)  | (2,424) |
| Net Repairs/Renewals Expenditure      | 60       | 80       | 80       | 80       | 80      |
| Net Reduction in Creditors/Debtors    | 463      | 0        | 0        | 0        | 0       |
| Net Revenue Expenditure/(Income)      | 2,283    | (1,526)  | (2,042)  | (2,516)  | (2,117) |
| Net Capital Expenditure               | 2,857    | 1,095    | 1,300    | 1,050    | 1,050   |
| Closing Cash Balance                  | (4,989)  | (5,420)  | (19,162) | (11,628) | (8,695) |
| Ice Centre Build Cost                 | 0        | 13,000   | 13,000   | 4,000    | 0       |
| Borrowing                             | 0        | (26,000) | (4,000)  | 0        | 0       |
| Closing Cash Balance (inc Ice Centre) | (4,989)  | (18,420) | (10,162) | (7,628)  | (8,695) |

| Local Authority           | 2018-19 |             | 2019-20 |             | 2020-21 |             | 2020-21 |  |
|---------------------------|---------|-------------|---------|-------------|---------|-------------|---------|--|
|                           | £m      | %           | £m      | %           | £m      | %           | £m      |  |
| 1 Barking and Dagenham    | 151.3   | 1.5%        | 153.6   | 5.4%        | 161.9   | 5.0%        | 170.0   |  |
| 2 Barnet                  | 260.0   | 2.4%        | 266.2   | 6.2%        | 282.8   | 5.0%        | 297.0   |  |
| 3 Bexley                  | 158.6   | 1.9%        | 161.5   | 5.1%        | 169.8   | 4.8%        | 178.0   |  |
| 4 Brent                   | 256.1   | 1.6%        | 260.3   | 5.0%        | 273.3   | 3.6%        | 283.2   |  |
| 5 Bromley                 | 203.7   | 3.6%        | 211.0   | 5.4%        | 222.4   | 4.7%        | 232.8   |  |
| 6 Camden                  | 244.9   | 1.1%        | 247.5   | 6.5%        | 263.7   | 3.3%        | 272.3   |  |
| 7 City of London          | 31.0    | 0.5%        | 31.1    | 3.5%        | 32.2    | 3.8%        | 33.4    |  |
| 8 Croydon                 | 279.1   | 3.1%        | 287.9   | 7.1%        | 308.3   | 5.1%        | 323.9   |  |
| 9 Ealing                  | 247.4   | 1.8%        | 252.0   | 6.8%        | 269.2   | 5.2%        | 283.2   |  |
| 10 Enfield                | 232.1   | 1.3%        | 235.1   | 5.3%        | 247.7   | 4.5%        | 258.9   |  |
| 11 Essex                  | 901.8   | 3.0%        | 928.9   | 6.9%        | 993.4   | 5.3%        | 1,046.1 |  |
| 12 Greenwich              | 231.7   | 1.5%        | 235.2   | 6.1%        | 249.4   | 3.2%        | 257.5   |  |
| 13 Hackney                | 253.7   | 1.2%        | 256.9   | 5.7%        | 271.6   | 3.7%        | 281.5   |  |
| 14 Hammersmith and Fulham | 156.2   | 1.6%        | 158.7   | 5.9%        | 168.1   | 4.0%        | 174.8   |  |
| 15 Haringey               | 221.4   | -0.2%       | 220.9   | 5.6%        | 233.3   | 4.7%        | 244.2   |  |
| 16 Harrow                 | 173.9   | 3.9%        | 180.6   | 6.1%        | 191.7   | 5.1%        | 201.4   |  |
| 17 Havering               | 170.8   | 1.0%        | 172.6   | 4.5%        | 180.4   | 4.7%        | 188.8   |  |
| 18 Hertfordshire          | 754.2   | 1.9%        | 768.9   | 6.5%        | 819.0   | 5.2%        | 861.9   |  |
| 19 Hillingdon             | 180.8   | 0.5%        | 181.8   | 6.4%        | 193.5   | 4.5%        | 202.3   |  |
| 20 Hounslow               | 174.2   | 3.5%        | 180.3   | 5.5%        | 190.2   | 4.3%        | 198.3   |  |
| 21 Islington              | 223.6   | 0.6%        | 225.0   | 6.4%        | 239.4   | 3.7%        | 248.2   |  |
| 22 Kensington and Chelsea | 158.8   | 1.1%        | 160.6   | 4.7%        | 168.2   | 4.7%        | 176.0   |  |
| 23 Kingston upon Thames   | 119.9   | 3.9%        | 124.6   | 6.5%        | 132.6   | 4.6%        | 138.7   |  |
| 24 Lambeth                | 293.0   | 0.0%        | 293.0   | 6.0%        | 310.7   | 3.7%        | 322.3   |  |
| 25 Lewisham               | 254.3   | 2.0%        | 259.3   | 5.9%        | 274.5   | 4.1%        | 285.6   |  |
| 26 Merton                 | 139.6   | 1.9%        | 142.2   | 5.7%        | 150.3   | 4.6%        | 157.2   |  |
| 27 Newham                 | 254.8   | 1.6%        | 258.9   | 8.1%        | 280.0   | 3.2%        | 288.9   |  |
| 28 Redbridge              | 189.3   | 3.4%        | 195.6   | 6.4%        | 208.1   | 5.7%        | 219.9   |  |
| 29 Richmond upon Thames   | 151.3   | 4.1%        | 157.5   | 4.8%        | 165.1   | 4.9%        | 173.3   |  |
| 30 Southwark              | 292.0   | 1.7%        | 297.0   | 6.6%        | 316.5   | 3.3%        | 327.1   |  |
| 31 Sutton                 | 149.6   | 1.3%        | 151.4   | 5.1%        | 159.2   | 4.5%        | 166.4   |  |
| 32 Thurrock               | 116.9   | -0.7%       | 116.1   | 5.7%        | 122.7   | 4.0%        | 127.6   |  |
| 33 Tower Hamlets          | 282.3   | 0.9%        | 284.9   | 7.4%        | 305.9   | 4.2%        | 318.8   |  |
| 34 Waltham Forest         | 206.4   | 1.4%        | 209.2   | 5.5%        | 220.7   | 4.4%        | 230.5   |  |
| 35 Wandsworth             | 185.8   | 2.1%        | 189.7   | 5.8%        | 200.7   | 3.1%        | 207.0   |  |
| 36 Westminster            | 203.9   | 0.9%        | 205.7   | 5.1%        | 216.2   | 5.0%        | 227.0   |  |
| <b>Average (mean)</b>     |         | <b>1.8%</b> |         | <b>5.9%</b> |         | <b>4.4%</b> |         |  |

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## **WORK PROGRAMME UPDATE**

Presented by the Chief Executive

### **SUMMARY**

This report provides an update on Covid-19 in relation to activities of the Authority and an update on the 2020/21 Work Programme.

### **RECOMMENDATION**

Members Note: (1) the report.

### **COVID-19 UPDATE**

- 1 Members have been kept apprised of the Authority's response to COVID-19 over the past 9 months.
- 2 The COVID-19 oversight group has continued to meet weekly to ensure all changes and updates from Government are implemented as required and that there is an Authority wide, well communicated, coordinated strategic approach to how COVID-19 related matters are dealt with.
- 3 The venue re-opening structure that was implemented in June has continued to ensure that a robust well planned and coordinated approach has been undertaken regarding the closure and re-opening of all Authority venues and services and any un-furloughing of venue staff. This approach has continued to be underpinned by three guiding principles:
  - activities must make a surplus;
  - COVID-19 safe to the highest standard; and
  - not to negatively affect the Authority's reputation.
- 4 **Providing support for the Covid-19 Emergency**  
The Authority has since 22 April 2020 leased an area of the car park at Lee Valley Leisure Complex as a drive through Covid-19 Testing Centre.
- 5 The Covid-19 Testing Centre has operated well, the Authority has had no issues with how operations have been conducted by Serco (the operators on behalf of the Government) and negotiations have been completed to allow an extension

until 31 December 2021. The negotiated agreement generates an annual income of £45,375 and has options to break for both parties in March, June and September.

**6 Venues**

All of the sports venues that reopened between August and September were operating a reduced programme, both in terms of operational hours and activities available, up to the point of the second lockdown in November. All venues were within tier 2 restrictions at that time and the majority of the venues re-opened in December on the basis of where they were before the second lockdown. The programmes and activities on offer were being reviewed weekly to ensure that nothing was undertaken that caused the Authority a financial concern.

7 The government COVID-19 three tier regulations did not materially affect the venues activities but the revised tier four and recent national lockdown regulations have. Authority officers are working closely with RDHS (the Authority's Health & Safety consultants) and plans are in place for each venue no matter what tier they fall into, as even in national lockdown some activity takes place, for example elite athlete training. The Authority venues continue to operate a COVID-19 safe environment to the highest standard but currently the majority of venues are closed.

**8 Managing and supporting Staff**

Working from home, being furloughed or working on site with COVID-19 restrictions, has meant a major adjustment for staff. Senior officers have been keen to ensure that staff have all of the support they need, from IT equipment to regular contact with colleagues. Emails, video briefings, video conferencing and e-bulletins are all being used.

9 Following the staff survey which took place in the summer, there was a lot of feedback around working from home and equipment, so in order to find out people's individual requirements in this area, the working from home risk assessment was reviewed and completed by staff. Any individual issues highlighted have been discussed and resolved.

10 The 'all staff' remote briefings continue on a regular basis to keep staff up to date and give them the opportunity to ask any questions they may have. These include staff working on site, staff working at home and those furloughed.

11 We regularly remind all staff about the support mechanisms available to them, such as the Employee Assistance Programme and other useful online resources. We are also looking into what else we can put in place for staff wellbeing e.g. remote exercise sessions, mindfulness sessions, etc.

12 We were looking forward to welcoming back all of our furloughed staff from 1 November, but with the extension of the furlough scheme, which is now in place until 30 April 2021, and the third national lockdown, the majority of those who were furloughed went back on furlough. The current furlough list is being reviewed monthly or as and when changes are required.

**13 Emergency Budget 2020/21**

The Authority's budget has been significantly affected by the impact of COVID-19. The main income generators, the venues, were closed for the beginning of the peak season (April-October). 70% of the venues annual income is earned

during this period. In addition, the Authority's rental income has been impacted as tenants seek a rent holiday or deferral.

- 14 An Emergency Budget was approved at Executive Committee in May 2020, and forecast a reduction to the Authority's cash reserves of £7million for the current financial year i.e. from £10mill to £3mill.
- 15 Since June, venues were able to be opened with limited capacity due to COVID-19 regulations and we were able to generate some income. The November 2020 lockdown had a smaller impact, and we were able to reopen most of the venues again in December 2020. Along with keeping a close rein on expenditure, we expect the final outturn for the year to be between £2million - £3million better than expectations. However, this will still see a reduction in cash reserves of £5mill from £10mill to around £5mill.
- 16 The Authority has benefited from the 100% business rates relief that all leisure venues are to receive in 2020/21.
- 17 The Authority has also benefited from the Government's Job Retention Scheme, which has allowed organisations to claim up to 80% of salaries for employees that have been furloughed. In total we anticipate that the Authority will claim over £1.6mill once the scheme ends in April 2021.

In addition, the Authority is exploring other funding support initiatives for which it might qualify. The £100mill National Leisure Recovery Fund which was announced by the Government in late 2020 is directed at local authorities only and the Authority is not eligible to benefit from this scheme.

#### 18 **2021/22 Budget Planning**

The Chief Executive and officers have for the past few months been budget planning for 2021/22 and revising the Medium Term Financial Plan. The budget for 2021/22 needs to address the impact on the Authority's reserves in 2020/21 and the strong likelihood of reduced income across the Park's activities. The focus for 2021/22 budget is recovery and resilience.

#### **Budget Assumptions**

- Cash reserves reduced from £10mill to £5mill
- Little capacity for capital investment
- Reduced demand and income as a result of:
  - lower operating capacities;
  - customer caution re: indoor venues;
  - economic climate,
  - impact of COVID-19 extending into 2021/22.

#### **Key Budget Objectives**

- Develop budget capacity in response to a projected fall in income
- Achieve a cash reserves position which enables the Authority to deal with further financial shocks
- Increase income where possible e.g. non-Leisure Services Contract (LSC) venues
- Minimise expenditure across all activities

The main focus for recovering the Authority's budget position is reducing the Authority's cost base. A number of areas are being looked at:

- staffing efficiencies;

- head office costs;
- asset management programme; and
- new operating arrangements for Hayes Hill Farm.

On the income side opportunities will be more limited in the short term, but an officer group has been set up to look at possible areas for income growth. The levy of course is a mechanism the Authority can consider to increase income to assist its budget position.

