

2022/23 REVENUE BUDGET AND LEVY

Presented by the Head of Finance

SUMMARY

The Executive Committee considered the attached paper (Annex A, Paper E/751/22) at their meeting this morning (20 January 2022) which sets out budget proposals to support delivery of the Authority's ambitions and objectives over the coming years as part of the new Business Plan (2022-2027).

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 2022/23 as recommended by Executive Committee;
 - (2) additional expenditure, income and efficiencies as set out in Appendix C to Paper E/751/22;
 - (3) a net revenue budget of £9.8m, as set out in paragraph 28 to Paper E/751/22; and
 - (4) a medium term general reserves policy.

BACKGROUND

- 1 A Budget Workshop was held on 16 December 2021 to consider proposals for the 2022/23 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/751/22).
- 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/751/22).

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/751/22).


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ANNEX ATTACHED

Annex A Paper E/751/22

PREVIOUS COMMITTEE REPORTS

Executive	E/751/22	Revenue Budget & Levy 2022/23	20 January 2022
Executive	E/746/21	Authority Fees & Charges Review 2022/23	16 December 2021
Executive	E/742/21	2021/22 Budget Methodology, Assumptions, and Timetable	18 November 2021
Executive	E/743/21	Venues Capital Investment Projects Capital Budget 2021/22	18 November 2021
Authority	A/4292/21	Proposed Budget & Levy 2021/22	21 January 2021

 <p>LEE VALLEY REGIONAL PARK AUTHORITY</p> <p>EXECUTIVE COMMITTEE</p> <p>20 JANUARY 2022 AT 10:30</p>	<p><u>Agenda Item No:</u></p> <p><u>Report No:</u></p> <p>E/751/22</p>
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2022/23 REVENUE BUDGET AND LEVY

Presented by the Head of Finance

EXECUTIVE SUMMARY

The context for setting the 2022/23 budget is to continue with recovery from the impact as a result of the Covid pandemic. The Authority's cash reserves have been depleted by circa £2.6mill over the past two years and in the short term the focus needs to be on continued recovery of the financial position and building in resilience for any future shocks. A combination of significant savings, income recovery and a continued good budget discipline has seen 2021/22 start the process of recovery with a projected surplus of circa £630k.

The Authority is going through an exceptional period with the planning and delivery of a range of business development/investment projects, the move to a third party 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.

In order to assist the Authority beginning the rebuilding process and insure against further impact from Covid, the levy was increased by 2% for 2021/22. This represented the first cash increase to the levy since 2009/10 and was on the back of an eleven year real-term reduction. The levy for 2022/23 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 2021/22 is £9.767m (which is 37.0% of the maximum chargeable). This equated to £0.81p per person in Herts, Essex and London.

The Authority is required to set a budget and levy for 2022/23 by 24 January 2022 and notify contributing authorities by 15 February 2022.

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 (2022-2027).

RECOMMENDATIONS

- Executive Committee
Recommend Authority:
- (1) a proposed levy for 2022/23;
 - (2) additional expenditure, income and efficiencies as set out in **Appendix C** to this report; and
 - (3) a proposed medium term general reserves policy.

BACKGROUND

1 Remit

The Authority and its Members have a statutory duty to develop the 10,000 acre Park as a regional destination, be that directly and via third party investors and operators. The Authority's current vision is that the Lee Valley Regional Park should be "A World Class Leisure Destination".

2 Business Planning

The Authority is continuing to be "community focused and commercially driven", optimising income generation to enable maximising community impact. There is a continuing drive 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.

The 2022-27 business plan is currently being developed and Member engagement will take place early in 2022.

The draft work programme for 2022/23 is attached as Appendix F to this report.

3 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.

4 The Authority continues to focus on the following areas to enhance the visitor offer in the Park and to increase income:

- implementing the retendered Leisure Service Contract (LSC) for the six sporting venues;
- further investment in the sports venues, to increase income and service efficiencies beyond the base LSC;
- investing in and developing the non-sporting venues, and open spaces;
- investing in new business development, e.g. Ice Centre;
- developing new opportunities e.g. Picketts Lock site, Broxbourne Riverside Eton Manor and visitor accommodation across the Park.

