

LEE VALLEY REGIONAL PARK AUTHORITY

**EXECUTIVE COMMITTEE
19 JANUARY 2023**

Members Present: Paul Osborn (Chairman) Heather Johnson
David Andrews (Vice Chairman) Chris Kennedy
Susan Barker Graham McAndrew
Ross Houston

Apologies Received From: Mary Sartin

In Attendance: John Bevan, David Gardner

Officers Present: Shaun Dawson - Chief Executive
Beryl Foster - Deputy Chief Executive
Dan Buck - Corporate Director
Jon Carney - Corporate Director
Keith Kellard - Head of Finance
Michael Sterry - Senior Accountant
Stephen Bromberg - Head of Communications
Sandra Bertschin - Committee & Members' Services Manager

Also present: James Newman - S151 Officer (London Borough of Enfield)

Part I

215 DECLARATIONS OF INTEREST

There were no declarations of interest.

216 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 15 December 2022 be approved and signed.

In response to a Member it was advised that policies and procedures relating to professional dog walking were being reviewed in light of the recent fatality.

217 PUBLIC SPEAKING

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

218 2023/24 REVENUE BUDGET AND LEVY

Paper E/795/23

The report was introduced by the Chief Executive, including:

- summary of 2023/24 budget position;
- budget challenges 2023/24;
- addressing the budget deficit;
- savings and additional income;

- levy proposal for 2023/24;
- use of general reserves;
- income and savings initiatives;
- longer term major investment schemes; and
- the proposed budget and levy increase was recommended in recognition that it was an exceptional budget situation which necessitated a package of measures, including savings and income, use of reserves, the levy and the short term fall in reserves to below £3m with a plan to rebuild.

The S151 Officer commented that:

- over the last 10 years the Authority had reduced the levy which had eased the financial burden on the regional tax payer, but the current economic environment of high inflation and energy costs meant that the levy needed to be increased to maintain the Authority's financial position; and
- reserves were anticipated to decrease to £2.3m in 2023/24 but there was an incremental approach to rebuild to current policy levels of £3-4m which was considered to be a proportionate amount.

The Chairman thanked officers for their work on identifying savings and additional income streams to produce a balanced draft budget and commented that the massive increase in energy costs made an increase to the levy unavoidable.

Member comments included:

- concerns regarding delay and funding for the Middlesex Filter Beds project;
- possible further delays to opening of the new Ice Centre and impact of delays on the Leisure Services Contract (LSC) management fee;
- availability of funding for future land purchase;
- concerns regarding projected reserves remaining under £3m until 2026 and the view of the external auditors on this;
- just freezing the Community Access Fund (CAF) budget would be a 10% real terms cut. Reprofile the community programmes budget had appeared to reduce the proposed funding decrease but any real terms cut to the budget was unacceptable in the difficult post pandemic climate. The CAF was an important tool in promoting the Authority to the boroughs in enabling their disadvantaged residents access to the Park;
- the reduction in the levy over the past 10 years was not realistic in regard to possible future events;
- request for update on compensation for delays to construction of the Ice Centre; and
- the level of confidence in achieving financial targets for year 1 of the LSC.

In response to Members it was advised:

- delays in securing a solution for the Middlesex Filter Beds project had been frustrating but it was expected this could be progressed soon;
- no significant delays to the Ice Centre opening in April were anticipated but Members would be informed should there be further delays. There had been a small impact on the LSC Management Fee by the delayed opening due to loss of momentum and gym memberships;
- funding was restricted for next year but there were opportunities for one-off capital receipts which Members could decide to use for land purchase or landscape projects, but using any such receipts for reducing borrowing costs for the Ice Centre redevelopment would have a direct impact on revenue funding;

- the external auditors Value For Money opinion may include reference to the level of reserves but reserves have worked as they should and there was a plan in place to replenish and ensure the Authority's sustainability;
- legal actions have been taken to protect the Authority's position with regard to compensation for Ice Centre construction delays and a reasonable decision will be taken at the end of the construction process; and
- currently it was expected that LSC year 1 financial targets would be met but further review would be undertaken on receipt of the quarter 3 report.