Members have reviewed the proposed budget options at the December Budget Workshop and will set the Levy and Budget for 2021/22 at the 21 January 2021 Authority meeting.

## **AUTHORITY WORK PROGRAMME**

- 19 The Authority's work programme has naturally been affected by the COVID-19 emergency. The sports venues have been operating on a limited basis and a range of other activities and services have been paused, either as a direct result of COVID-19 or in response to the need to rein in expenditure: conservation work; Park activation (events, youth and schools, community programmes); and asset management. On the other hand, there has been enormous pressure on the Park's open spaces over the past 6 months, with the Ranger teams having to respond to high levels of use and associated adverse impact e.g. litter and anti-social behavior.

Despite the extraordinary challenges presented since March 2020, officers have managed to progress some key investment and strategic projects. Some projects however are on pause/being revisited as a result of the pandemic.

20 a) **Ice Centre**

The new Lee Valley Ice Centre scheme obtained planning permission at the London Borough of Waltham Forest's (LBWF) Planning Committee on 6 October 2020. Members of the Executive Committee in November 2020 approved the recommendations of paper E/698/20 to enter into a section 106 agreement with the LBWF and this was signed and sealed by both parties on 20 November 2020. On November 17 2020 the Mayor gave his approval for LBWF to determine consent following the GLA's stage 2 report and a Decision Notice was issued to the Authority from LBWF on 20 November 2020.

The procurement process for a building contractor has started with 4 major companies progressing from the pre-qualification stage to the Invitation to Tender stage of the OJEU process. Mid tender interviews took place with all 4 of the bidders on 23 and 24 November 2020 and the deadline for submitting tenders is 29 January 2021. This process will be completed by early spring 2021.

Officers have been exploring funding model options for the new Ice Centre. Discussions have taken place with the London Borough of Enfield (LBE) (as part of the Service Level Agreement) and the LBWF with regard to borrowing model options and direct investment. Officers are continuing to explore funding support from LBWF and funding agencies such as Sport England and the London Marathon Trust.



The proposed funding package along with the conclusion of the building contractor procurement exercise will be brought to Members for approval in Spring 2021. If approval is given the build programme will start Summer 2021 with estimated completion in Summer 2023.



21 b) **Wildlife Discovery Centre**

Members were able to enjoy a visit to the new Wildlife Discovery Centre (WDC) pre-opening following which the WDC had its first event on 22 October 2020 when a group of 12 school children from Waltham Abbey took part in an education event to learn about the green roof and make seed bombs to seed the roof. The group had a fantastic day and threw their newly made seed bombs from the tower onto the roof. The event was enjoyed so much they have booked three programs with the Youth and Schools team for 2021.

The WDC was opened to the public in early December 2020 whilst the location was in tier 2 of COVID-19 restrictions and with the use of volunteers, both existing and new, and using redeployed staff who were on furlough we have been able to open it 7 days a week from 10am to 4pm. The sessions are 45 minute bookable slots for up to six visitors.

All snagging elements have now been completed and the green roof is already starting to show some good signs of growth aided by the mild weather in December.

The feedback on the building has been outstanding and there is a real appreciation of the design and the thought that has gone into the building. Following changes in the tier classification that the WDC sits within, on 16 December 2020 we sadly had to close the facility in line with Government guidelines.





22 c)

**The Wave**

The Wave project at Picketts Lock has been on pause for the last 10 months. The Wave opened the UK's first next generation inland surfing venue in Bristol in November 2019. Following a very successful winter and early spring season, the fledgling venue had to close in March 2020, not reopening until August 2020. Despite suffering what was a major financial blow, The Wave Bristol has bounced back with a busy August-October period. The Wave is keen to re-engage with the Authority on the Picketts Lock scheme. A meeting has been arranged in March to revisit the The Wave scheme at Picketts Lock and this will involve The Wave, the Authority and LBE (planning authority).

As part of the Exclusivity Agreement the Authority has with The Wave, the golf course and campsite on the Picketts Lock site were due to close on 31 March 2021, with The Wave taking occupation of the site. However due to the delay it has been agreed that both facilities will continue to operate for 2021/22.



23 d)

**Lee Valley Park Farms**

Located in the River Lee Country Park and opened in 1976, the Farms consist of Hayes Hill Farm, a day visitor attraction and Holyfield Hall Farm, a commercial dairy and arable farm.

Hayes Hill Farm has been operating at a loss and has never made a surplus. The current cost to the Authority this financial year will be in the region of £320,000. Hayes Hill Farm is also likely to require significant

investment to renew the attraction, expected to be greater than £1mill over the coming years.

In August 2020, officers proceeded to market Hayes Hill Farm and additional land to ascertain interest for the operation of the current attraction as a going concern. This marketing resulted in at least 14 enquiries and in turn led to the Authority receiving 5 expressions of interest from key players in the day visitor farm attraction sector.

Executive Committee Members approved the selection of the successful bidder in November 2020 (Paper E/596/20) and subsequently approved in December 2020 (Paper E/700/20) that officers proceed with agreeing terms for a 50 year term lease of Hayes Hill Farm.

Officers are currently working towards 1 March 2021 as the lease commencement date and as part of the transfer, existing staff employed on the site would be transferred under TUPE Regulations on the same date.

The new arrangement will secure the Authority a minimum rental of £50,000pa from 2023/24 onwards, with higher rent expected when the facility is trading over £1.5mill in turnover. The tenant will undertake works/improvements (subject to consents as necessary) by the fifth year to a value of at least £1.5mill and this will include play equipment; mini-golf; splash park; new themed areas; big top etc. In addition, a further £1mill minimum investment is expected by year 10.

24 e)

**Hotel at Eton Manor**

A preferred developer was previously selected, having put a proposal forward for a 98-bed hotel, gym and a drive through coffee facility planned for the 2.35-acre Eton Manor development site. The hotel is expected to support the operation of the Lee Valley Hockey & Tennis Centre, notably the events programmes and provide a revenue stream to assist in ensuring a sustainable future for the site. Over the course of 2020 due to the pandemic and the resulting impact on the hotel leisure industry, the developer continued with their engagement with the proposed hotel operator. The interest in the Eton Manor site is still strong with the operator looking ahead and beyond the end of 2021 which is where they anticipate 'normality' to resume to their industry. Officers are currently progressing discussions with the preferred developer to agree heads of terms and an exclusivity period ahead of seeking Member approval.

25 f)

**East India Dock Basin**

Officers have been working with the London Borough of Tower Hamlets to look at possible improvements to East India Dock Basin. Works were completed last year to update a range of studies that were carried out over eight years ago to understand what options are available to seek to resolve the siltation issues. A planning application has now been submitted by the developer for the Orchard Wharf site directly to the east of the Basin and the developer is also keen to see improvements to the offer on the Basin. Officers are now exploring an informal joint partnership with the London Borough of Tower Hamlets. This partnership hopes to develop a shared vision, understand the issues that need to be addressed and explore potential funding opportunities to complete a thorough improvement project at East India Dock Basin.

26 g)

**Land and Property****Mile & Langley Nursery**

A planning appeal has been lodged with the Planning Inspectorate against the decision by Epping Forest District Council to refuse planning permission on the site of the former Mile and Langley nursery. The appeal has been validated and the Authority is still waiting for a start date for the process. The Planning Inspectorate have advised that they are currently waiting for an Inspector with the right expertise to become available in our area and that this is currently taking more time than usual due to COVID-19.

**Harbert Road and Rammey Marsh**

Discussions are on-going with LBE over land at Harbets Hump (Authority owned). Members will recall that LBE require the land at Harbets Hump for flood alleviation in connection with the Meridian Water development and have now issued a Compulsory Purchase Notice to the Authority to seek to acquire Harbets Hump. The Authority has lodged an objection to the Compulsory Purchase Order and it expects to receive a statement of case from LBE. In parallel, LBE have indicated they wish to engage in a discussion on acquiring the Harbets Hump land and officers await a proposal from the LBE agent to this effect.

LBE has indicated that it wishes to keep discussions on Rammey Marsh separate and are looking to extract value from the LBE land. Members will recall that land at Rammey Marsh West is in 3 separate ownerships, LBE, the Authority and TfL. Further attempts will be made to bring TfL into the discussion and officers will continue to meet with LBE to discuss the potential benefits of working together and options to bring forward development on that site.

Further progress on this is expected in February after work over the coming weeks, where LBE will be looking to finalise their employment and housing evidence to fully understand demand and projected need.

**Spitalbrook**

Discussions with Broxbourne Borough Council (Broxbourne) on the development of a masterplan for the 200 acre Spitalbrook site have been on hold. As previously advised, Broxbourne had shared some high level scenarios for the site in 2020. There is a further joint meeting of officers in the calendar which will take place before the end of January. Discussions on Spitalbrook will re-start with Members over the next few months.

27 h)

**Management of the 6 Sports Venues**

Up until the announcement of tier 4 restrictions for the majority of England just before Christmas, the Authority and GLL were working towards a LSC start date of 1 April 2021 with the LSC matters resolved and the year 1 Management Fee almost agreed. The introduction of the tier 4 restrictions followed by the national lockdown has meant that the 1 April contract start date has had to be revisited. It is now likely that the pandemic will impact on 2021/22 greater than previously thought, in terms of when venues can fully open and the trading climate. As a result of this increased uncertainty, officers and GLL have concluded that it is no longer feasible for the LSC to start on 1 April. The earliest practicable start date is now 1 October 2021.

From an operational standpoint the Authority will continue to manage the venues as it has done this year. There is a potential business rates liability and officers are looking at ways to mitigate the impact, including applying for rate relief from the local rating authorities.

## **BUSINESS PLANNING**

- 28 In early 2020 the Chief Executive had drafted a new business plan for 2020-25 and this was to have been discussed with Members and finalised in April 2020. The Authority now finds itself in a very different place, with the continued uncertainty around how and when the Park will emerge from the pandemic and with the short term (1-2 years) focus very much on recovery in terms of financial health and rebuilding the programmes, initiatives and investment projects. A shorter term 2 year business plan will be developed in the next few months.

## **ENVIRONMENTAL IMPLICATIONS**

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

## **FINANCIAL IMPLICATIONS**

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

## **HUMAN RESOURCE IMPLICATIONS**

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

## **LEGAL IMPLICATIONS**

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

## **RISK MANAGEMENT IMPLICATIONS**

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

## **EQUALITY IMPLICATIONS**

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

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## **PREVIOUS COMMITTEE REPORTS**

|           |           |   |                 |
|-----------|-----------|---|-----------------|
| Authority | A/4288/20 | Work Programme Update                       | 12 October 2020 |
| Authority | A/4281/20 | Covid-19 Response and Work Programme Update | 22 April 2020   |
| Authority | A/4274/19 | Work Programme: Progress Update             | 17 October 2019 |

**LIST OF ABBREVIATIONS**

|            |  |
|------------|--|
| the Trust  | Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships) |
| LBE        | London Borough of Enfield                                      |
| LBWF       | London Borough of Waltham Forest                               |
| Broxbourne | Broxbourne Borough Council                                     |
| LSC        | Leisure Services Contract                                      |

## **ANTI-FRAUD, BRIBERY & CORRUPTION AND WHISTLEBLOWING POLICIES**

Presented by the Head of Finance

### **SUMMARY**

The Audit Committee has considered revisions to the Anti-Fraud, Bribery & Corruption Policy, the Whistleblowing Policy and the Fraud Response Plan (Paper AUD/114/20). In accordance with Standing Orders and Financial Regulations, Audit Committee recommend the revised policies to Authority. The report considered by Audit Committee is set out below.

### **RECOMMENDATIONS**

- Members Approve:
- (1) the revised Anti-Fraud, Bribery & Corruption Policy as set out in Appendix A to this report;
  - (2) the Whistle Blowing Policy as set out in Appendix B to this report; and
  - (3) the Fraud Response Plan as set out in Appendix C to this report.

### **BACKGROUND**

- 1 In conjunction with Mazars, the Authority's internal auditors, officers have revised the Anti-Fraud, Bribery & Corruption Policy, the Whistle Blowing Policy and the Fraud Response Plan. These were last updated in October 2017.