Contributing Authorities – Funding

- 5 Following the November Spending Review announcement, the Provisional Local Government Finance Settlement was announced in mid December, with a consultation period running until 13 January 2022. The final settlement is expected to be laid before the House of Commons in late January or early February 2022.
- 6 In the Provisional Local Government Finance Settlement for 2022/23, the government advised that authorities will overall receive an increase in their core spending power of 6.9% for 2022/23.
- 7 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 2022-23 on 30 July 2021. In it, three scenarios were set out based on different levels of funding. As set out in the 2021/22 budget, it remains the assumption that future year budgets should broadly increase by 1.99%. Final submissions were due by the end of November with a draft consolidated budget to be published mid to late-December. The GLA 2021/22 budget increased the band D by £31.59 which represented a 9.5% increase. Next year's proposal, if available, will be updated as part of the budget report in January.

AUTHORITY'S CURRENT FINANCIAL POSITION

- 8 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 surplus on revenue of around £0.7million, and added to the £3.5million committed capital, venues investments and asset maintenance, will see the Authority's cash reserves stand at around £7.4million by March 2022. **Appendix D** to this report sets out the reserves position and movement in cash in line with the Medium Term Financial Plan (MTFP).
- 9 The MTFP has been updated to assist the recovery programme, as well as the mid-term delivery of the Authority's vision and its new Business Plan to 2027 (see **Appendix F** 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 2022/23 should only be used as a guide to determine the general direction of travel.
- 10 The MTFP is attached at **Appendix B** to this report. The proposal for the 2022/23 budget and levy is summarised in Table 1 below.

Members discussed at the Levy and Budget Workshop, held on 16 December 2021, whether the Levy should be held at 0% change, or whether an increase would be appropriate.

For the purposes of this paper, the MTFP assumes a 0% change to the base Levy for the years 2022/23 to 2026/27.

11 Table 1: Draft 2022/23 Budget Summary

		2021/22 Forecast £000s	2022/23 Proposed £000s
1	Base Budget Authority LSC Venues	7,931.6 1,557.0	7,264.1 0
2	LSC Management Fee	0	2,170.7
3	Base Adjustments Growth/Savings Outturn surplus	0 0 (349.9)	351.1 (42.4) 0
4	Total Budget	9,138.7	9,743.5
5	Levy % Change	(9,767.6) -	(9,767.6) 0%
6	Uncertainties	0	160.0
7	Deficit/(Surplus)	(628.9)	135.9

Common Fund Balance

Opening	(3,496.7)	(4,125.6)
Budget Deficit/(Surplus)	(628.9)	135.9
Closing	(4,125.6)	(3,989.7)

12 A summary of the Option A budget proposal is set out below:

- 0% change in the levy in 2022/23;
- Service reviews and efficiencies;
- Future year surpluses can be invested in the Park;
- Proposed Levy in 2022/23 at £9.768m;
- Maintain the medium term general reserves policy of £3-£4m – although this should be subject to annual review.

Members should also review the medium term general reserves policy in line with any decision around the Levy.

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

- **Covid-19** - The impact of the Coronavirus Covid-19 pandemic in 2020 had a significant impact on the Authority's cash resources. Whilst 2021 was an improved year, there was still an impact from reduced venue usage, and in turn income. This is likely to still have an impact on the national economy over the coming year, and result in further financial pressure around income levels. Whilst the roll out of vaccinations and boosters 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 £4.0million will be collected through fees and charges in 2022/23. 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 need to be set that reflect both the need of the Authority with regard its own income targets, but

recognising the pricing impact in the wider economy. The Fees and Charges Review for 2022/23 was approved by Executive Committee on 16 December 2021 (Paper E/746/21).

