

LEE VALLEY REGIONAL PARK AUTHORITY

EXECUTIVE COMMITTEE

25 SEPTEMBER 2025 AT 10:30

Agenda Item No:

5

Report No:

E/899/25

Q1 REVENUE BUDGET MONITORING 2025/26

Presented by the Head of Finance

EXECUTIVE SUMMARY

This report summarises monitoring of revenue expenditure to July 2025. It compares income and expenditure to the approved budget and includes a projection indicating the likely outturn position against the annual budget for the year ended 31 March 2026.

The early year-end position shows a projected net under spend of £66,000 against the net revenue budget of £21,000 deficit. The net surplus for the year is forecast as £45,000. The major variations currently projected are summarised in the table below.

Description	Annual Budget	Forecast Outturn	Variance
Interest Payable / Receivable	958	914	-44
Capital Financing (MRP/DCF)	1,066	1,031	-35
Property	-1,526	-1,615	-89
Contributions to/from Earmarked Reserves	1,775	1,875	100
Marinas	-387	-373	14
Campsites	-653	-645	8
Caravan Sales	-8	-31	-23
Business Support Services	2,873	2,865	-8
Parklands and Open Spaces	3,271	3,260	-11
Sport & Leisure	1,323	1,323	0
Leisure Services Contract	453	445	-8
Other	2,138	2,168	30
Levies	-11,262	-11,262	0
TOTAL	21	-45	-66

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- 1 The Executive Committee recommended a balanced budget for 2025/26 at its meeting in January 2025 (Paper E/874/25). Members approved this at the Authority meeting on 23 January 2025 (Paper A/4360/25). At its meeting in May 2025 (Paper E/884/25) the Executive Committee approved a budget carry forward of £20,000 and part use of the 2024/25 surplus to fund two fixed term posts to the value of £90,000 in 2025/26.
- 2 This report compares forecast income and expenditure to 31 March 2026 with the budget. The summary financial position of each Authority service or facility is shown in Appendix A to this report.
- 3 The year-end position is forecast as £45,000 surplus, which is a £66,000 underspend against the budget.

GENERAL ECONOMIC FACTORS

4 Inflation

July's inflation for the Retail Price Index (RPI) stood at 4.8% and Consumer Price Index (CPI) at 3.8%. The Bank of England expect inflation to rise slightly before settling back down again to its 2% target (Bank of England Monetary Policy Committee Report August 2025). The Bank of England reduced the base rate to 4.00% on 7 August. Further interest rate cuts are expected, but how far and how fast will depend on the level and stability of inflation.

5 Energy Costs

The Authority purchases energy through the Laser framework that has secured energy prices below market rates and has protected the Authority from the worst of the energy price increases over the last few years. The current agreement started in October 2024 and has fixed prices until September 2025.

The 2025/26 energy budgets were built based on actual energy consumption, energy tariffs secured to September 2025, and Laser's forecast at that time for the new tariff from October 2025.

Consumption across Authority venues is being monitored closely and overall consumption is in line with last year. The latest forecast from Laser is that both gas and electricity prices from October will be similar to those built into the budget.

As part of the shared risk position for utilities at the Leisure Services Contract (LSC) venues, the Authority takes the risk for tariff and Greenwich Leisure Ltd (GLL) takes the risk for utility consumption. This arrangement ended after the first two contract years, however both parties would like to extend this for the remainder of the contract. A deed of variation is currently being drafted to give effect to this revision of the utilities provisions in the LSC, as approved by Members in June 2024 (Paper E/859/24). The 2025/26 budget includes £850,000 to cover this tariff risk.

6 Pay Award

The Authority was notified in July 2025 that agreement had been reached by employers and the relevant unions in respect of the 2025/26 pay award for

National Joint Council (NJC) for Local Government Services. The agreed pay award effective 1 April 2025 is an increase of 3.2% on all NJC pay points 2 to 43, and an increase of 3.2% on London Weighting. A separate report to September's Executive Committee will consider the pay award for Senior Officers on local pay scales.