### **SUMMARY OF THE POLICIES**

2. The Anti-Fraud, Bribery & Corruption Policy focuses on the main areas to deal with fraud, bribery and corruption issues; and the revised Policy is detailed in Appendix A to this report. These areas are:
  - the Fraud Act 2006;
  - the Bribery Act 2010;
  - the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption;
  - creating the right cultural environment within the organisation to deal with fraud and corruption;

- prevention and charging officers/Members with responsibility for ensuring procedures and policies are adhered to; and
  - detection and investigation.
- 3 The revised Whistle Blowing Policy is set out at Appendix B to this report and provides a mechanism for employees, contractors and elected Members alike for reporting suspicions of malpractice in the knowledge that the matter will be treated confidentially.
- 4 These policies are under-pinned by the Authority's Fraud Response Plan set out at Appendix C to this report. This demonstrates how the Authority will respond to fraud and corruption if the need arises.
- 5 The majority of changes in the policies and the fraud response plan relate to a change in the names, contact details and roles of designated officers in the Authority due to the retirement of the Director of Finance & Resources; introduction of a new management structure; change of personnel for internal and external auditors; and the new Service Level Agreement with the London Borough of Enfield for the provision of financial management and accountancy support including undertaking the role of Section 151 officer on behalf of the Authority. The terms of the Service Level Agreement were approved by the Executive Committee in June 2020 (paper E/679/20).

The detail covered within the new policies remains largely unchanged as these were established as a result of the governing legislation at the time of the last review (2017) e.g., the Fraud Act 2006 and the Bribery Act 2010. Although supporting literature (posters and leaflets), need to be updated to reflect these changes.

- 6 Members are asked to approve the revised policies/plan attached at Appendices A, B and C to this report.

#### **ENVIRONMENTAL IMPLICATIONS**

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

#### **FINANCIAL IMPLICATIONS**

- 8 There are no financial implications arising directly from the recommendations in this report.

#### **HUMAN RESOURCE IMPLICATIONS**

- 9 As part of the corporate training plan detailed on-line training will follow to ensure the profile of these issues remains high and to embed an understanding and culture across the organisation. Supporting literature (posters and leaflets), will be updated to reflect these changes as well as updating the intranet to ensure a robust on-line message is maintained as well.

#### **EQUALITY IMPLICATIONS**

- 10 There are no financial implications arising directly from the recommendations in this report.



## LEGAL IMPLICATIONS

- 11 This report and policies attached are written with full regard to the Public Interest Disclosure Act 1998, which was introduced to protect employees who expose serious wrong doing in the workplace.

## RISK MANAGEMENT IMPLICATIONS

- 12 Risk of fraud and corruption occurring will always exist where an organisation has significant financial, human, land and other valuable resources.
- 13 To mitigate against these risks the Authority has regulations in place with procedures and practices laid down in relation to the conduct of Authority business. The Authority also employs internal auditors to test and check that these practices and procedures are implemented and working effectively; and they report to the Audit Committee the outcome of their findings and recommendations for areas of improvement.
- 14 The external auditors (Ernst & Young) also provide external verification through year end audit processes that the Authority is conducting its business appropriately and makes recommendations for areas of improvement.

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## PREVIOUS COMMITTEE REPORTS

|                 |            |  |                   |
|-----------------|------------|--|-------------------|
| Audit Committee | AUD/114/20 | Anti Fraud, Bribery & Corruption and Whistleblowing Policies and Fraud Response Plan | 17 December 2020  |
| Authority       | A/4246/17  | Anti Fraud, Bribery & Corruption and Whistleblowing Policies                         | 19 October 2017   |
| Audit Committee | AUD/81/17  | Anti Fraud, Bribery & Corruption and Whistleblowing Policies                         | 21 September 2017 |
| Audit Committee | AUD/36/13  | Anti Fraud, Bribery & Corruption and Whistleblowing Policies                         | 28 February 2013  |
| Audit Committee | AUD/04/10  | Anti-Fraud & Corruption Policy, Fraud Response Plan and the Whistle Blowing Policy   | 05 February 2010  |
| F&A Committee   | FA 98      | Whistle blowing Policy   | 23 November 2006  |
| F&A Committee   | FA81       | Anti Fraud & Corruption Policy   | 23 February 2006  |
| F&A Committee   | FA54       | Fraud Response Plan  | 23 June 2005      |

## APPENDICES ATTACHED

|            |   |
|------------|---|
| Appendix A | Anti-Fraud, Bribery and Corruption Policy |
| Appendix B | Whistle Blowing Policy                    |
| Appendix C | Fraud Response Plan                       |

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**LEE VALLEY REGIONAL PARK AUTHORITY**

**ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY**  
**~~SEPTEMBER 2017~~ JANUARY 2021**

***This document explains Lee Valley Regional Park Authority's Anti-Fraud, Bribery and Corruption Policy and the steps that must be taken where fraud, bribery or corruption are suspected or discovered.***

***All employees should be aware of this and managers must bring its contents to the attention of their employees. Any person who becomes aware of any instances of fraud, corruption or other illegal act and does not follow this Policy could be subject to disciplinary action.***

## Contents

|  |    |
|--|----|
| <b>Introduction</b> .....  | 7  |
| <b>Key Legislation - Fraud</b> .....                                     | 8  |
| <b>Key Legislation - Bribery</b> .....                                   | 10 |
| <b>The Authority's Policy</b> .....                                      | 11 |
| <b>Culture</b> .....   | 12 |
| <b>Prevention</b> .....  | 12 |
| <b>Detection and Reporting</b> .....                                     | 14 |
| <b>Investigation</b> .....   | 15 |
| <b>Interaction with Other Policies/Procedures of the Authority</b> ..... | 16 |
| <b>Sanctions</b> .....   | 16 |
| <b>Conclusion</b> .....  | 16 |
| <b>Appendix 1 - Warning Signs</b> .....                                  | 17 |
| <b>Appendix 2 - Acting On Your Suspicions</b> .....                      | 18 |

## Introduction

1. One of the basic obligations of public sector organisations is to ensure the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk (and means of enforcing the rules) of fraud, corruption and bribery.
2. The Authority already has procedures in place that help to reduce the likelihood of fraud, corruption and bribery occurring. These include Standing Orders, Financial Regulations, codes of conduct, documented procedures and a system of internal control and risk management. In addition, Members and senior management seek to ensure that a risk and fraud awareness culture exists across the Authority.
3. Members and senior management should be aware of the **Code of Practice on Managing the Risk of Fraud and Corruption (the CIPFA Code)**. The five key principles of the Code are to:

- **Acknowledge Responsibility**

Acknowledge the responsibility of the governing body for countering fraud and corruption.

Within the Authority, there are several individuals with responsibility for governance, these include the Audit Committee, the Senior Management Team, [the Head of Finance](#), [Section 151 Officer](#) and Internal Audit. However, all employees are responsible for identifying and reporting fraud and corruption which they may suspect.

In addition to concerns raised under the Anti-Fraud, Bribery and Corruption Policy, concerns may also be raised under the Authority's Whistle Blowing Policy. Where there is any possibility that fraud, corruption or bribery might be involved, the Section 151 Officer and Head of Finance should be consulted to determine whether the matter is taken forward under the Fraud Response Plan or under the investigation procedure within the Whistle Blowing Policy

- **Identify Risks**

Identify the fraud and corruption risks.

Different risks will have different effects on different organisations. Therefore it is essential to understand specific exposures to risk, changing patterns in fraud threats and the potential consequences to the Authority.

- **Develop Strategy**

Develop an appropriate counter fraud and corruption strategy.

Counter fraud and corruption strategies should be both proactive and responsive. These approaches should be based around the risks associated to the Authority.

- **Provide Resources**

Provide resources to implement the strategy.

Arrangements should be made for appropriate resources to be allocated to support the counter fraud strategy; be it employees, employees training or even access to information.

- **Take Action**

Take action in response to fraud and corruption.

This consists of putting in place a policy framework including policies such as Whistleblowing, Anti-Bribery and IT Usage & Security policies.

4. This document applies to all employees, elected Members, contractors who work with the Authority and members of the public who come into contact with the Authority. It sets out the Authority's policy for preventing, but also dealing with detected or suspected fraud, corruption or bribery.
5. This Policy should be read in conjunction with the Authority's Whistle Blowing Policy and Fraud Response Plan. In addition, all employees and Members should familiarise themselves and comply with the Authority's Financial Regulations, with particular attention to the following sections:
  - Officers Code of Official Conduct;
  - Interests of Employees in Contracts; and
  - Hospitality and Gifts.
6. Appendix 1 of this Policy sets out potential warning signs for managers and employees to be aware of in relation to possible instances of fraud, corruption or bribery.
7. Appendix 2 of this Policy sets out the 'do's' and 'don'ts' for employees to be aware of with regard to acting upon any concerns or suspicions.
8. Training and guidance will be provided to employees and Members in these areas, although it is an **individual's responsibility** to seek clarification on any of the content where necessary.
9. In addition to the details set out in this Policy, the Authority continues to put in place has further agreed steps in place for countering fraud, corruption and bribery as recommended through internal/external audit reports and as legislation dictates, and there are a number of ongoing initiatives around this.

## Key Legislation - Fraud

10. The Fraud Act 2006 came into effect on 15 January 2007.
11. The Act gives a statutory definition of the criminal offence of fraud, as classified under three main headings:

- Fraud by false representation;
- Fraud by failing to disclose information; and
- Fraud by abuse of position.

|   |
|---|
| <p><b>Fraud by false representation</b></p> <p>A person is in breach of this section if he/she:</p> <ul style="list-style-type: none"> <li>• Dishonestly makes a false representation; and</li> <li>• Intends, by making the representation to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss.</li> </ul> <p>A representation is false if:</p> <ul style="list-style-type: none"> <li>• It is untrue or misleading; and</li> <li>• The person making it knows that it is, or might be, untrue or misleading.</li> </ul>  |
| <p><b>Fraud by (wrongfully) failing to disclose information</b></p> <p>A person is in breach of this section if he/she:</p> <ul style="list-style-type: none"> <li>• Dishonestly fails to disclose to another person information which they are under a legal duty to disclose; and</li> <li>• Intends, by failing to disclose the information to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss.</li> </ul>   |
| <p><b>Fraud by abuse of position</b></p> <p>A person is in breach of this section if he/she:</p> <ul style="list-style-type: none"> <li>• Occupies a position in which he/she is expected to safeguard, or not to act against, the financial interests of another person;</li> <li>• Dishonestly abuses that position; and</li> <li>• Intends, by means of the abuse of that position to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss.</li> </ul> <p>A person may be regarded as having abused their position even though their conduct consisted of an omission rather than an act.</p> |

12. The Act also describes two other offences in section 6 and section 7:

- To commit possession of articles for use in fraud (Section 6), a person must have had possession or control of an article for use in the course of or in connection with any fraud.
- To commit making or supplying articles for use in frauds (Section 7), a person would make/adapt/supply/offer to supply any article for use in the

course of or in connection with fraud knowing that it is designed or adapted for use in the course of or in connection with fraud or intending it to be used to commit or assist in the commission of fraud.

13. The Act states that the terms "Gain" and "Loss" should be read in accordance with the following:

- As extending only to a gain or loss in money or other property; and
- As including any such gain or loss whether temporary or permanent.

**"Property"** means any property whether real or personal (including things in action and other intangible property).

**"Gain"** includes a gain by keeping what one has, as well as a gain by getting what one does not have.

**"Loss"** includes a loss by not getting what one might get, as well as a loss by parting with what one has.

14. Those found guilty under the Act are liable for a fine or imprisonment, with a maximum sentence of 10 years.

## Key Legislation - Bribery

15. The Bribery Act 2010 came into effect on 1 July 2011 and its provisions apply to all Authority business.

16. The Act strengthens previous UK anti-bribery legislation and created a new offence which can be committed by organisations which fail to prevent persons associated with them from committing bribery on their behalf.

17. In addition to the corporate offence, there are three offences which individuals could be found guilty of:

|             | Section   | Offence                | Detail  | Sanction  |
|-------------|-----------|------------------------|---|---|
| Individuals | Section 1 | Bribing another person | Offering, promising or giving a bribe in the UK or abroad, in the public or private sector. | Individuals could face a 10 year prison sentence and unlimited fines. |
|             | Section 2 | Receiving a bribe      | Requesting, agreeing to receive or accepting of a bribe in the UK or                        |   |



|               | Section   | Offence                             | Detail   | Sanction   |
|---------------|-----------|-------------------------------------|--|--|
|               |           |                                     | abroad, in the public or private sector.   |  |
|               | Section 6 | Bribery of foreign public officials | Bribery of a foreign public official in order to obtain or retain business.  |  |
| Organisations | Section 7 | Failure to prevent bribery          | Failure by an organisation to prevent a bribe being paid by those who perform services for, or on behalf of the organisation ("associated persons"). | Organisations could face unlimited fines and reputational damage could be significant. |

18. Bribery can take the form of 'a financial or other advantage' - it does not have to be cash. Offering and requesting still constitutes an offence - it does not have to be paid. It does not have to go directly to the person being influenced - it can be a donation to a chosen organisation. It does not have to be substantial - there is no materiality threshold in the Act.