- **Inflation** - The re-costed base budget assumes pay increases at 2% for 2022/23. The national pay review for 2021/22 has still to be determined, but the prudent increase also includes standard increments plus the 1.25% change to National Insurance contributions for the Health and Social Care Levy. It covers a 5.0% increase assumed for insurances for next year, as well as significant increases for utilities (electricity 30% and gas 50% which will impact the Authority from October 2022 contractual arrangements/ supplies and services have had inflationary increases, whilst 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 with expectations for CPI inflation to increase to around 5% by April 2022, before falling to 2.5% by late 2022. 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 5.1% and 7.1% for RPI (November 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 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.
- **Management Fee for the new Leisure Services Contract** – Currently the base fee for 2022/23 has been set at £2.170m. This has been agreed by Members, although a contingency in respect of utility costs of £300k has been included in the budget. Additionally, the Authority is making investment in Lee Valley VeloPark and Lee Valley White Water Centre which should have a positive impact on the Management Fee.
- Future years beyond 2022/23 show an ongoing reduction in that base fee over the 10 year contract period and, where further investments are delivered as part of the variant bid, this will reflect in further savings coming through in future years' budget calculations (these additional savings are currently excluded from the figures). As investment proposals are developed from April 2022 the Authority will have a lot more certainty over the reductions in fee from 2023/24 and the years ahead.
- There is a further identified uncertainty with regards the LSC around the level of pension contributions, and the rate that will be required to pay for employees that TUPE transfer to GLL in April 2022. The London Pension Fund Authority (LPFA) have indicated that there may be an increase to the rate, which will impact on the Year 1 Management Fee. From Year 2, officers are currently reviewing this and discussing with GLL and LPFA.
- **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.

14 Budget Growth and Savings 2022/23

The budget includes a number of income and expenditure growth, and budget efficiency savings which are set out in Appendix C to this report. This includes changes to operational budgets that have not yet been built into the base budget as are subject to final approval.

Additionally, we have included **£177,000** in respect of expected return on the venues investment projects approved by Members in November (paper E/743/21).

There are also included two growth items that have been identified as one-offs:

- a budget of **£60,000** for possible events to mark the 10 Year Anniversary of the London 2012 Olympic Games;
- a budget of **£50,000** to restart the training and development programme for all Authority staff. With the introduction of the Senior Management structure from April 2020, there is need to deliver a structured development programme to Senior Management. Additionally, training budgets need to be reopened for all staff to apply/take training relevant to the Authority's needs. Going forward, training budgets need to be reviewed to ensure sufficient cover for 2023/24 forward.

- 15** Subject to the underlying assumptions and risks/uncertainties as set out above, a proposed balanced budget can be achieved in 2022/23 based on a standstill levy. Appendix A sets out the proposed budget in both an objective and subjective format.

From this, it is possible to conduct a sensitivity analysis to show what impact a variation to the budget might have.

Whilst some costs are subject to contract, and prices know for the year ahead, others may not. Employees budgets are set at a level assuming full establishment for the whole year, and as stated in the Budget Methodology paper (Exec E/742/21) include provision for a 2% pay rise for both 2021/22 and 2022/23. An additional 1% would lead to approximate costs of around £70,000.

Some areas of income have fixed fees (such as commercial rents, mooring fees), and are less prone to variations. Variable income, such as campsite touring fees, car parking, and golf, are more prone to variation.

It should also be noted, that the Authority receives around 80% of its more variable income during the summer 7 months

- 16** Officers have taken a prudent approach to producing the draft Budget for 2022/23, 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 fully back in to pre-pandemic levels. In addition, a cautious approach to expenditure has also been

built in. 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

- 17 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 had been restricted over the last two years. 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.

- 18 It is proposed to set the annual revenue contribution at £1.3m 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.
- 19 The revised capital programme 2021/22 to 2026/27 is subject to a separate paper and is due to be considered by the Executive Committee on 20 January 2022.

THE LEVY

- 20 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 2021 was 4.86%. Therefore the maximum levy for 2022/23 is set at £27.7m (2021/22 was £26.4m).
- 21 A 1% movement in the Levy equates to approximately £97k per annum for the Authority. Whilst a 1% movement in the Levy impacts between £196 and £12,880 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.

Levy Strategy

- 22 Over the last ten years Members have approved a continuous reduction in the Levy as a 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 20% reduction in Levy represents a real term reduction of 56.0%.