The 2025/26 budget included provision for a 4% pay award, so this is an overall saving of 0.8%. However, Members are required to review and approve the pay rise for senior officers, which is presented in Paper E/896/25 on the Executive Committee September 2025 agenda, and includes the financial implications relating to this decision. Once this is agreed, the total saving will be included in the outturn from quarter two.

MAIN VARIANCES FROM BUDGET

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

FINANCING

8 Interest Receivable (£44,000 additional income)

To date, we have received a total of £51,000 investment income relating to investment holdings during 2025/26. The annual budget is £200,000, and we are now forecasting an additional £44,000 income for the year.

Investment	£000s	Interest Rate Range	Forecast £000s
Nat West	15	1.50%	50
West Brom	35	4.54% – 4.11%	192
Santander	1	2.48% - 2.23%	2
TOTAL	51		244

The interest receivable forecast has been increased due to a higher than anticipated cash holding and effective treasury management. This includes money that will be owed to GLL that they have not yet invoiced for (Year 3 Utilities risk share and investment projects at venues).

9 Minimum Revenue Provision (£35,000 saving against budget)

Under the Prudential Code, we are required to make a statutory provision for repayment of debt, be that external or internal, used to finance capital expenditure. This is based on a calculation of the Capital Financing Requirement (CFR) as at the prior year balance sheet date, and is known as Minimum Revenue Provision (MRP). Each capital project that is not fully financed will have its own CFR, and the calculation of MRP will be different. In addition, there is also a legacy CFR for capital expenditure prior to regulation changes in 2007.

CORPORATE SERVICES

10 Property Management (£89,000 additional income)

The budget includes £100,000 easement income relating to granting access over our land to carry out North London Reinforcement Project (NLRP) works over the summer of 2025. This effectively offsets the loss of event income from the Showground site which will be unavailable during these works. Related to these works, but not included within the budget, the car park at Cornmill

Meadows has been leased to National Grid for an additional £100,000 income (Paper E/877/25). This additional income is to be allocated to earmarked reserves.

11 Planning and Strategic Partnerships (£25,000 reduced expenditure)

The staffing budget includes the Planning Officer post which is currently vacant. The reduction in expenditure shown represents a half year saving against the post.

PARKLANDS AND OPEN SPACES

12 Myddelton House (£34,000 reduced expenditure)

The rateable value of Myddelton House, which is used to calculate business rates, has historically included Abercrombie Lodge. This has now been split out and the tenants of Abercrombie Lodge are directly liable for their rates bill. This has resulted in an ongoing saving.

13 River Lee Country Park (£28,000 additional expenditure)

The additional expenditure relates to required fencing works that began in the previous financial year and were completed during 2025/26.

14 Fisheries (£32,000 reduced expenditure)

The saving relates to a staff vacancy, which is being covered by the wider Ranger team.

SMALL VENUES

15 Marinas (£14,000 reduced net income)

At both marinas mooring income is on budget, but chandlery income is down. This has been impacted by customers feeling the effects of the cost of living; less traffic on the river partly due to a period of closure of Tottenham Lock when there was insufficient water in that stretch of the river; as well as competition from boats selling directly to customers. Both marinas are marketing their services to new and existing customers and seeing some positive impact.

16 Campsites (£8,000 additional net income)

Occupancy levels across the campsites have exceeded previous years, driven by good weather, a later Easter and higher than usual bookings from workers. Signs for the rest of the year are promising with bookings for the whole year 30% better than at the same point last year. However, across the campsites the staffing requirement is higher than budgeted, which is off-setting this increase in income.

17 Lee Valley Golf Course (£45,000 reduced income)

The back nine holes of the golf course were closed for six weeks to allow for testing as part of the ongoing work for The Wave development. This has disrupted use and impacted income, and partial refunds have been made to those paying for an annual golf membership.

