

## **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 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 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

- |                                       |  |
|---------------------------------------|--|
| <b>Members Recommend to Authority</b> | (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 £000s</b>	<b>Option A 2% Increase 2021/22 £000s</b>	<b>Option B 0% Increase 2021/22 £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>
Budget Deficit/(Surplus)	2,008	(329)	(329)
<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 £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
LWWC	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>	12	<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)
Closing Common Fund Balance	17	(2,376)	(2,705)	(3,568)	(4,923)	(5,896)

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
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>(9,576)</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>	11	<b>3,764</b>	<b>(1,337)</b>	<b>(901)</b>	<b>(1,163)</b>	<b>(781)</b>
Provision for LSC Liabilities and Redundancies	19	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	18	(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

Notes

2020/21 2021/22 2022/23 2023/24 2024/25

Efficiency/Increased Income

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)	

Budget Pressures

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	

Asset & Infrastructure Investment

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

NET EXPENDITURE/(SAVINGS)	0	(1,010)	(250)	(540)	(126)	
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	2010/11	2010/11 RPI Inflated	2020/21	Real Term Change in Levy	Cash/Actual 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)	(£83,626)
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 Levy 2020/21	Option A 2.00% Increase 2021/22	Option B 0.00% Increase 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
  - Bittern 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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