## The Authority's Policy

19. The Authority is committed to sound corporate governance and to the elimination of fraud, corruption, bribery or any other illegal acts. The Authority therefore expects the highest standards of conduct and integrity from its employees, Members, contractors, and from members of the public who have dealings with it. The Authority has therefore adopted the CIPFA Code, the five key elements of which are to:

- **a**Acknowledge the responsibility of the governing body for countering fraud and corruption;
- **i**Identify the fraud and corruption risks;
- **d**Develop an appropriate counter fraud and corruption strategy;
- **p**Provide resources to implement the strategy; and
- **t**Take action in response to fraud and corruption.

20. Where any instance of fraud, corruption, bribery or other illegal act is detected or suspected, the Authority is committed to its rigorous investigation. Where appropriate, criminal prosecution and civil court action may be taken to recover money, costs and interest. Employees may also be subject to disciplinary action.

21. Anyone having reasonable suspicions of fraud, corruption or bribery is encouraged to report them. Therefore it is also the Authority's policy, which will be rigorously enforced, that no employee will suffer in any way as a result of reporting reasonably held suspicions. All employees will be afforded the protections set out in the Public Interest Disclosure Act 1998. This is further covered within the Authority's Whistle Blowing Policy.

## Culture

22. The Authority expects Members and employees at all levels to behave with integrity and propriety and to act within the law, regulations, procedures and practices laid down in relation to the conduct of Authority business. The Authority believes that this is best achieved through the promotion of an atmosphere of honesty and openness.

23. The Authority expects Members and employees to raise any concerns they have about fraud, corruption, bribery or other malpractice immediately they occur. As above, it will treat all concerns raised seriously and in full confidence.

## Prevention

24. The adoption of adequate measures for the prevention of fraud, corruption, bribery and other malpractice is the responsibility of Members, Senior Management Team, and all other managers.

25. All Members and employees need to be aware of and have ready access to all the Authority's agreed policies and procedures. These shall include Standing Orders, Financial Regulations, codes of conduct and any other relevant practice or procedure documents. The Chief Executive, Deputy Chief Executive, Corporate Directors and other managers are responsible for ensuring that all employees under their direction are made aware of these documents. They are an important part of the internal control framework.

26. In particular, all employees should observe the Authority's code of conduct for employees and any relevant professional codes of conduct or ethics. A copy of the employees' code of conduct is contained in the Employees Handbook and within Financial Regulations, or can be obtained directly from Human Resources.

27. Section 117 of the Local Government Act 1972, requires that all employees must disclose any interest in contracts that have been, or are intended to be, entered into by the Authority. This section also prohibits the acceptance of fees, gifts or rewards, other than proper remuneration from the Authority, or otherwise where this has been specifically authorised by the Chief Executive, Deputy Chief Executive or a Corporate Director and where it has been recorded in the Hospitality Register maintained by the Chief Executive. All of these requirements will be vigorously enforced by the Authority.

28. References will be taken up for all permanent or temporary employees to verify their suitability, integrity and honesty.
29. Members shall observe their ~~Local Code of Conduct~~ ~~National Code of Local Government Conduct~~ and act in line with their responsibilities under sections 94 to 96 of the Local Government Act 1972.
30. The Authority shall maintain systems and procedures that incorporate adequate internal controls, including separation of duties, to prevent, as far as possible, the occurrence of error, fraud, corruption, bribery or other malpractice. ~~The Chief Executive, Deputy Chief Executive, a Corporate Director, Head of Finance All Directors~~ and other managers are responsible for ensuring that appropriate internal controls are designed, implemented, operated and maintained. In addition to managements' own monitoring, review and self-assurances, the Authority's Internal Auditors will provide an independent assurance on the adequacy and effectiveness of these controls.
31. In particular, the ~~Section 151 Officer~~ ~~Director of Finance & Resources~~ has a statutory responsibility under section 151 of the Local Government Act 1972, to ensure the proper administration of the Authority's financial affairs. The ~~Director of Finance & Resources~~ ~~Head of Finance~~ under the guidance of the ~~Section 151 officer~~ shall issue, from time to time, guidance on the operation of key financial systems which underpin the Authority's Financial Regulations.
32. In addition, the ~~Director of Corporate Services~~ ~~Deputy Chief Executive~~ carries out the role of Monitoring Officer and is responsible for reporting any actual or potential breaches of the law or maladministration to the full Authority, and for ensuring that procedures for recording and reporting key decisions are operating effectively.
33. ~~Both~~ ~~The~~ ~~Statutory Officer~~ ~~roles of~~ ~~Director of Finance & Resources~~ ~~and the~~ ~~Monitoring Officer~~ are described in the Authority's Financial Regulations FR23 to FR3~~574~~.
34. The Authority maintains a Strategic Risk Register and operational risk registers on a thematic basis. All managers are responsible for undertaking a detailed analysis of the risk associated with the service area under their control, which will include the risk of fraud, corruption and bribery as well as other types of risk. This will be carried out with the assistance of the Authority's Internal Auditors as required, to help ensure that fraud, corruption, bribery and other malpractice are minimised.
35. The ~~Head of Finance~~ ~~Director of Finance & Resources~~ is responsible for ~~coordinating the review of~~ ~~ing~~ this Policy, together with the Authority's Whistle Blowing Policy and the Fraud Response Plan, on a periodic basis, to ensure their continued relevance and effectiveness.

## Detection and Reporting

36. All employees and Members are encouraged and expected to raise any concerns or suspicions they may have. These should be raised without fear of recrimination and should be reported to one of the following individuals:

**Shaun Dawson - Chief Executive**

Direct Line 01992 709848

Mobile 07715 449360

Email [sdawson@leevalleypark.org.uk](mailto:sdawson@leevalleypark.org.uk)

Head of Paid Service, responsible for the overall management and direction of the Authority.

**Simon Sheldon – Director of Finance & Resources**  
**Keith Kellard – Head of Finance**

Direct Line 01992 709859864

Mobile 07876 131596

Email [ssheldon@leevalleypark.org.uk](mailto:ssheldon@leevalleypark.org.uk) [kkellard@leevalleypark.org.uk](mailto:kkellard@leevalleypark.org.uk)

The Chief Financial Officer responsibilities rest with the Section 151 Officer (shared service with the London Borough of Enfield) but is carried out in consultation with the Authority's Head of Finance, responsible for the proper financial management, audit and financial probity of the Authority.

**Beryl Foster - Director of Corporate Services**  
**Deputy Chief Executive**

Direct Line 01992 709836

Mobile 07920 563971

Email [bfoster@leevalleypark.org.uk](mailto:bfoster@leevalleypark.org.uk)

Monitoring Officer, responsible for reporting any actual or potential breaches of the law or maladministration.

**Kevin Le Roux – Senior Manager and Counter Fraud Lead (Mazars)**

**Sue Smith, Internal Audit (Mazars)**

Mobile Direct line 07887 593974 07887 954584

Email [kevin.leroux@mazars.co.uk](mailto:kevin.leroux@mazars.co.uk) [sue.smith@mazars.co.uk](mailto:sue.smith@mazars.co.uk)

The Authority's internal auditors are responsible for the independent review of systems of internal control and the reporting to management of weaknesses and any breakdown of those systems.

Ultimately, any individual who has received information about any suspected act of fraud, corruption or bribery is obliged by Financial Regulations to report it to either the Chief Executive, Deputy Chief Executive, Section 151 Officer and Head of Finance ~~Director of Finance & Resources~~ immediately.

37. When employees are considering reporting a suspected fraud, the following factors need to be taken into account:

- **Timeliness** - it is essential that all employees act at the time of their concerns, as time is likely to be of the utmost importance to prevent further loss to the Authority; and

- **Evidence** - employees should, if possible and without seeking to conduct their own investigation, keep or copy any document that arouses their concerns or suspicions. Employees should also, where possible, note all relevant details, such as what was said in telephone or other conversations, the date, time and the names of any parties involved.

**38. However employees must not:**

- **Confront any individual that they suspect**, as this may compromise any formal investigation;
- **Attempt to conduct their own investigation.** There are special rules surrounding the gathering of evidence for use in criminal cases. Any attempt to gather evidence by people who are unfamiliar with these rules may compromise the case; and
- **Contact the Police directly.** The decision to contact the Police may only be made by the ~~Director of Finance & Resources~~ **Chief Executive or Deputy Chief Executive** after consideration of the facts. Employees should always contact one of the above officers.

39. The Policy with regard to reporting must not be misused. Any abuse, such as raising false or malicious allegations, will result in the instigation of disciplinary action against those proven responsible for such abuse.

40. The Authority recognises that the effectiveness of this Policy depends on the awareness and responsiveness of its employees and Members. It is essential that both Members and employees are made aware of this Policy as part of their induction and receive a copy of this Policy for their personal records.

41. In addition, employees should have ready access to all other policy and procedural documents. Regular action will be taken to remind all Members and employees of these policies and procedures, and the importance that the Authority places on preventing fraud, corruption, bribery and other malpractice.

## **Investigation**

42. All allegations of fraud, corruption or bribery will be promptly investigated in line with the Authority's Fraud Response Plan.

43. If fraud, corruption or bribery are suspected on the part of a contractor's employees or employees of another body, the procedures and responsibilities for investigation remain the same as above. The Authority will involve other parties as necessary.

## Interaction with Other Policies/Procedures of the Authority

44. This Policy should be read in conjunction with the Authority's Whistle Blowing Policy and the Fraud Response Plan.
45. The Authority's Disciplinary Policy and Procedures will be followed where an employee is suspected of being involved in fraud, corruption, bribery or any other illegal activity. This may include dismissal. Sanctions are covered in more detail in the next section of this Policy.

## Sanctions

46. Where financial impropriety is discovered, the Authority's expectation is that the Police will be involved. Any referral of a case or decision on Police involvement will only be taken by the ~~Director of Finance & Resources~~ Chief Executive or Deputy Chief Executive.
47. Any referral to the Police will not prohibit action being taken under the Authority's Disciplinary Policy and Procedures, and it should be noted that an individual could be subject to all, or elements of the following:
- ~~C~~riminal prosecution;
  - ~~C~~ivil Court action to recover money, cost and interest; and
  - ~~T~~he Authority's Disciplinary Policy and Procedures.

## Conclusion

48. The Authority is committed to tackling fraud, corruption and bribery, whenever it happens. Our response will be effective and organised and will rely on the principles set out within this document.

## Appendix 1 - Warning Signs

Whilst by no means being proof on their own, the circumstances below may indicate that fraud, corruption or bribery are taking place, and should therefore put both managers and employees on the alert.

### Contractors / Suppliers / Third Parties

- Invoices being submitted on non-headed paper<sup>12</sup>
- Altered documents (correcting fluid, different pen or handwriting)<sup>12</sup>
- Requests for payment for goods/services that have not yet been delivered<sup>12</sup>
- Submission of duplicate invoices<sup>12</sup>
- Notification of an organisation's bank details changing<sup>12</sup>
- Tender submissions which are priced much higher or lower than other submissions<sup>12</sup>
- Complaints from public or employees regarding service quality<sup>12</sup>
- Unexpected requests for an additional fee or commission to "facilitate" a service<sup>12</sup>
- Requests that you provide employment or some other advantage to a friend or relative<sup>12</sup>
- Requests to use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Authority<sup>12</sup> and
- Offers of an unusually generous gift or hospitality by a third party.

### Employees

- Altered documents (correcting fluid, different pen or handwriting)<sup>12</sup>
- Changes in normal patterns of, for example, cash takings or expense claim details<sup>12</sup>
- Text erratic or difficult to read or with details missing<sup>12</sup>
- Delay in completion or submission of expense claim forms<sup>12</sup>
- Lack of vouchers or receipts in support of expense claims<sup>12</sup>
- Seemingly living beyond their means<sup>12</sup>
- Under constant financial or other stress<sup>12</sup>
- Choosing not to take annual leave (and so preventing others becoming involved in their work), especially if solely responsible for a 'risk' area<sup>12</sup>
- Always working late<sup>12</sup>
- Refusal of promotion<sup>12</sup>
- Insistence on dealing with a particular individual<sup>12</sup> and
- Complaints from public or employees regarding service quality.

## Appendix 2 - Acting On Your Suspicions

If you suspect fraud, corruption or bribery within the workplace, there are a few simple guidelines that should be followed:

### Do:

- Make an immediate note of your concerns.
- Where possible note all relevant details, such as what was said in telephone or other conversations, the date, time and the names of any parties involved.
- Convey your suspicions to someone with the appropriate authority and experience, as set out within the Anti-Fraud, Bribery & Corruption Policy, and Deal with the matter promptly. Any delay may cause the Authority to suffer further financial loss.