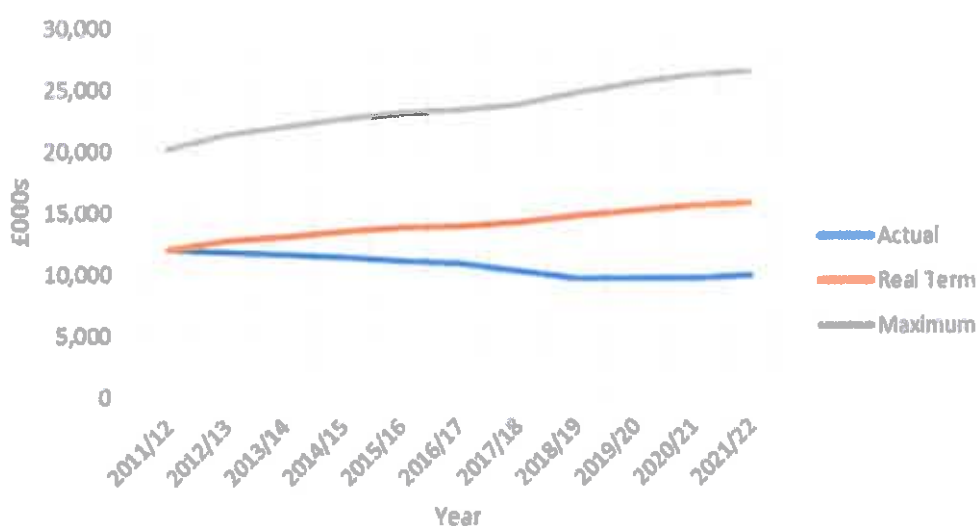
Year	Levy Movement	Levy as a proportion of the Maximum Chargeable
2012/13	- 2%	55.1%
2013/14	- 2%	52.6%
2014/15	- 2%	49.9%
2015/16	- 2%	47.9%
2016/17	- 2%	46.6%
2017/18	- 6%	42.9%
2018/19	- 6%	38.8%
2019/20	0%	37.6%
2020/21	0%	36.7%
2021/22	+ 2%	37.0%
Total	- 20%	

- 23 Over the last 10 years changes in the Levy have been significantly below inflation (RPI) with a real term decrease of around 50% over the last ten years.

	Cash Levy £m	Real Term Levy £m	Maximum Levy £m
2011/12	£11.989	£11.989	£20.210
2021/22	£9.767	£15.661	£26.400

Levy Decrease	- 18.53%
RPI Increase	+ 30.63%

Levy Trend 2011/12 to 2021/22



- 24 The Levy is apportioned to contributing authorities, based on proportion of each authority's Council Tax Band D figure, against combined figure for all contributing authorities. Appendix E to this report sets out how the 2021/22 Levy was apportioned to the contributing authorities. Whilst a 0% change in the

Levy will not impact the overall total contributions, the proportion allocated to each authority will change in line with their own individual Band D figures.

In addition, Appendix E to this report also compares the 2021/22 Levy against the 2011/12 cash and RPI inflated figures, to indicate the change that has occurred in the past 10 years.

RESERVES

- 25 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 £3.5m as at 1 April 2021. The projected outturn for 2021/22 is expected to increase this to around £4.1m by 31 March 2022. This level is under constant review and reported to Members at the Quarterly Revenue Monitoring throughout the year.
- 26 **To use reserves to fund any ongoing 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.
- 27 Members annually review the existing policy on revenue reserves ensuring minimum levels of cash reserves are maintained to deal with unforeseen circumstances. The previous level Members agreed for general reserves to remain around was £3m - £4m.

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; and
- the general economic climate.

Historic analysis of reserves over the past five years has shown there has been small draw downs, which until 2012/20 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.

Year	2016/17	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m	£m
General Fund	4.6	4.2	4.2	4.4	3.5

Based on the risk factors set out in this paper. It is recommended that the current minimum level reserves policy 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.

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

PROPOSED LEVY

- 29 Subject to the underlying assumptions and risks/uncertainties as set out, the proposed **budget for 2022/23 is £9.8m**, based on a 0% change against the 2021/22 levy. This has been calculated in line with the Budget Methodology and Assumptions paper which was presented to the Executive Committee on 18 November 2021 (paper E/742/21).
- 30 Members are also asked to consider whether the current general reserves policy of £3m-£4m is still appropriate with reference to the proposed Levy.

