

PROPOSED CAPITAL INVESTMENT AT LEE VALLEY VELOPARK

Presented by Corporate Director

EXECUTIVE SUMMARY

This paper provides Members with the background information on a proposed access control investment at the Lee Valley VeloPark.

Authority officers have been working with its Leisure Services Contract operator, Greenwich Leisure Ltd (GLL) to deliver a brand new Health & Fitness offer at the venue since GLL were informed that their current Gym lease at a property in East Village on Queen Elizabeth Olympic Park would not be renewed. Members approved the investment of £508,603 in December 2023 (Paper E/833/23) and the new gym and updated spin studio opened during May 2024, with the final part of the project, the enclosed external training area, to be completed later this year.

Due to the increased demand associated with the gym use the current double doors adjacent to the reception are no longer fit for purpose and it is proposed that they be replaced with speed gates that will allow customers with bookings or membership to gain access via self-service.

The proposed investment has undergone a rigorous process of due diligence to ensure the proposal meets with the priority outcomes as set out within the Leisure Services Contract:

- deliver a sustainable partnership with a forward thinking, adaptable Contractor;
- ensure the long term viability of all six facilities;
- reduce reliance on the levy and tax payers within the Lee Valley region; and
- fulfil the requirements of the Authority's Strategic Aims.

It is proposed that subject to consideration and approval of the recommendation in the Part 2 paper (Paper E/890/25) Members consider the Authority making a financial capital commitment totalling £61,589 for the creation of new access control. The specific details of the proposal are set out in this report.

RECOMMENDATION

Members Approve: (1) subject to consideration and approval of the recommendation in the Part 2 Paper E/890/25 the inclusion within the capital programme of £61,589 for a new access control at Lee Valley VeloPark.

BACKGROUND – LEE VALLEY VELOPARK (LVVP)

- 1 During the Leisure Services Contract (LSC) procurement, the Authority committed to invest into the venues in partnership with the eventual operator to:
 - maintain their world class status;
 - their relevance; and
 - to continually improve the Management Fee position.

Since commencement of the LSC the first phase of investment projects at the Lee Valley Athletics Centre (LVAC), Lee Valley Riding Centre (LVRC) and Lee Valley VeloPark (LVVP) which were approved by Executive Committee (Papers E/796/23, E/797/23 & E/833/23) have been delivered totalling £1.14m and overall these have generated additional income in excess of the business plan targets.

- 2 The new gym at Lee Valley VeloPark opened during May 2024 and has significantly increased diversification and usage at the venue.
- 3 Customer access from the Lee Valley VeloPark reception to the corridor leading to the track in-field, changing rooms, and gym is controlled via a fire-rated door integrated with a smart tile access system. This setup was originally designed for group access, which inadvertently encourages tailgating due to the slow closing speed of the heavy doors.
- 4 This access route was originally used primarily by track cycling customers, averaging around 1,500 users per month.
- 5 Since the opening of the newly developed gym in May 2024, usage has increased to approximately 8,500 users per month. As a result, the doors and fittings have suffered significant wear and damage due to the increased usage. Replacing the current setup with like-for-like components is not considered a sustainable long-term solution and does not address ongoing concerns about the customer experience.

PROPOSED INVESTMENT

- 6 The proposal is to introduce improved access control, incorporating:
 - installation of two slim speed lanes adjacent to the current reception; and
 - installation of associated power, IT and fire alarm interface.
- 7 GLL will also replace the current fire doors which have come to end of life. This will be funded by GLL as part of their planned maintenance programme.
- 8 This will allow customers with memberships or bookings to gain access via self-service, meaning that the fire doors would not need access control. The installation of speed lanes will reduce revenue loss risk, increase lifespan of doors and contribute to an increased customer experience. They would also allow for reductions in staffing during periods of gym-only operation.

FINANCIAL IMPLICATIONS

- 9 As per the LSC agreement, the Authority will provide the capital investment for the project to GLL and can chose to either deliver the project directly or to require GLL to deliver the project under the LSC. It is recommended that GLL manage the works and purchasing of equipment, but the Authority signs off all drawings and the works before any orders are placed.
- 10 This was the route used for the investments at LVAC, LVRC and LVVP and worked well. The new facilities will be owned by the Authority, and GLL will have no right to remove the facilities at the end of the contract (or if the venue is removed from the LSC and GLL cease to be the operator for the venue sooner).
- 11 Total capital required **£61,589** broken down as follows.

Description	Cost (excl. VAT)
2 x slim speed lanes	£42,575
Removable side gate	£6,000
Power, data and fire panel interface	£9,500
Contingency (5%)	£2,904
Sub-Total	£60,979
Project Management Charge (1% of Sub-Total)	£610
Total	£61,589

- 12 The Authority will receive payments from GLL that will effectively repay the capital investment. Please see Part 2 Paper E/890/25 for further details on the financial implications of the project.
- 13 The Authority has stipulated that no loss of revenue will be granted for this project and that works need to be managed to ensure there is a continuity of service for the venue's users and no negative impact on the Leisure Operator's Base Trading Account (LOBTA).

PROJECT TIMELINE

- 14 If Members approve the recommendation of this report a project team will be formed consisting of key Authority and GLL officers from:
 - Facility Management;
 - Operations;
 - Product Development; and
 - Marketing.

This project team will ensure there is full agreement on proposed timescales, responsibility areas and set milestones. All drawings, decisions, sign off, spend on contingency etc. associated with the project will be made by the Corporate Director.

- 15 The key milestones should Members approve the recommendations of this report are:
 - Authority approval subject to Members – 19 June 2025;
 - GLL return formal cost estimate for Authority – 18 July 2025;
 - Authority confirms GLL's formal estimate and grants licence for alteration under the lease - 8 August 2025;

- Work begins – mid August 2025;
- Work complete – end of August 2025.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 17 The financial implications of these projects are covered in the Part 2 Paper E/890/25.

HUMAN RESOURCE IMPLICATIONS

- 18 Authority officers will be required to sit on the project team for the project and Authority sign-off of any decision will be required by the Authority's Representative as per the LSC.
- 19 There will be less reliance on reception staff to ensure people are not entering without the appropriate membership or booking.

LEGAL IMPLICATIONS

- 20 These investment projects will be subject to Schedule 21 of the LSC Control Change Protocol and this will allow the agreed financial arrangements to be formally documented. The Authority will also need to grant its consent to alterations under the lease.

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

Author: Dan Buck, 01992 709 896, dbuck@leevalleypark.org.uk

APPENDIX ATTACHED

Appendix A Proposed access control

LIST OF ABBREVIATIONS

the Authority	Lee Valley Regional Park Authority
GLL	Greenwich Leisure Limited
LSC	Leisure Operating Contract between the Lee Valley Regional Park Authority and Greenwich Leisure Limited dated 31 March 2022

LOBTA	Leisure Operator's Base Trading Account, the financial model agreed to in the LSC
LVVP	Lee Valley VeloPark
LVAC	Lee Valley Athletics Centre
LVRC	Lee Valley Riding Centre

Proposed access control