### Don't:

- Do nothing.
- Be afraid of raising your concerns. You will not suffer any recrimination from the Authority as a result of voicing a reasonably held suspicion, and any matter you raise will be dealt with sensitively and confidentially.
- Approach or accuse any individuals directly.
- Try to investigate the matter yourself. There are special rules surrounding the gathering of evidence for use in criminal cases. Any attempt to gather evidence by people who are unfamiliar with these rules may compromise the case, and
- Convey your suspicions to anyone other than those with the proper authority.





**LEE VALLEY REGIONAL PARK AUTHORITY**

**WHISTLE BLOWING POLICY**

**SEPTEMBER 2017 JANUARY 2021**

***This document explains Lee Valley Regional Park Authority's Whistle Blowing Policy and the steps that must be taken in the event of a concern being raised. All employees should be aware of this and managers must bring its contents to the attention of their staff. Acknowledgement should also be made of the links, but also the differences, between this Policy and the Authority's Anti-Fraud, Bribery and Corruption Policy. Not all concerns regarding malpractice within the Authority have to be of a fraudulent or bribery/corruption related nature. However, if that is the case, the content of the Anti-Fraud, Bribery and Corruption Policy will apply.***

## Contents

|   |    |
|---|----|
| Introduction.....                         | 21 |
| Aims and Scope of this Policy .....       | 21 |
| Legislation .....                         | 22 |
| Safeguards .....                          | 22 |
| Confidentiality.....                      | 23 |
| Anonymous Allegations .....               | 23 |
| Untrue and Malicious Allegations .....    | 23 |
| How to Raise a Concern.....               | 23 |
| How the Authority will Respond.....       | 25 |
| The Responsible Officer .....             | 26 |
| How the Matter Can be Taken Further ..... | 26 |
| Caution .....                             | 26 |

## Introduction

1. Lee Valley Regional Park Authority is committed to the highest possible standards of openness, probity and accountability. In line with this commitment, the Authority expects its employees, Members and others that it deals with, including contractors and suppliers, who have serious concerns about any aspect of the Authority's work, to come forward and voice those concerns.
2. Employees are often the first to realise that something may be seriously wrong within an organisation. However, they may decide not to express those concerns because they feel that speaking out would be disloyal to their colleagues or to the organisation. They may also fear harassment or victimisation. However, all employees will receive statutory protection under the Public Interest Disclosure Act 1998 if they raise concerns in the right way.
3. This Policy is designed to give you opportunity and protection if you wish to report suspicions of malpractice. Provided you are acting in good faith, it does not matter if ultimately you are mistaken in your suspicion. There is no question of you having to prove anything.
4. This Policy makes it clear that employees can voice their concerns without fear of victimisation, discrimination or disadvantage. It is intended to encourage and enable employees to raise serious concerns at work within the Authority, rather than overlooking the issue or seeking resolution outside the Authority.
5. This Policy is also intended as a clear statement that if any wrongdoing by the Authority or any of its employees, contractors or suppliers is identified to the Authority, it will be dealt with quickly, thoroughly investigated and remedied if found true.
6. The Policy applies to all employees, Members and all contractors, suppliers and agency employees, whether working on Authority premises or at their own premises.
7. This Policy invites all employees, Members and other relevant parties to act responsibly to uphold the reputation of the organisation and maintain public confidence.

## Aims and Scope of this Policy

8. This Policy was introduced to provide employees, contractors and Members with a secure basis for the reporting of suspicions of malpractice, in the knowledge that the matter will be treated confidentially.

9. This Policy sets out the approach for investigation of malpractice, the information that will need to be recorded and the steps that need to be followed to ensure that you do not suffer from recriminations.
10. If there is anything which you think the Authority should know about, please use the procedure outlined in this Policy. By knowing about malpractice at an early stage, the Authority stands a good chance of taking the necessary steps to safeguard the interests of all employees and to protect the organisation. In short, please do not hesitate to blow the whistle on malpractice.
11. It should be noted that the Authority also has an Anti-Fraud, Bribery and Corruption Policy, and a Fraud Response Plan. An issue being raised under the Whistle Blowing Policy may not relate to potential fraud, corruption or bribery. However, if fraud, corruption or bribery are suspected, reference should be made to the Anti-Fraud, Bribery and Corruption Policy. Links to that Policy are highlighted within this document.

## Legislation

12. The Public Interest Disclosure Act 1998 was introduced to protect employees who expose serious wrong doing in the workplace. It applies where malpractice is disclosed which involves:
  - **a** crime or breach of regulatory, administrative and common law;
  - **a** miscarriage of justice;
  - **d**anger to health and safety;
  - **d**amage to the environment;
  - **u**nauthorised use of public funds;
  - **p**ossible fraud or corruption; or
  - **s**exual, physical or financial abuse of clients.

You are protected from victimisation by the Act where you reasonably believe the information is true and that you are acting in good faith.

## Safeguards

13. The Authority will not tolerate any attempt on the part of any employee, Member, contractor, supplier or member of the public to apply any sanction or detriment to any person who has reported a genuine and serious concern of wrongdoing.

14. Any such conduct by an employee will be treated as a disciplinary matter and will be treated as a breach of the [local Code of Conduct](#) ~~National Code of Conduct~~ if made by a Member.
15. Any such action by a contractor or supplier will be deemed a serious breach of contract.

## Confidentiality

16. The Authority will respect the confidentiality of any whistle blowing complaint it receives. It must be appreciated, however, that it may be easier to follow up and verify complaints if the complainant is prepared to give their name.

## Anonymous Allegations

17. This Policy encourages complainants to put their names to any allegation they make. Anonymous allegations are less persuasive and therefore anonymous allegations will be treated with caution and investigated at the discretion of the Responsible Officer.

## Untrue and Malicious Allegations

18. The Authority believes in openness and honesty. It will therefore ensure that all complaints are investigated with appropriate vigour. If an allegation proves to be false and malicious, this is not only a waste of valuable resources, but will be viewed as a serious breach of disciplinary rules, if made by an employee, or a breach of the code of conduct if made by a Member.
19. If you raise a concern in good faith which cannot be substantiated by investigation, no action will be taken against you.
20. The Authority will support all officers who are the subject of malicious allegations.

## How to Raise a Concern

21. Anyone with a complaint or concern should contact their Head of Service or their relevant [Corporate Director](#) ([including Deputy Chief Executive](#)) in the first instance.
22. In the case of any concerns or suspicions of fraud or corruption, reference should be made to the alternative points of contact listed in the Authority's Anti-Fraud, Bribery and Corruption Policy. Any individual

who has received information about any suspected act of fraud, corruption or bribery is obliged by Financial Regulations to report it to the Section 151 Officer and Head of Finance ~~Director of Finance & Resources~~ immediately.

23. Where not related to fraud, corruption or bribery, if you feel that you cannot raise your complaint or suspicions to your Head of Service or Corporate Director, for whatever reason, the Authority has three officers and a Service Level Agreement with the London Borough of Enfield to carry out Section 151 responsibilities and the Internal Auditor who are specifically responsible for ensuring the proper conduct of the Authority and its business and who may be contacted:

Shaun Dawson - Chief Executive

Direct Line 01992 709848

Mobile 07715 449360

Email [sdawson@leevalleypark.org.uk](mailto:sdawson@leevalleypark.org.uk)

Head of Paid Service, responsible for the overall management and direction of the Authority.

~~Simon Sheldon - Director of Finance & Resources~~  
~~Keith Kellard - Head of Finance~~

Direct Line 01992 709~~859~~864

Mobile 07876 131596

Email ~~[ssheldon@leevalleypark.org.uk](mailto:ssheldon@leevalleypark.org.uk)~~  
~~[kkellard@leevalleypark.org.uk](mailto:kkellard@leevalleypark.org.uk)~~

The Chief Financial Officer responsibilities rest with the Section 151 Officer (shared service with the London Borough of Enfield) but are is carried out in consultation with the Authority's Head of Finance, responsible for the proper financial management, audit and financial probity of the Authority.

~~Beryl Foster - Director of Corporate Services~~  
Deputy Chief Executive

Direct Line 01992 709836

Mobile 07920 563971

Email [bfoster@leevalleypark.org.uk](mailto:bfoster@leevalleypark.org.uk)

Monitoring Officer, responsible for reporting any actual or potential breaches of the law or maladministration.

~~Kevin Le Roux - Senior Manager and Counter Fraud Lead~~  
~~Sue Smith~~  
Internal Audit Manager (Mazars)

Direct line ~~07887 593974~~ Mobile 07887 954584

Email ~~[kevin.leroux@mazars.co.uk](mailto:kevin.leroux@mazars.co.uk)~~ [sue.smith@mazars.co.uk](mailto:sue.smith@mazars.co.uk)

The Authority's internal auditors are responsible for the independent review of systems of internal control and the reporting to management of weaknesses and any breakdown of those systems.

## How the Authority will Respond

24. The Authority will respond positively to your concern.
25. The action taken by the Authority will depend on the nature of the concern. Where appropriate the Authority may:
  - Investigate your concerns. This investigation may be undertaken by management or Internal Audit. In the event that fraud or corruption are suspected, any investigation will be handled in accordance with the Authority's Fraud Response Plan;
  - Refer your concerns to the Police in accordance with the Fraud Response Plan; or
  - Refer your concern to our external auditors.
26. In order to protect those accused of malpractice, contact (usually involving a meeting with the individual raising the concern) will be made to decide whether an investigation is appropriate and, if so, what form it should take. The over-riding principle that the Authority will have in mind is the public interest. Concerns or allegations that raise issues that fall within the scope of other procedures, will normally be referred for consideration under those procedures.
27. Some concerns may be resolved with action agreed or an explanation regarding the concern without the need for investigation. If urgent action is required, this will be taken before any investigation is initiated.
28. If any formal investigation is undertaken, you may be contacted to provide further information or to clarify the information that you have already provided. Meetings to obtain such further information may be arranged off-site if you so wish and you may be accompanied by a union or professional association representative if you so desire. Due consideration will be given to ensure conditions are comfortable for all parties and to meet any requirements of Health and Safety.
29. Within 10 working days, the Responsible Officer will write to you, acknowledging that the concern has been received, how they intend to deal with the matter, giving an estimate of when a final response will be prepared, outlining what action (if any) has already been taken and provide you with explanations if no action is to be taken.
30. The Authority will take all practical and reasonable steps to minimise any difficulties you may experience as a result of raising your concern.
31. The Authority accepts that you need to be assured that your concerns have been properly addressed. Therefore it will inform you of the outcome of any investigations, subject to any legal constraints, for example, the duty of confidentiality owed to others.

## The Responsible Officer

32. The ~~Head of Finance under Section 151 Officer guidance Director of Finance & Resources~~ has the overall responsibility for the maintenance and operation of this Policy.
33. The Chief Executive, the ~~Director of Finance & Resources Deputy Chief Executive~~ and the ~~Director of Corporate Services Head of Finance~~ will:
- ~~M~~aintain a confidential record of all complaints and their outcomes under the Whistle Blowing Policy;
  - ~~D~~iscuss and appoint the appropriate person to investigate any complaint. That appointed person will have access to all officers and Members of the Authority and to all documents and records of the Authority;
  - ~~R~~eceive the report and discuss the outcome of any investigations and recommend any action necessary;
  - ~~R~~eport any matters requiring the attention of Members to the appropriate committee or to the Authority; and
  - ~~W~~ill report annually to ~~the Audit Committee Authority~~ on the conduct of this Policy.

## How the Matter Can be Taken Further

34. This Policy is designed to provide an internal avenue within the Authority to raise concerns. The Authority hopes that you will be satisfied with any action taken. If you are not, and you feel it is right to take the matter outside the Authority, you may contact the Authority's appointed external auditors. The contact person is:

~~Debbie Hanson – Executive Director~~ ~~Neil Harris~~  
E-mail: ~~dhanson@uk.ey.com~~ ~~nharris2@uk.ey.com~~  
Direct Line/Mob: ~~07974 006715-01223 394459~~

35. If you decide to take the matter outside the Authority, you should ensure that you do not disclose any confidential information. You should check with the Responsible Officer about this.

## Caution

36. If you have good reasons for not using the internal or regulatory external disclosure procedures, you may consider making a wider disclosure by reporting the matter to the Police or to the media for example. However,



employees should consider the impact of this on the Authority's reputation when reporting through wider channels. Furthermore, whistleblowers who make wider disclosures of this type will only be protected (from victimisation and detriment) in certain circumstances. The Authority would recommend that you consider reporting to the charity Public Concern at Work or taking independent legal advice before following this course of action.