CONCLUSIONS

- 31 The Authority has significant demands in the next couple of years, including continued financial recovery from the Covid-19 pandemic, implementing the new LSC by April 2022; the investment in and development of 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 keep the Levy at its current level 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.

Any uncertainties around the LSC, in terms of utilities and pension costs can be met from reserves for 2022/23, but this should only be treated as a one-off.

- 32 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.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

- 36 The Authority is required to set a budget and Levy annually by 24 January 2022 and notify contributing authorities by no later than 15 February in the year preceding the Levy.

RISK MANAGEMENT IMPLICATIONS

- 37 Paragraph 18 sets out the main risks and uncertainties the Authority faces in achieving the budget during 2022/23. 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.
- 38 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.

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PREVIOUS COMMITTEE REPORTS

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Executive	E/743/21	Venues Capital Investment Projects Capital Budget 2021/22	18 November 2021
Authority	A/4292/21	Proposed Budget & Levy 2021/22	21 January 2021
Executive	E/703/20	Proposed Capital Programme 2020/21 Revised to 2024/25	17 December 2020

APPENDICES ATTACHED

Appendix A	Operational Revenue Budget 2022/23
Appendix B	Medium Term Financial Plan
Appendix C	Growth and Savings Schedule
Appendix D	Analysis of Revenue and Capital Reserves to Cash
Appendix E	Cash and Real Term Levy 10 Years
Appendix F	Summary of 2022-23 Work Programme

LIST OF ABBREVIATIONS

MTFP	Medium Term Financial Plan
RPI	Retail Price Index
CPI	Consumer Price Index
GLA	Greater London Authority
LSC	Leisure Services Contract
Park Act	Lee Valley Regional Park Act 1966

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OBJECTIVE ANALYSIS	Current Budget 2021/22	Forecast Outturn 2021/22	Proposed Budget 2022/23
£000s			
OPERATIONAL SERVICES			
Corporate Management *	3,818.1	3,308.5	3,560.3
Parklands and Open Spaces	2,579.8	2,544.3	2,724.7
Small Venues	(749.5)	(641.9)	(661.0)
Caravan Sales	0.0	(159.2)	0.0
LSC Venues and Support/Management Fee	1,587.0	2,620.0	2,170.7
Community Access Fund	30.0	30.0	80.0
Employee Payrise/Increments	92.0	92.0	75.0
Service Efficiencies/Savings	(410.0)	0.0	0.0
Operational Contingency	700.0	0.0	0.0
Ice Transition Fund	50.0	27.0	50.0
	7,697.4	7,820.7	7,999.7
Contracted Furlough & Covid Grants	0.0	(523.2)	0.0
Business Rates Refund	0.0	(136.0)	0.0
Service Redundancy Costs	500.0	397.0	0.0
FINANCING			
Interest Receivable	(20.0)	(6.0)	(8.0)
Interest Payable & Bank Charges	56.0	26.0	56.0
Contributions to Asset Management/R&R	688.7	688.7	1,000.3
Financing of Capital Expenditure	330.0	405.0	290.0
Minimum Revenue Provision	466.5	466.5	448.2
Growth & Savings	0.0	0.0	25.0
Venues Investment Projects Return	0.0	0.0	(177.4)
One-off Growth Items	0.0	0.0	110.0
LEVIES	(9,767.6)	(9,767.6)	(9,767.6)
NET BUDGET TOTAL	(49.0)	(628.9)	(23.8)
Budget Uncertainties			
LSC Utilities/IT Contingency	0.0	0.0	300.0
LSC Pensions Contingency	0.0	0.0	100.0
Caravan Sales Budget*	0.0	0.0	(240.0)
NET BUDGET	(49.0)	(628.9)	136.2

* Corporate Management - Chief Executive, Legal Services, Property Management, Financial, HR, IT support services, Sport and Events Management, Committee Services, Audit and H&S Support