The Chairman commented that:

- a reduction to funding for community programmes was regrettable but reflected the difficult choices being made to produce a balanced budget and there was the possibility that further support could be available should the financial situation change next year;
- a bigger increase to the levy than that proposed would have a detrimental impact on the Authority's reputation and having to find another £400K of savings would have a damaging impact on services;
- whilst reducing the levy over the past 10 years and hence reducing the financial pressure on levy paying authorities, the Authority had continued to invest in the Park and open new facilities such as the Wildlife Discovery Centre and the soon to open twin pad Ice Centre;
- acknowledging that reserves would fall below the policy level for a short term, this was as a result of Covid and massive energy price increases, and there was a plan to rebuild reserves;
- there was the potential for additional capital receipts which could transform the Authority's financial position;
- the headroom provided by the legal maximum levy the Authority was able to generate made for a more sustainable position; and
- the proposed budget and levy was balanced and robust.

Members voted on a proposed 9% increase in the levy for 2023/24 and short term movement in the minimum level of reserves: the 4 Conservative Members voted for and the 3 Labour Members abstained.

- (1) a proposed Levy increase of 9% for 2023/24; and**
- (2) review of the medium term general reserves policy to allow a short term movement in the minimum level of reserves to below £3m be recommended to Authority was approved.**

219 PROPOSED CAPITAL PROGRAMME 2022/23 (REVISED)
TO 2026/27

Paper E/793/23

The report was introduced by the Head of Finance.

- (1) the revised capital programme for 2022/23 (revised) to 2026/27 as set out in Appendix A to Paper E/793/23;**
- (2) the proposed capital funding to meet the planned capital programme as set out in Appendix B to Paper E/793/23; and**

- (3) **the use of capital receipts to part finance the redevelopment costs of the Lee Valley Ice Centre as set out in paragraph 9 of Paper E/793/23 be recommended to Authority was approved.**

220 CAPITAL STRATEGY 2022/23 TO 2026/27

Paper E794//23

The report was introduced by the Head of Finance.

- (1) **the Capital Strategy as an overarching strategy document as set out within the body of Paper E/794/23 and Appendices B to D of Paper E/794/23; and**
- (2) **the Prudential Indicators for 2022/23 to 2026/27 as set out in Appendix A of Paper E/794/23 be recommended to Authority was approved.**

221 PROPOSED CAPITAL INVESTMENT AT LEE VALLEY ATHLETICS CENTRE AND LEE VALLEY RIDING CENTRE

Paper E/796/23

The report was presented by the Corporate Director including images of:

- Lee Valley Athletics Centre
 - Venue Plan
 - Current Strength & Conditioning Suite
 - Current Community Gym area
 - Current Reception area
 - Current Changing Rooms
 - Proposed Community Gym layout
 - Proposed Strength & Conditioning Suite layout
 - Indicative Changing Rooms Refresh images
- Lee Valley Riding Centre
 - Venue Plan
 - Current Stable
 - Mechanical Horse information

A Member suggested that the Mechanical Horse be situated within clear sight of centre users to self-promote its usage.

In response it was advised that the Mechanical Horse would be situated close to the Reception and the vast majority of centre users would walk past it.

- (1) **subject to consideration and approval of the recommendation in the Part 2 Paper E/797/23, the inclusion within the capital programme of £573,484 for improvements to the Health & Fitness facilities at Lee Valley Athletics Centre; and**
- (2) **subject to consideration and approval of the recommendation in the Part 2 Paper E/797/23, the inclusion within the capital programme of £63,296 for a stable refurbishment and installation of a mechanical horse at Lee Valley Riding Centre was approved.**

222 **EXEMPT ITEMS**

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

Agenda Item No	Subject	Exempt Information Section Number
11	Financial Implications of Proposed Capital Investment at Lee Valley Athletics Centre and Lee Valley Riding Centre	3

223 FINANCIAL IMPLICATIONS OF PROPOSED CAPITAL INVESTMENT AT LEE VALLEY ATHLETICS CENTRE AND LEE VALLEY RIDING CENTRE Paper E/797/23

(1) the proposed financial arrangements in respect of the capital investment projects and impact on the Leisure Operator Base Trading Account (LOBTA) as set out in Paper E/797/23 was approved.

Chairman

Date

The meeting started at 10.37am and ended at 11.45am