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**LEE VALLEY REGIONAL PARK AUTHORITY**

**FRAUD RESPONSE PLAN**

**SEPTEMBER 2017 JANUARY 2021**

***This document sets out the steps that will be taken by Lee Valley Regional Park Authority in the event that any instances or suspicions of fraud or corruption are reported to an appropriate officer, in accordance with the Authority's Anti-Fraud, Bribery and Corruption Policy.***

***All employees should be aware of the Anti-Fraud, Bribery and Corruption Policy and managers must bring its contents to the attention of their staff. Any person who becomes aware of any instances of fraud, corruption or other illegal act and does not follow that Policy could be subject to disciplinary action.***

## Contents

|   |    |
|---|----|
| Introduction .....  | 31 |
| Objectives of the Fraud Response Plan.....                        | 31 |
| Reporting Suspicions of Fraud, Corruption or Bribery .....        | 32 |
| Action to be Taken on Receipt of a Reported Potential Fraud ..... | 32 |
| Commissioning an Investigation .....                              | 33 |
| Other Initial Steps .....   | 34 |
| Conducting and Reporting an Investigation .....                   | 34 |
| Action Taken Following an Investigation.....                      | 35 |
| Support Arrangements.....   | 36 |

## Introduction

1. One of the basic obligations of public sector organisations is to ensure the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk of, and means of enforcing the rules against fraud and corruption.
2. The Authority already has procedures in place that help to reduce the likelihood of fraud, corruption and bribery occurring. These include Standing Orders, Financial Regulations, codes of conduct, documented procedures and a system of internal control and risk management. In addition, Members and senior management seek to ensure that a risk and fraud awareness culture exists across the Authority.
3. However, if instances of fraud, corruption or bribery do occur or are suspected, the Authority is committed to their rigorous, but fair investigation. Where appropriate, criminal prosecution and civil court action may be taken to recover money, costs and interest. Employees may also be subject to disciplinary action. This is set out in the Authority's Anti-Fraud and Corruption Policy, which applies to all employees, elected Members, contractors who work with the Authority and members of the public who come into contact with the Authority.
4. The Anti-Fraud, Bribery and Corruption Policy sets out the responsibilities of employees and Members with regard to the prevention, detection and reporting of any instances or suspicions of fraud and corruption. The Policy also makes reference to the investigation of any such cases, stating that 'all allegations of fraud, corruption and bribery will be promptly investigated in line with the Authority's Fraud Response Plan.
5. This document sets out the Fraud Response Plan.
6. The Section 151 Officer and Head of Finance in conjunction with the Chief Executive and/or Deputy Chief Executive~~Director of Finance & Resources~~ is responsible for reviewing this document, together with the Authority's Anti-Fraud, Bribery and Corruption Policy and the Whistle Blowing Policy, on a periodic basis, to ensure their continued relevance and effectiveness.

## Objectives of the Fraud Response Plan

7. This document establishes procedures for timely and effective action to ensure that, where a potential fraud or instance of bribery or corruption is reported:
  - ongoing losses are prevented and losses incurred to date are recovered;
  - evidence is obtained in a legally admissible form to maximise the success of any disciplinary or legal action taken;
  - the subject of an investigation and any whistle blower are treated fairly;
  - the risk of adverse publicity is minimised; and

- Lessons are learned to help prevent a recurrence of the fraud.

## Reporting Suspicions of Fraud, Corruption or Bribery

8. The Authority's Anti-Fraud, Bribery and Corruption Policy sets out the requirements in respect of who to report any concerns to. Specifically, it states the following:

- ~~The Chief Executive; or~~
- ~~the Deputy Chief Executive; or~~
- ~~The Section 151 Officer; or~~
- ~~the Head of Finance; or Director of Finance & Resources;~~
- ~~The Director of Corporate Services; or~~
- ~~The Authority's Internal Auditors.~~

Ultimately, any individual who has received information about any suspected act of fraud, corruption or bribery is obliged by Financial Regulations to report it to the ~~Section 151 Officer and Head of Finance~~~~Director of Finance & Resources~~ immediately.

9. Dealing with fraud, corruption and bribery requires specialist knowledge and skills. For this reason, the ~~Section 151 Officer and Head of Finance~~~~Director of Finance & Resources~~ is are the dedicated contact points for dealing with all allegations or suspicions of this nature. As above, in accordance with the Authority's Financial Regulations, all such matters must, in turn, be reported to the ~~Chief Executive and/or Deputy Chief Executive~~~~Director of Finance & Resources~~.

10. In addition to concerns raised under the Anti-Fraud, Bribery and Corruption Policy, concerns may also be raised under the Authority's Whistle Blowing Policy. Where there is any possibility that fraud, corruption or bribery might be involved, the ~~Section 151 Officer and Head of Finance~~~~Director of Finance & Resources~~ should be consulted to determine whether the matter is taken forward under the Fraud Response Plan or under the investigation procedure within the Whistle Blowing Policy.

## Action to be Taken on Receipt of a Reported Potential Fraud

11. The ~~Section 151 Officer and Head of Finance~~~~Director of Finance & Resources~~ will evaluate the reported suspicion, undertaking initial fact-finding enquiries where necessary, to decide whether or not:

- ~~There is a possibility that fraud, corruption or bribery might have been committed; and~~

- ~~t~~The information (rather than evidence at this stage) in support of the allegation appears reliable.

12. If both tests are met, the ~~Section 151 Officer and Head of Finance~~~~Director of Finance & Resources~~ will commission a specialist investigation, as set out in the following section.

13. If the potential fraud/corruption/bribery/whistle blowing allegation is made against either the ~~Section 151 Officer or Head of Finance~~~~Director of Finance & Resources~~ or any other individual / party which may impact on the independence of the ~~Section 151 Officer or Head of Finance~~~~Director of Finance & Resources~~, the matter should be referred to the Chief Executive Officer who may in turn liaise with the Chair of the Audit Committee and Internal Audit. Where the independence of both officers is compromised, the matter will be referred to the ~~Deputy Chief Executive~~~~Director of Corporate Services~~.

## Commissioning an Investigation

14. The ~~Section 151 Officer and Head of Finance~~~~Director of Finance & Resources~~ will normally arrange for the matter to be investigated by the Authority's internal auditors, who will supply specialists in investigating fraud, corruption and bribery. However, from time to time, there may be a need to procure other specialist skills e.g. computer forensics.

15. Before the investigation commences, the ~~Section 151 Officer and Head of Finance~~~~Director of Finance & Resources~~ will:

- ~~a~~Agree detailed terms of reference with the investigation team setting out the objectives and scope of the investigation;
- ~~d~~Decide taking advice from the investigation team and the ~~Head of Human Resources~~~~Manager~~ whether or not the subject of the allegation should be suspended to allow the investigation to proceed in a manner that is fair to all parties and with the minimum risk to the availability of evidence. Suspension will be treated and communicated as a neutral act which implies no judgement as to the individual's conduct;
- ~~t~~Take advice from the ~~Head of Human Resources~~~~Manager~~ to ensure that the investigation is undertaken in a manner which preserves the subject's rights under the Authority's Disciplinary Policy and to ensure that the correct suspension process is followed where necessary; and
- ~~l~~iaise with the Chief Executive and Head of Communications, as appropriate, to determine the extent to which the matters should be communicated and to agree "lines to take" in relation to internal and external enquiries. In all communications, the Authority will have regard to the potential damage to the subject's reputation from false allegations.

16. Two sorts of investigation may be carried out:

- **Fact-finding** - where the Section 151 Officer and Head of Finance~~Director of Finance & Resources~~ considers that further work is needed to establish the facts following the preliminary assessment; or
- **Formal investigation** - in which the objective is to identify and secure evidence as to whether or not fraud has taken place.

17. The type of investigation required will be set out in the agreed terms of reference. In practice, a fact-finding investigation may establish facts, which lead to a formal investigation.

18. Whenever a formal investigation is being considered, the Chief Executive or Deputy Chief Executive~~Director of Finance & Resources~~ will decide whether or not to involve the Police. The Authority's aim is to involve the Police sufficiently early to enable joint investigation arrangements to be made where appropriate, but not before evidence of fraud, corruption or bribery has been identified.

## Other Initial Steps

19. In addition to commissioning an investigation, the Section 151 Officer and Head of Finance~~Director of Finance & Resources~~ will also identify, taking advice from Internal Audit as necessary, any steps needed to mitigate the risk of further loss to the Authority; for example:

- ~~s~~Suspending payments in relation to any transactions suspected of, or alleged to be fraudulent or connected to bribery/corruption;
- ~~s~~Suspending any further payments to the body or individual which is the subject of the investigation;
- ~~i~~Implementing additional checking or approval procedures within the Authority's processes; or
- ~~t~~The individual hands over any keys etc. in his/her possession, and that, pending investigation, future access to the Authority's offices and/or information systems is denied. Managers may need to consider the changing of combinations on safes or keypads granting access to buildings.

20. The Section 151 Officer and Head of Finance~~Director of Finance & Resources~~ will communicate any steps required to the relevant operational managers.

## Conducting and Reporting an Investigation

21. The role of the Investigator is to seek to establish the facts of the matter in an independent, objective and professional manner.

22. The investigating team will complete the investigation in accordance with the agreed terms of reference. Documentary evidence examined by the team will be held securely during the course of the investigation.



### 23. Fact-finding investigations

Interviews will be carried out in accordance with the Authority's Disciplinary Policy. In accordance with the Policy, the subject(s) of the investigation will have the right to be accompanied by a trade union or other representative to any fact-finding interview. The Executive Committee Authority will require a formal report covering the facts established by the investigation to enable the next steps to be considered. The Authority will also require significant matters arising to be reported to the Chair of the Audit Committee immediately and as per 'The Responsible Officer' section of the Whistle Blowing Policy, where applicable.

### 24. Formal investigations

These will follow the same protocols as set out above for fact-finding investigations. However, the rules of the Police and Criminal Evidence Act 1984 will be observed in relation to continuity of evidence and any interview held with someone suspected of committing a criminal offence.

25. As stated in 18 above, consideration will be given to involving the Police at an early stage in relation to any formal investigation to avoid duplication of effort and to ensure the matter is dealt with expeditiously. The investigation will ensure that any internal procedure does not prejudice any criminal case.

26. In both cases, terms of reference for the investigation will require the investigators to make recommendations for improvements in control to address any weaknesses in procedures identified as providing the opportunity for fraud, corruption or bribery to occur.

27. The Head of Finance ~~Director of Finance & Resources~~ must notify the External Auditor and Section 151 Officer of all frauds or instances of bribery/corruption with a value exceeding £5,000.

## Action Taken Following an Investigation

28. In accordance with the Authority's Anti-Fraud, Bribery and Corruption Policy, if an investigation identifies evidence that fraud, corruption or bribery has taken place, the Authority will refer the matter to the Police for further investigation. The Authority will co-operate fully with any Police investigation.

29. Action will also be pursued under the Disciplinary Policy. In conjunction with the Head of Human Resources ~~Manager~~, the Section 151 Officer and Head of Finance ~~Director of Finance & Resources~~ will decide whether disciplinary action can be pursued separately from any criminal investigation, or whether the two investigations must be concluded together. Any interview, hearing and appeal pursued under the disciplinary route will be carried out in accordance with the Authority's Disciplinary Policy.

30. In the event that the investigation identifies no evidence of fraud, corruption or bribery, but evidence of misconduct, the matter will be pursued in accordance with the Authority's Disciplinary Policy.
31. Where the investigation identifies any evidence of a failure of supervision contributing to the commission of the fraud, this will be pursued under the Authority's Disciplinary Policy.
32. Should the investigation conclude that there is no evidence of fraud, corruption, bribery or misconduct, the subject will be reinstated (if previously suspended) and the case will be closed. The ~~Deputy Chief Executive~~**Director of Finance & Resources** and the ~~Head of Human Resources~~**Manager** will decide how any reinstatement will be communicated in consultation with the subject and, where requested, his/her trade union representative.
33. Lessons learned in relation to system weaknesses will be discussed with operational managers, taking into account any recommendations included in the investigators' report. Where necessary, management will be responsible for the implementation of improvements in controls.
34. The Authority will seek full recovery of any losses sustained as a result of fraud, corruption or bribery. A variety of approaches will be followed, depending on the exact circumstances, but could include:
  - ~~s~~**Salary** deduction;
  - ~~a~~**Agreement** to repay on dismissal;
  - ~~a~~ **compensation order** as part of any prosecution; or
  - ~~a~~ **civil lawsuit** (where the likely recoveries outweigh the potential costs involved).
35. To the extent that the ~~Section 151 Officer, Head of Finance~~**Director of Finance & Resources**, Internal Audit, ~~and the Chief Executive and Deputy Chief Executive~~ consider it appropriate to do so, lessons learned from investigations will be communicated to the Authority's managers and team leaders to assist them in fulfilling their responsibilities for managing fraud, corruption and bribery risk. Also, to the extent considered appropriate, the Authority will communicate the outcome of investigations to act as a deterrent against similar frauds, corruption or bribery in future. However, the requirements of the Disciplinary Policy, in terms of confidentiality, must not be breached and any communications should be drafted to seek to avoid damage to the subject's reputation.