Lee Valley Regional Park Authority
Operational Budget 2022/23

SUBJECTIVE ANALYSIS	TOTAL PROPOSED BUDGET £000s	COMMENTS
Operational Income		
Commercial Rents	(1,684.2)	
Fees & Charges - Fixed	(1,759.1)	Mooring Fees, Static Caravan Rentals, etc
Fees & Charges - Variable	(2,111.5)	Touring Site Fees, Golf etc
Retail Sales	(600.6)	Catering, Rechargeable Works
Operational Expenditure		
Employee Costs	6,229.5	Salaries, NI, Pension, Training Expenses
Premises	749.9	Building Maintenance, Rents, Cleaning
Business Rates	264.5	
Grounds Maintenance	930.0	
Supplier & Services	1,456.0	
Transport	180.6	
Insurance	594.1	
Thirrd Parties	478.8	Consultants - H&S, Audit
Utilities	525.6	
Animal Feed	150.0	
Community Access Fund	80.0	
Retail Expenditure	345.4	
LSC Management Fee	2,170.7	
Net Operational Services	7,999.7	
Financing	1,786.5	
Growth/Savings/VIP	(42.4)	
Levies	(9,767.6)	
NET BUDGET TOTAL	(23.8)	
Budget Uncertainties	160.0	
NET BUDGET	136.2	

LEE VALLEY REGIONAL PARK AUTHORITY
REVENUE BUDGET 2021/22 to 2026/27

MEDIUM TERM FINANCIAL PLAN SUMMARY							
	Note	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Authority Base Budget		7,931.6	7,264.4	7,194.4	7,194.4	7,194.4	7,194.4
LSC Venues / Management Fee		1,557.0	2,170.7	806.6	(138.8)	(144.2)	(397.1)
Inflation / Base Adjustments		-	351.1	755.3	1,009.0	1,266.0	1,525.8
Growth & Savings		0.0	(42.4)	964.0	887.0	638.0	620.0
Current Year Movement		(349.9)	-	-	-	-	-
Levy (0% Change)		(9,767.6)	(9,767.6)	(9,767.6)	(9,767.6)	(9,767.6)	(9,767.6)
Sub Total		(628.9)	(23.8)	(47.3)	(816.0)	(813.4)	(824.5)
LSC Utilities/IT Contingency		-	300.0	200.0	0.0	0.0	0.0
LSC Pension Contingency		-	100.0	90.0	80.0	70.0	65.0
Caravan Sales		-	(240.0)	(160.0)	0.0	0.0	0.0
TOTAL MOVEMENT IN COMMON FUND (Surplus)/Deficit		(628.9)	136.2	82.7	(736.0)	(743.4)	(759.5)
Closing General Fund Balance		(4,125.6)	(3,989.4)	(3,906.7)	(4,642.7)	(5,386.1)	(6,145.6)

**LEE VALLEY REGIONAL PARK AUTHORITY
REVENUE BUDGET 2021/22 to 2026/27**

Growth & Savings Schedule	Note	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Velopark Rental		-	(90.0)	(180.0)	(180.0)	(180.0)	(180.0)
Hayes Hill Farm Lease		-	-	(50.0)	(100.0)	(150.0)	(150.0)
Ice Centre Borrowing Loan Repayment		-	-	1,270.0	1,256.0	1,242.0	1,229.0
Picketts Lock (Wave)		-	-	-	-	(160.0)	(160.0)
Eton Manor Development		-	-	-	-	(20.0)	(20.0)
Health & Safety Contract		-	60.0	120.0	120.0	120.0	120.0
Internal Audit Contract		-	25.0	25.0	25.0	25.0	25.0
Grounds Maintenance Meadows Contract		-	30.0	30.0	30.0	30.0	30.0
Sub Total			25.0	1,215.0	1,151.0	907.0	894.0
Investment Projects Income/Efficiencies		-	(177.4)	(251.0)	(264.0)	(269.0)	(274.0)
One-off Growth items		-	110.0	-	-	-	-
Total Growth & Savings		-	(42.4)	964.0	887.0	638.0	620.0