LEISURE SERVICES CONTRACT

18 Management Fee (£8,000 additional management fee)

The fourth year of the LSC commenced on 1 April 2025. The Authority is due to receive a management fee payment of £691,700 from GLL this year. In June 2025 Executive Committee approved an investment to improve access control at Lee Valley VeloPark (Paper E/889/25). The Authority is funding the project directly from capital reserves with GLL making annual payments to effectively repay the capital. This will result in a £8,000 adjustment to the management fee in 2025/26, and the capital reserves will be replenished by an additional corresponding contribution.

FURTHER MOVEMENTS TO THE GENERAL FUND

- 19 As detailed in paragraph 1, Executive Committee approved part use of the 2024/25 surplus to fund two fixed term posts – an Assistant Conservation Officer and an Arboriculture Officer. It is anticipated that these posts will be filled in early 2026. This expenditure is currently not reflected in the outturn, but it is anticipated that costs will be absorbed within the forecast underspend.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

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PREVIOUS COMMITTEE REPORTS

Authority	A/4360/25	2025/26 Revenue Budget & Levy	23 January 2025
Executive Committee	E/874/25	2025/26 Revenue Budget & Levy	23 January 2025

APPENDIX ATTACHED

Appendix A	Detailed outturn forecast
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LIST OF ABBREVIATIONS

LSC	Leisure Services Contract
GLL	Greenwich Leisure Limited
NJC	National Joint Council
CFR	Capital Financing Requirement
MRP	Minimum Revenue Provision

YEAR 2025/26

PERIOD: 04 (July 2026)

	Actual To Date			Annual Net Budget	Proposed Net Outturn	Variance	
	Income	Expenditure	Net			£000s	%
OPERATIONAL SERVICES							
Chief Executive	0	212	212	719	719	0	0%
Corporate Services	-705	555	-150	-230	-339	-109	(47%)
Business Support Services	-13	898	885	2,873	2,866	-7	(0%)
Sport and Leisure	-96	471	375	1,323	1,323	0	0%
Parklands and Open Spaces	-273	1,412	1,139	3,271	3,260	-11	(0%)
Small Venues	-2,208	1,456	-752	-925	-877	48	5%
Leisure Services Contract	0	-1,268	-1,268	453	445	-8	(2%)
	-3,295	3,736	441	7,484	7,397	-87	(1%)
FINANCING							
Interest Receivable	-51	0	-51	-200	-244	-44	(22%)
Interest Payable & Bank Charges	0	101	101	1,158	1,158	0	0%
Contributions to/from Earmarked Reserves	0	1,770	1,770	1,775	1,875	100	6%
Financing of Capital Expenditure	0	0	0	71	79	8	11%
Minimum Revenue Provision	0	0	0	995	952	-43	(4%)
Levies on Local Authorities	-3,754	0	-3,754	-11,262	-11,262	0	0%
Movement in General Fund				21	-45	-66	(314%)
TOTAL MOVEMENT IN GENERAL FUND				21	-45	-66	

YEAR 2025/26

PERIOD: 04 (July 2026)

	Actual To Date			Annual Net Budget	Proposed Net Outturn	Variance	
	Income	Expenditure	Net			£000s	%
CHIEF EXECUTIVE							
Chief Executive	0	82	82	253	253	0	0%
PR / Communications	0	130	130	466	466	0	0%
TOTAL CHIEF EXECUTIVE	0	212	212	719	719	0	0%
CORPORATE SERVICES							
Legal Service	0	176	176	565	570	5	1%
Property Management	-705	167	-538	-1,526	-1,615	-89	(6%)
Planning and Strategic Partnerships	0	42	42	172	147	-25	(15%)
Asset Protection, Maintenance & Development	0	125	125	414	414	0	0%
Committee Service	0	45	45	145	145	0	0%
TOTAL CORPORATE SERVICES	-705	555	-150	-230	-339	-109	(47%)
BUSINESS SUPPORT SERVICES							
Financial Management	0	163	163	568	569	1	0%
Human Resources Management	0	79	79	242	241	-1	(0%)
Information Technology	-4	287	283	988	985	-3	(0%)
Corporate Insurances	0	272	272	575	575	0	0%
Audit / Health & Safety	-9	13	4	260	260	0	0%
Non Distributed Costs	0	13	13	60	56	-4	(7%)
Corporate Training / Apprenticeships	0	30	30	60	60	0	0%
Project & Funding Delivery	0	41	41	120	120	0	0%
TOTAL BUSINESS SUPPORT SERVICES	-13	898	885	2,873	2,866	-7	(0%)
SPORT AND LEISURE							
Events	-63	112	49	181	180	-1	(1%)
Sports Development	-10	22	12	77	77	0	0%
Policy and Performance	0	263	263	820	821	1	0%
Learning & Engagement Service	-23	63	40	165	165	0	0%
Community Access	0	11	11	80	80	0	0%
TOTAL SPORT AND LEISURE	-96	471	375	1,323	1,323	0	0%