## Support Arrangements

36. The ~~Head of Finance~~**Director of Finance & Resources** will receive initial and update training in fraud, corruption and bribery issues to enable the discharge of duties as described in the sections above.

37. The Head of Finance~~Director of Finance & Resources~~ will establish and maintain point of contacts with the local Police and the Authority's internal auditors, either of whom can be called upon for advice and to refer any suspected fraud, corruption or bribery that might arise.

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## **REDUNDANCY POLICY**

Presented by the Head of Human Resources

### **SUMMARY**

The purpose of this report is to seek Member approval for the revised Redundancy Policy which has been updated as part of a review of all the Authority's existing policies. The policy has been updated to take account of legislative changes, best practice and the Authority's business objectives.

The revised Redundancy Policy was considered and approved for recommendation to Authority by the Executive Committee in December 2020 (Paper E/701/20).

### **RECOMMENDATION**

Members Approve: (1) the revised Redundancy Policy as set out in Appendix A to Paper E/701/20 attached at Annex A to this paper.

### **BACKGROUND**

- 1 The Authority has a register of policies that ensure the organisation works efficiently and consistently towards delivering its Business Strategy. These policies are reviewed to ensure they are relevant and up to date with legislation and best practice.
- 2 There are a number of Human Resources policies and these are currently being updated and will be presented to Members for consideration and approval as and when they are reviewed.
- 3 It should be noted that where possible the Authority implements legislative changes from the date they are introduced and there may be a time lag between this and the relevant policies being updated.

### **REDUNDANCY POLICY**

- 4 The Executive Committee approved for recommendation to Authority a revised Redundancy Policy at its meeting in December 2020 (Paper E/701/20) and is attached at Annex A to this report for Members' consideration and approval.

- 5 Any environmental, financial, human resource, legal and risk management implications are covered within paper E/701/20 attached as Annex A to this report.

---

Author: Victoria Yates, 01992 709 915, [vyates@leevalleypark.org.uk](mailto:vyates@leevalleypark.org.uk)

**PREVIOUS COMMITTEE REPORT**

Executive Committee            E/701/20            Redundancy Policy Update    17 December 2020

**ANNEX ATTACHED**

Annex A                            Paper E/701/20



**LEE VALLEY REGIONAL PARK AUTHORITY**  
**EXECUTIVE COMMITTEE**  
**17 DECEMBER 2020 AT 11:30**

**Agenda Item No:**

**Report No:**

**E/701/20**

## **REDUNDANCY POLICY UPDATE**

Presented by the Head of Human Resources

### **EXECUTIVE SUMMARY**

The purpose of this report is to seek Members approval for the revised redundancy policy which has been updated as part of a review of all the Authority's existing policies. The policy has been updated to take account of legislative changes, best practice and the Authority's business objectives.

The draft Redundancy Policy is attached at Appendix A to this report.

### **RECOMMENDATION**

Members Recommend to (1) the Redundancy Policy attached at Appendix A to Authority: this report.

### **BACKGROUND**

- 1 The Authority has a register of policies that ensure the organisation works efficiently and consistently towards delivering its Business Strategy. These policies are reviewed to ensure they are relevant and up to date with legislation and best practice.
- 2 There are a number of Human Resources policies and these are currently being updated and will be presented to Members for consideration and approval as and when they are reviewed.
- 3 It should be noted that where possible the Authority implements legislative changes from the date they are introduced; and there may be a time lag between this and the relevant policies being updated.

### **REDUNDANCY POLICY CHANGES**

- 4 All changes and updates to the Redundancy Policy are highlighted in yellow in Appendix A to this report.
- 5 The Redundancy Policy sets out the Authority's approach to dealing with potential redundancies and where there is a need to make changes to the organisational structure which puts employees at risk of redundancy, the

Authority is committed to manage such changes in a fair, consistent and transparent manner while communicating fully with affected employees.

- 6 Changes have been made to the policy to make the responsibilities of line managers, employees, senior management team (SMT) and human resources (HR) clearer. This is detailed in section 3 of the policy.
- 7 Changes have also been made to the policy to allow for consultation to take place remotely via the use of secure technology and for consultation to end early where it is genuine and all parties have agreed. These changes are detailed in section 7 of the policy.
- 8 Section 5 of the policy on voluntary redundancies (VR) has been updated at 5.3 to 5.5 to ensure clarity around potential enhanced VR terms and VR applications.
- 9 However, the majority of changes relate to changes in legislation, as since the Redundancy Policy was last reviewed there have been a number of changes in legislation, so the policy has now been brought in line with these changes.
- 10 The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 have now been incorporated into the Redundancy Policy at sections 13 and 20.2.
- 11 It is important for Members to note that under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, the effective date of any revision to the Redundancy Policy will be one calendar month after the date of approval of the revised policy, at which point the revised policy will be applied to any organisational change proposal for which employee consultation has not already commenced.
- 12 The Restriction of Public Sector Exit Payments Regulations 2020, which came into force from 4 November 2020, and implements a cap of £95,000 on exit payments made in the public sector, has been incorporated into the Redundancy Policy at section 15.

#### **ENVIRONMENTAL IMPLICATIONS**

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

#### **FINANCIAL IMPLICATIONS**

- 14 There are no financial implications arising directly from the recommendations in this report.

#### **HUMAN RESOURCE IMPLICATIONS**

- 15 The revised Redundancy Policy will be communicated to all staff and the Authority will ensure that managers are adequately trained to implement the procedures in accordance with this policy.

#### **LEGAL IMPLICATIONS**

- 16 The legal implications are set out in the body of this report.



## **RISK MANAGEMENT IMPLICATIONS**

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

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## **APPENDIX ATTACHED**

Appendix A            Redundancy Policy

## **LIST OF ABBREVIATIONS**

|      |  |
|------|--|
| HR   | Human Resources                                |
| ACAS | Advisory, Conciliation and Arbitration Service |
| VR   | Voluntary Redundancy                           |
| SMT  | Senior Management Team                         |

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# Redundancy Policy

November 2020

Reference: [Version 3]



This document is controlled by Lee Valley Regional Park Authority.

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**Lee Valley Regional Park Authority,**  
Myddelton House, Bulls Cross,  
Enfield, Middlesex, EN2 9HG

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## I Document Information

**Title:** Redundancy Policy

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**Current Version:** v3.00

|                      |  |
|----------------------|--|
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| <b>Consultation:</b> | SMT, Policy and Procedure Review Group   |
| <b>Approved</b>      | <b>Approved by:</b> Authority<br><b>Approval Date:</b> January 2020<br><br><b>Review Frequency:</b> Every 5 Years<br><b>Next Review:</b> January 2025  |

| Version History |               |   |
|-----------------|---------------|---|
| Version         | Date          | Description   |
| 3.0             | November 2020 | Updated statutory consultation periods                                      |
| 3.0             | November 2020 | Updated officer names and job titles  |
| 3.0             | November 2020 | Updated voluntary redundancy details  |
| 3.0             | November 2020 | Brought in line with legislation  |
| 3.0             | November 2020 | Added in remote consultations   |
| 3.0             | November 2020 | Updated when policy applies and when doesn't                                |
| 3.0             | November 2020 | Setting out the responsibilities and accountability relating to this policy |
|                 |               |   |
|                 |               |   |
|                 |               |   |
|                 |               |   |

## ii Contents

| <b>Preliminary Pages</b> |                             |             |
|--------------------------|-----------------------------|-------------|
| <b>Section</b>           | <b>Title</b>                | <b>Page</b> |
| <b>Cover</b>             | <b>Title Page</b>           | <b>1</b>    |
| <b>I</b>                 | <b>Document Information</b> | <b>3</b>    |
| <b>II</b>                | <b>Contents</b>             | <b>4</b>    |

| <b>Main Body</b> |   |             |
|------------------|---|-------------|
| <b>Section</b>   | <b>Title</b>                              | <b>Page</b> |
| <b>1</b>         | <b>Context</b>                            |             |
| <b>2</b>         | <b>Policy Aims</b>                        |             |
| <b>3</b>         | <b>Responsibilities</b>                   |             |
| <b>4</b>         | <b>Staffing Reduction Measures</b>        |             |
| <b>5</b>         | <b>Voluntary Redundancy</b>               |             |
| <b>6</b>         | <b>Compulsory Redundancy</b>              |             |
| <b>7</b>         | <b>Consultation</b>                       |             |
| <b>8</b>         | <b>Selection Criteria for Redundancy</b>  |             |
| <b>9</b>         | <b>Appeals</b>                            |             |
| <b>10</b>        | <b>Assisting Redundant Employees</b>      |             |
| <b>11</b>        | <b>Redeployment</b>                       |             |
| <b>12</b>        | <b>Redundancy Payments</b>                |             |
| <b>13</b>        | <b>Additional Payments</b>                |             |
| <b>14</b>        | <b>Local Government Pension Scheme</b>    |             |
| <b>15</b>        | <b>Public Sector Exit Payments Cap</b>    |             |
| <b>16</b>        | <b>Legal Considerations</b>               |             |
| <b>17</b>        | <b>Relevant Policies &amp; Procedures</b> |             |
| <b>18</b>        | <b>Policy Implementation</b>              |             |
| <b>19</b>        | <b>Monitoring &amp; Evaluation</b>        |             |
| <b>20</b>        | <b>Review</b>                             |             |
| <b>21</b>        | <b>Glossary of Terms</b>                  |             |

## 1. Context

- 1.1 The Authority recognises its duty to deliver its services in the most cost effective way possible and the need to remain responsive and flexible in the way service delivery is organised.
- 1.2 This policy sets out our approach to dealing with potential redundancies. It is non-contractual and does not form part of your terms and conditions of employment and the Authority may amend, vary or withdraw the policy at any time, in its absolute discretion. The policy will be applied fairly and equally to all employees.
- 1.3 The Executive Committee must review any changes in staffing establishments where there is an additional budgetary requirement and/or redundancy implication.
- 1.4 This policy only applies where an organisational change proposal deletes (wholly or in part) any established post and which may put one or more employees at risk of redundancy.
- 1.5 This policy does not apply where any organisational change proposal does not put any employee at risk of redundancy, including, for example where:
- it is proposed to create additional posts
  - it is proposed to delete vacant posts
  - it is proposed to change the reporting line of existing posts
  - it is proposed to transfer employees under the Transfer of Undertakings (Protection of Employment) Regulations
- 1.6 The policy covers all permanent and fixed term employees.
- 1.7 The policy will be reviewed from time to time to ensure that it reflects our legal obligations and business needs.

**Note:** Agency Workers are not employees of the Authority and therefore are not included within the scope of this policy.

## 2. Policy Aims

- 2.1 Where there is a need to make changes to the organisational structure which puts one or more employees at risk of redundancy, the Authority is committed to manage such changes in a fair, consistent and transparent manner while communicating fully with affected employees.
- 2.2 The Authority will make every effort to minimise the number of compulsory redundancies and wherever possible will seek to achieve reductions in employee numbers through natural wastage, deletion of vacant posts, reduction of the use of agency workers, self-employed

contractors and consultants, non-renewal of fixed term contracts, recruitment freezes, voluntary redundancy, early and flexible retirement and redeployment.

### **3. Responsibilities**

#### **3.1 Managers are expected to:**

- Lead the change from start to finish of the organisational change process
- Obtain HR advice and support at an early stage to identify the implications of the proposed change and to ensure appropriate planning
- Identify Equality and Diversity implications of the proposed change
- Ensure genuine and effective consultation and communication takes place with employees and trade unions throughout the organisational change process including approaching employee consultation and considering all responses and feedback with an open mind
- Keep written records of all discussions and communications with employees and trade unions
- Support employees throughout the organisational change process

#### **3.2 Employees are expected to:**

- Be flexible and open-minded in considering proposals for change
- Participate in the consultation process by contributing their own views in a reasonable and open manner
- Cooperate in the assimilation, ring-fence and redeployment processes by considering any suitable alternative employment opportunities and playing an active part in seeking alternative job roles
- Continue to carry out their duties and responsibilities in a professional manner during the organisational change process

**3.3** The Senior Management Team are accountable for ensuring that this policy is implemented across the Authority, ensuring it is communicated and understood, translated into practice and enforcing its content

**3.4** The Human Resources Team are responsible for implementing this policy across the Authority

### **4. Staffing Reduction Measures**

**4.1** Subject to the particular requirements of the service and in discussion with the Trade Unions, the order of implementation of downsizing measures will normally be as follows:



- If a redundancy situation is likely to occur for whatever reason then the Chief Executive should 'freeze' all occurring vacant posts that could provide opportunities for redeployment of other suitable and potential redundant employees considering all vacancies on their individual requirements i.e. skills, operational, health and safety requirements etc.
- Posts considered to be of a similar level in any proposed new structure will be 'ring fenced' and open to application by only those who are considered to be 'at risk' in the first instance.
- Existing employees who are "at risk" will be encouraged to apply for current suitable vacancies within the Authority.
- Restriction of external recruitment as follows:

If it is agreed between the Chief Executive and the Deputy Chief Executive/Corporate Director that for business reasons an appointment should be subject to market testing, external advertising of such posts will be used. However, this does not exclude any applications by the Authority's employees. The objective is to secure the best candidate for the post.