Other projects are being pursued over the next year, including

- additional leisure offer at Lee Valley White Water Centre
 - visitor accommodation at Waterworks Centre
 - Broxbourne. Spitalbrook/Former Leisure Pool site
- To facilitate delivery of these capital developments, we have included a £150k pa Project Management provision in the capital programme

LEE VALLEY REGIONAL PARK AUTHORITY
REVENUE BUDGET 2021/22 to 2026/27

Analysis of Revenue and Capital Reserves to Cash	Note	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Usable Reserves							
General Fund		(4,125.6)	(3,989.4)	(3,906.7)	(4,642.7)	(5,386.1)	(6,145.6)
Asset Maintenance (Major Repairs) Reserve		(494.9)	(90.9)	(133.9)	(332.9)	(655.9)	(1,260.9)
Insurance Fund		(440.2)	(430.2)	(420.2)	(410.2)	(400.2)	(390.2)
Repairs and Renewals		(1,815.0)	(1,670.0)	(1,722.9)	(1,775.8)	(1,828.7)	(1,881.6)
Usable Capital Receipts *		(10,090.6)	(13,758.6)	(13,348.6)	(12,938.6)	(12,328.6)	(11,918.6)
Net Usable Reserves		(16,966.3)	(19,939.1)	(19,532.3)	(20,100.2)	(20,599.5)	(21,596.9)
Capital Financing Requirement (CFR) *		11,207.2	39,759.0	38,603.4	37,464.7	36,342.2	35,235.3
External Borrowing (Ice Centre Redevelopment)		0.0	(29,000.0)	(28,275.0)	(27,550.0)	(26,825.0)	(26,100.0)
Creditors/Debtors - General Liabilities		(1,623.0)	(1,523.0)	(1,423.0)	(1,300.0)	(1,200.0)	(1,200.0)
Net Unusable Reserves		9,584.2	9,236.0	8,905.4	8,614.7	8,317.2	7,935.3
Net Closing Cash Position		(7,382.1)	(10,703.1)	(10,626.9)	(11,485.5)	(12,282.3)	(13,661.6)

NOTES

* Usable Capital Receipts - represents monies received from asset disposals, which can be utilised to finance capital expenditure

* Capital Financing Requirement (CFR) - this is the amount of capital spending that has not yet been financed by capital receipts, grants of revenue contributions

	2011/12 £s	2011/12 RPI Inflated £s	2021/22 £s	Real Term Change In Levy £s	Cash/Actual Change In Levy £s
Corporation Of London	17,857	23,326	19,665	(3,661)	1,808
Inner London Boroughs					
Camden	285,582	373,044	212,129	(160,915)	(73,453)
Greenwich	235,330	307,402	199,453	(107,950)	(35,878)
Hackney	224,954	293,848	173,408	(120,440)	(51,546)
Hammersmith And Fulham	235,913	308,163	194,810	(113,353)	(41,103)
Islington	260,064	339,710	187,124	(152,586)	(72,940)
Kensington And Chelsea	294,233	384,344	233,495	(150,849)	(60,737)
Lambeth	314,730	411,118	266,885	(144,234)	(47,845)
Lewisham	261,597	341,714	213,307	(128,407)	(48,290)
Southwark	292,631	382,251	254,382	(127,870)	(38,249)
Tower Hamlets	262,869	343,375	246,905	(96,470)	(15,964)
Wandsworth	375,162	490,059	327,525	(162,534)	(47,637)
Westminster	384,111	501,749	322,119	(179,630)	(61,993)
Outer London Boroughs					
Barking And Dagenham	155,869	203,605	122,754	(80,851)	(33,115)
Barnet	412,873	539,319	356,483	(182,836)	(56,390)
Bexley	248,808	325,008	196,764	(128,244)	(52,044)
Brent	287,510	375,562	237,200	(138,362)	(50,310)
Bromley	394,169	514,886	317,805	(197,081)	(76,363)
Croydon	378,181	494,002	312,786	(181,215)	(65,394)
Ealing	351,364	458,973	281,968	(177,005)	(69,397)
Enfield	325,830	425,618	223,780	(201,838)	(102,050)
Haringey	255,922	334,300	184,252	(150,048)	(71,670)
Harrow	257,639	336,543	210,353	(126,190)	(47,286)
Havering	265,184	346,398	212,413	(133,985)	(52,770)
Hillingdon	293,026	382,768	245,699	(137,069)	(47,327)
Hounslow	256,722	335,346	206,980	(128,365)	(49,742)
Kingston Upon Thames	185,818	242,726	151,300	(91,426)	(34,518)
Merton	220,206	287,645	178,658	(108,987)	(41,547)
Newham	223,623	292,110	193,381	(98,729)	(30,243)
Redbridge	268,625	350,893	217,305	(133,589)	(51,320)
Richmond Upon Thames	263,975	344,819	213,001	(131,819)	(50,974)
Sutton	218,601	285,550	174,314	(111,235)	(44,287)
Waltham Forest	224,309	293,006	184,630	(108,376)	(39,679)
Total London	8,933,288	11,669,181	7,273,034	(4,396,147)	(1,660,253)
Hertfordshire and Essex Authorities					
Hertfordshire	1,328,209	1,734,984	1,084,197	(650,787)	(244,012)
Essex	1,574,226	2,056,345	1,288,042	(768,303)	(286,183)
Thurrock	153,375	200,347	122,326	(78,021)	(31,049)
Total Levy on Local Authorities	11,989,097	15,660,858	9,767,600	(5,893,258)	(2,221,497)