YEAR 2025/26

PERIOD: 04 (July 2026)

	Actual To Date			Annual Net Budget	Proposed Net Outturn	Variance	
	Income	Expenditure	Net			£000s	%
PARKLANDS AND OPEN SPACES							
Management							
Operational Management	0	125	125	338	338	0	0%
Myddelton House Management	-5	160	155	391	357	-34	(9%)
Parklands							
River Lee Country Park	-9	96	87	330	358	28	8%
Gunpowder Park	0	19	19	81	87	6	7%
Countryside Areas	-71	454	383	1,544	1,537	-7	(0%)
Abbey Gardens	0	15	15	85	90	5	6%
Three Mills	0	6	6	20	28	8	40%
East India Dock and Bow Creek	0	4	4	25	27	2	8%
Leyton Marsh	0	0	0	0	0	0	0%
Broxbourne Riverside	-1	5	4	20	20	0	0%
Fisheries	-32	1	-31	-69	-101	-32	(46%)
Visitor Attractions							
Myddelton House	-72	145	73	242	251	9	4%
Rye House Gatehouse	0	2	2	7	7	0	0%
Park Projects							
Volunteers	0	18	18	57	57	0	0%
Biodiversity Management	0	42	42	136	136	0	0%
Farms							
Lee Valley Farm, Holyfieldhall	-63	313	250	118	122	4	3%
Initiatives and Partnerships							
King George Reservoir South	-7	7	0	-1	-1	0	0%
Lee Valley Boat Centre	-8	0	-8	-41	-41	0	0%
Broxbourne Chalets	-5	0	-5	-12	-12	0	0%
TOTAL PARKLAND AND OPEN SPACES	-273	1,412	1,139	3,271	3,260	-11	(0%)
Small Venues							
Lee Valley Marina Springfield	-390	253	-137	-403	-388	15	4%
Lee Valley Marina Stanstead	-282	288	6	16	15	-1	(6%)
Lee Valley Waterworks Centre	0	27	27	77	80	3	4%
Lee Valley Campsite (Sewardstone)	-410	228	-182	-148	-105	43	29%
Lee Valley Caravan Park (Dobbs Weir)	-671	283	-388	-358	-351	7	2%
Lee Valley Leisure Centre Campsite	-350	180	-170	-144	-171	-27	(19%)
Lee Valley Leisure Centre Golf Course	-43	83	40	46	92	46	100%
Almost Wild Campsite	-31	20	-11	-3	-18	-15	(500%)
Caravan Sales	-31	94	63	-8	-31	-23	(288%)
TOTAL SMALL VENUES	-2,208	1,456	-752	-925	-877	48	5%

YEAR 2025/26

PERIOD: 04 (July 2026)

	Actual To Date			Annual Net Budget	Proposed Net Outturn	Variance	
	Income	Expenditure	Net			£000s	%
LEISURE SERVICES CONTRACT							
Management Fee	0	0	0	-692	-700	-8	(1%)
LSC Venues Direct Costs	0	58	58	295	295	0	0%
LSC Contingency (Utilities)	0	-1,326	-1,326	850	850	0	0%
TOTAL LSC VENUES AND BUSINESS SUPPORT	0	-1,268	-1,268	453	445	-8	(2%)
TOTAL OPERATIONAL SERVICES	-3,295	3,736	441	7,484	7,397	-87	(1%)