## **5. Voluntary Redundancy**

- 5.1 To reduce the need for compulsory redundancies, the Authority may seek volunteers for redundancy.
- 5.2 On each occasion the terms that will apply will be declared, i.e. reasons for, time limits for application and acceptance etc.
- 5.3 Whether or not enhanced payments will be offered in relation to voluntary redundancies will be a matter for the Executive Committee to approve and will depend on the circumstances of each occasion.
- 5.4 Applications for voluntary redundancy will be assessed against a set of objective criteria and any other relevant factors, in each case, decided at the Authority's discretion.
- 5.5 There is no obligation on the Authority to accept any application for voluntary redundancy and it may do so at its absolute discretion

## **6. Compulsory Redundancy**

- 6.1 Compulsory redundancy shall only be applied if the Authority (acting through the Executive Committee) is satisfied that subject to the particular requirements of the service and in discussion with the Trade

Unions and staff representatives, the order of implementation of downsizing measures has been systematically applied.

- 6.2 Full and timely notification to, and consultation with Trade Unions and staff representatives, are of particular importance in the context of compulsory redundancy.
- 6.3 Following full consultation, the Authority will adopt fair and equitable selection criteria for redundancy. The criteria used to select those employees who will be placed at risk of redundancy, will be objective, transparent and fair and based on the skills and specialist experience/knowledge required to meet our existing and anticipated business needs.

## **7. Consultation**

- 7.1 When the Authority has to take measures which may affect job security it will undertake to keep the Trade Union and staff representatives as fully informed as possible and will consult on the procedure that will be followed and the criteria to be applied.
- 7.2 There is no legal obligation on an Employer to consult staff representatives where less than 20 redundancies are proposed within a 90 day period. However, this does not absolve employers from acting reasonably when handling redundancies by, in particular, informing and consulting the employees individually as appropriate, regardless of the number of dismissals. The Authority endorses this good practice.
- 7.3 Where there will be between 20 and 99 redundancies within a 90 day period, consultation must start at least 30 days before the first of the dismissals take effect.
- 7.4 Where there will be 100 or more redundancies within a 90 day period, consultation must start at least 45 days before the first dismissals take effect.
- 7.5 Where it is not possible to hold face-to-face meetings, we endeavour to conduct the consultation process remotely in consultation and agreement with Trade Union and staff representatives and affected employees.
- 7.6 Where selection for redundancy is confirmed, employees selected for redundancy will be given notice of termination of employment in accordance with their contracts of employment and written confirmation of the payments that they will receive. Subject to agreement, the employee consultation period may conclude earlier than at the end of the statutory 30/45 day period where employee consultation can be shown to have genuinely been completed before that date. In such circumstances, individual notices of redundancy could be issued before the end of the statutory 30/45 day employee consultation period.

**7.7 Employee consultation must cover:**

- Reasons for staffing reduction proposals.
- The number and description of employees it is proposed to dismiss as redundant.
- The total number of employees of any such description employed at the establishment in question.
- Selection criteria and how they will be applied.
- How the redundancies are to be carried out as per agreed procedure and the period over which the redundancies are to take effect.
- Details of any proposed assimilation and ring-fencing groups
- The method of calculating the amount of redundancy payments to be made to those who are dismissed by reason of redundancy.
- The effect on earnings where redeployment is secured by employees who have had their posts deleted.
- Where work is accepted under redeployment in a different location, the arrangements for travel, removal and related expenses.
- Whether redundant employee may leave during the notice period, or postpone the date of expiry of notice without losing any entitlement to a statutory redundancy payment.
- The length of any trial period in a new job.
- Details of the next steps after closure of employee consultation, including key dates

**8. Selection Criteria for Redundancy**

The criteria under redundancy shall be:-

- A) Objective, fair and consistent with the Authority's established Appeals Procedure.
- B) Selection on a basis agreed with the employees and Union but having regard to the need to retain key skills and/or specialist knowledge and experience within the Authority.
- C) The standard of work performance or aptitude for work based on agreed appraisal system.
- D) Attendance and disciplinary records will only be taken into consideration in cases where items A and B above do not enable a clear decision.

For the avoidance of doubt, the above is not an exhaustive list and the Authority retains the discretion to amend the selection criteria from time to time.

## **9. Appeals**

- 9.1 You have the right to appeal our decision to select you for dismissal on the grounds of redundancy.
- 9.3 The Authority's Appeals Procedure will be followed.
- 9.4 For 3<sup>rd</sup> tier officers and above dismissal appeals (including redundancy) will be heard by a Member Appeals Committee as detailed in The Authority's Standing Orders.

## **10. Assisting Redundant Employees**

- 10.1 The Authority will offer employees being made compulsorily redundant help to obtain employment outside the Authority.
- 10.2 Outplacement support will be available to all employees who are in receipt of redundancy notice. This service will be provided by external consultants. Full details will be provided at the time.
- 10.3 Any employee "at risk" of redundancy shall be entitled to an individual interview with Human Resources / their Head of Service to determine alternative possibilities for employment within the Authority.
- 10.4 Employees who have been declared redundant, will be given adequate time off with pay to attend interviews for, and to seek alternative employment, and where appropriate, training.

## **11. Redeployment**

- 11.1 Wherever possible the Authority will endeavour to redeploy employees to suitable posts within the Authority. The person specification will be used to assess whether individuals meet the essential criteria. The Authority will provide reasonable training opportunities to assist 'at risk' employees to meet such criteria.
- 11.2 Where a suitable re-deployment opportunity has been identified, if the employee's skills meet 75% of the essential criteria of the vacancy, then they must undertake a trial period in the new position.
- 11.3 Where redeployment occurs, salary will be protected (with the benefit of future cost of living pay awards only) if the new job is within one full grade of the old job for a maximum of two years.
- 11.4 Upon redeployment car allowances will not be protected. Protection of other non-salary conditions of service is not normally granted.

- 11.5 Employees who have to undertake additional daily travel in order to take up an offer of suitable alternative employment with the Authority, will be entitled to claim the difference in mileage between their home and current base of work and their new mileage from home to new base of work. This will be payable at the casual user's rate, for a period of six months.
- 11.6 Where a statutory trial period applies it shall extend to 3 months for the purposes of retraining. A similar trial period shall apply to further redeployments.
- 11.7 The provisions covering status, location, environment, hours of work, trial periods etc. shall be in line with advice issued by ACAS.

## **12. Redundancy Payments**

- 12.1 Redundancy payments are calculated on the same basis as statutory redundancy pay with the exception that actual weeks' pay is used (i.e. the statutory maximum week's pay is not applied). The Redundancy Pay Ready Reckoner is available to obtain from HR.
- 12.2 For the purposes of calculating the redundancy payment payable to a Local Government employee, the Redundancy Payments (Continuity of Employment in Local Government, etc) Modification Order 1999 provides that employing authorities must count continuous service as including all continuous local government service and service with other relevant public authority employers.

## **13. Additional Payments**

- 13.1 The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 provide local government employers with powers to consider making a one-off lump-sum payment (that must not exceed 104 weeks' pay) to an employee whose employment is terminated in the interests of the efficient exercise of the employing authority's functions.
- 13.2 Employing authorities have the power to base a week's pay for those made redundant on an amount up to the actual weekly pay of the redundant employee.
- 13.3 Employing authorities also have discretion to increase the number of weeks' pay that can be given for each year of service up to a maximum and in accordance with statutory provisions.

## 14. Local Government Pension Scheme

- 14.1 Redundant employees who are members of the Local Government Pension Scheme (LGPS) and who are aged 55 or over, and meet the 2 year vesting period, will be entitled to immediate payment of pension benefits, and all or part of the pension will be unreduced. The Authority will provide to affected employees (via the LGPS) their individual pension estimates. It is not however permissible for the Authority to provide pension advice.
- 14.2 Enhancements to an employee's pension, i.e. additional pension contributions (APC's), is discretionary and subject to Member approval.
- 14.3 For employees over 55 years of age the policy on discretionary enhancements of pensions in cases of redundancy is as follows:
- a) The Authority will only make use of its discretion to award additional pension contributions where the early retirement results in financial and/or operational advantage. In exercising its discretion, the Authority will have regard to the employee's overall contribution to the Authority, including length of service, and the cost of awarding additional pension;
  - b) Additional pension contributions will only be considered for individuals who have a minimum of five years service with the Authority and are members of the Local Government Pension Scheme (LGPS). The amount of additional pension contributions awarded will be based on whichever is the lower of the employee's length of service with the Authority and their length of membership in the LGPS whilst employed by the Authority.
  - c) Each case will be considered individually by the Executive Committee.

## 15. Public Sector Exit Payments Cap

- 15.1 The Restriction of Public Sector Exit Payments Regulations 2020 (Regulations), which are in force from 4 November 2020, implement a cap of £95,000 (gross) on exit payments made in the public sector. For the avoidance of doubt, the cap will apply to all exit payments (including pension enhancements under the LGPS) made on or after 4 November 2020, regardless of any prior negotiations or contractual agreements between the Authority and employees.
- 15.2 The value of early payment of an unreduced pension is a payment/enhancement to which the cap applies.
- 15.3 Exit payments are payments made to public-sector employees on termination of employment or office holders on leaving office.

- 15.4 Under the Regulations, various payments count towards the exit payment cap including redundancy payments. The total of all exit payments may not exceed £95,000 (gross).
- 15.5 The Regulations provide that where employees are entitled to a statutory redundancy payment, in addition to other exit payments, the amount of the statutory redundancy payment or its equivalent may not be reduced. Therefore, if the total of the exit payments exceeds the cap, the other exit payments must be reduced, if necessary to zero, so that the total sum does not exceed the cap amount.
- 15.6 If the exit payments cap will affect a redundant employee, HR will discuss this with the individual employee during individual consultation.
- 15.7 Where two or more public sector exits occur in respect of the same individual within a period of 28 consecutive days, the total amount of the exit payments made to that individual cannot exceed the £95,000 cap. Employees will be obliged to disclose their departure and eligibility to an exit payment to any other interested or affected public bodies.
- 15.8 Any payments made in connection with this policy will be capped at the exit payments cap and payments will remain subject to the provisions of the Regulations as amended from time to time. In the event of a conflict, the terms of the Regulations shall take precedence.

## 16. Legal Considerations

The legislation that influences this policy is:

- Employment Rights Act 1996
- Equality Act 2010
- Fixed-term Employees (Prevention of Less Favourable) Treatment Regulations 2002
- Redundancy Payments (Continuity of Employment in Local Government, etc) Modification Order 1999
- Small Business, Enterprise and Employment Act 2015
- The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006
- The Local Government Pension Scheme Regulations 2013
- The Restriction of Public Sector Exit Payments Regulations 2020
- Trade Union and Labour Relations (Consolidation) Act 1992.

## 17. Relevant Policy & Procedures

This policy operates in conjunction with the following policies, procedures and statements:

- Equal Opportunities Policy
- Grievance and Problem Solving Policy
- Grievance and Problem Solving Procedure
- Appeals Procedure

## 18. Policy Implementation

This policy will be available on the Authority's intranet for all employees to access. Once the policy has been approved by Authority, HR and line managers will be responsible for ensuring on behalf of the Authority's Senior Management Team that this is carried out.

## 19. Monitoring & Evaluation

The policy will be monitored and evaluated on effectiveness periodically.

## 20. Review

20.1 This policy will be reviewed in light of any new legislation/regulation or every five years, whichever is the earlier.

20.2 Under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, the effective date of any revision to this policy will be one calendar month after the date of approval of the revised policy, at which point the revised policy will be applied to any organisational change proposal for which employee consultation has not already commenced.

## 21. Glossary of Terms

| Term | Definition  |
|------|---|
| ACAS | Advisory, Conciliation and Arbitration Service                  |
| HR   | Human Resources   |
| TUPE | Transfer of Undertakings (Protection of Employment) Regulations |