Work Programme for 2022/23

1. **Major Development Projects**
 - a) **Lee Valley Ice Centre** - completion of build and opening of new venue.
 - b) **Eton Manor** - development of detailed plans and pre planning application process.
 - c) **The Wave** - working with and supporting The Wave through the planning process.
 - d) **East India Dock Basin** - complete the technical and feasibility/design studies. Submit bid to the Heritage Lottery Fund.
 - e) **Spitalbrook & Leisure Pool site** - develop options for the 200 acre area, including a new country park and work with Broxbourne to determine a planning framework.
 - f) **Lee Valley White Water Centre** - carry out a marketing exercise for complementary leisure investment on the site and establish approach to the planning process.
 - g) **WaterWorks site** - explore feasibility for visitor accommodation on footprint currently occupied by the building and car park.

2. **Investment in Open Spaces**
 Around £2.4mill of investment is in the process of being invested across the Park's open spaces over the next 1-2 years. The most significant projects are:
 - a) **Middlesex Filter Beds** - installation of a sluice and pipe to provide water supply solution to the Filter Beds.
 - b) **St Paul's Field** - new path network to open up retained areas of St Paul's Field and make accessible to the public.
 - c) **Waltham Abbey Gardens** - restoration of ancient monuments, interpretation and biodiversity improvements to Cornmill Stream and Cornmill Meadows Fish Pond.
 - d) **Spitalbrook** - habitat improvements to the River Lynch to restore back to naturally functioning chalk stream.
 - e) **Glen Faba** - installation of 1.5 km of new footpath and a new car park, plus a range of habitat improvements.

3. **Management of the new Leisure Services Contract**
 - a) **Develop an effective working relationship with the new contractor.**
 - b) **Maximise investment opportunities at the 6 venues.**

4. **Events**
 - a) **2022 Commonwealth Games Track Cycling at Lee Valley VeloPark**
 - b) **International hockey fixtures as part of the FIH Pro League at Lee Valley Hockey & Tennis Centre**
 - c) **International Champion's League track cycling at Lee Valley VeloPark**

5. **London 2012 10 Year Anniversary**
 Series of events and activities to commemorate 2012 and to highlight the legacy achievements over the past 10 years.

6. **Environmental Policy**
 Produce a new and progressive policy with clear ambition and an action plan.

7. **London Legacy Development Corporation (LLDC) Transition Plan**
 Work with the LLDC, the 4 Boroughs and the GLA to determine an effective governance and management regime for the Queen Elizabeth Olympic Park under the new Mayoral Development Corporation body.

- 8. New 5 Year Business Plan 2022-27**
 - a) Review the Authority's vision, mission and priorities for the next 5 years.
 - b) Produce a 5 year plan of projects, programmes and initiatives along with a financial and communications plan.