

## **WORK PROGRAMME UPDATE**

Presented by the Chief Executive

### **SUMMARY**

This report provides an update on Covid-19 in relation to activities of the Authority and an update on the 2020/21 Work Programme.

### **RECOMMENDATION**

Members Note: (1) the report.

### **COVID-19 UPDATE**

- 1 Members have been kept apprised of the Authority's response to COVID-19 over the past 9 months.
- 2 The COVID-19 oversight group has continued to meet weekly to ensure all changes and updates from Government are implemented as required and that there is an Authority wide, well communicated, coordinated strategic approach to how COVID-19 related matters are dealt with.
- 3 The venue re-opening structure that was implemented in June has continued to ensure that a robust well planned and coordinated approach has been undertaken regarding the closure and re-opening of all Authority venues and services and any un-furloughing of venue staff. This approach has continued to be underpinned by three guiding principles:
  - activities must make a surplus;
  - COVID-19 safe to the highest standard; and
  - not to negatively affect the Authority's reputation.
- 4 **Providing support for the Covid-19 Emergency**  
The Authority has since 22 April 2020 leased an area of the car park at Lee Valley Leisure Complex as a drive through Covid-19 Testing Centre.
- 5 The Covid-19 Testing Centre has operated well, the Authority has had no issues with how operations have been conducted by Serco (the operators on behalf of the Government) and negotiations have been completed to allow an extension

until 31 December 2021. The negotiated agreement generates an annual income of £45,375 and has options to break for both parties in March, June and September.

**6 Venues**

All of the sports venues that reopened between August and September were operating a reduced programme, both in terms of operational hours and activities available, up to the point of the second lockdown in November. All venues were within tier 2 restrictions at that time and the majority of the venues re-opened in December on the basis of where they were before the second lockdown. The programmes and activities on offer were being reviewed weekly to ensure that nothing was undertaken that caused the Authority a financial concern.

7 The government COVID-19 three tier regulations did not materially affect the venues activities but the revised tier four and recent national lockdown regulations have. Authority officers are working closely with RDHS (the Authority's Health & Safety consultants) and plans are in place for each venue no matter what tier they fall into, as even in national lockdown some activity takes place, for example elite athlete training. The Authority venues continue to operate a COVID-19 safe environment to the highest standard but currently the majority of venues are closed.

**8 Managing and supporting Staff**

Working from home, being furloughed or working on site with COVID-19 restrictions, has meant a major adjustment for staff. Senior officers have been keen to ensure that staff have all of the support they need, from IT equipment to regular contact with colleagues. Emails, video briefings, video conferencing and e-bulletins are all being used.

9 Following the staff survey which took place in the summer, there was a lot of feedback around working from home and equipment, so in order to find out people's individual requirements in this area, the working from home risk assessment was reviewed and completed by staff. Any individual issues highlighted have been discussed and resolved.

10 The 'all staff' remote briefings continue on a regular basis to keep staff up to date and give them the opportunity to ask any questions they may have. These include staff working on site, staff working at home and those furloughed.

11 We regularly remind all staff about the support mechanisms available to them, such as the Employee Assistance Programme and other useful online resources. We are also looking into what else we can put in place for staff wellbeing e.g. remote exercise sessions, mindfulness sessions, etc.

12 We were looking forward to welcoming back all of our furloughed staff from 1 November, but with the extension of the furlough scheme, which is now in place until 30 April 2021, and the third national lockdown, the majority of those who were furloughed went back on furlough. The current furlough list is being reviewed monthly or as and when changes are required.

**13 Emergency Budget 2020/21**

The Authority's budget has been significantly affected by the impact of COVID-19. The main income generators, the venues, were closed for the beginning of the peak season (April-October). 70% of the venues annual income is earned

during this period. In addition, the Authority's rental income has been impacted as tenants seek a rent holiday or deferral.

- 14 An Emergency Budget was approved at Executive Committee in May 2020, and forecast a reduction to the Authority's cash reserves of £7million for the current financial year i.e. from £10mill to £3mill.
- 15 Since June, venues were able to be opened with limited capacity due to COVID-19 regulations and we were able to generate some income. The November 2020 lockdown had a smaller impact, and we were able to reopen most of the venues again in December 2020. Along with keeping a close rein on expenditure, we expect the final outturn for the year to be between £2million - £3million better than expectations. However, this will still see a reduction in cash reserves of £5mill from £10mill to around £5mill.
- 16 The Authority has benefited from the 100% business rates relief that all leisure venues are to receive in 2020/21.
- 17 The Authority has also benefited from the Government's Job Retention Scheme, which has allowed organisations to claim up to 80% of salaries for employees that have been furloughed. In total we anticipate that the Authority will claim over £1.6mill once the scheme ends in April 2021.

In addition, the Authority is exploring other funding support initiatives for which it might qualify. The £100mill National Leisure Recovery Fund which was announced by the Government in late 2020 is directed at local authorities only and the Authority is not eligible to benefit from this scheme.

18 **2021/22 Budget Planning**

The Chief Executive and officers have for the past few months been budget planning for 2021/22 and revising the Medium Term Financial Plan. The budget for 2021/22 needs to address the impact on the Authority's reserves in 2020/21 and the strong likelihood of reduced income across the Park's activities. The focus for 2021/22 budget is recovery and resilience.

**Budget Assumptions**

- Cash reserves reduced from £10mill to £5mill
- Little capacity for capital investment
- Reduced demand and income as a result of:
  - lower operating capacities;
  - customer caution re: indoor venues;
  - economic climate,
  - impact of COVID-19 extending into 2021/22.

**Key Budget Objectives**

- Develop budget capacity in response to a projected fall in income
- Achieve a cash reserves position which enables the Authority to deal with further financial shocks
- Increase income where possible e.g. non-Leisure Services Contract (LSC) venues
- Minimise expenditure across all activities

The main focus for recovering the Authority's budget position is reducing the Authority's cost base. A number of areas are being looked at:

- staffing efficiencies;

- head office costs;
- asset management programme; and
- new operating arrangements for Hayes Hill Farm.

On the income side opportunities will be more limited in the short term, but an officer group has been set up to look at possible areas for income growth. The levy of course is a mechanism the Authority can consider to increase income to assist its budget position.

Members have reviewed the proposed budget options at the December Budget Workshop and will set the Levy and Budget for 2021/22 at the 21 January 2021 Authority meeting.

## **AUTHORITY WORK PROGRAMME**

- 19 The Authority's work programme has naturally been affected by the COVID-19 emergency. The sports venues have been operating on a limited basis and a range of other activities and services have been paused, either as a direct result of COVID-19 or in response to the need to rein in expenditure: conservation work; Park activation (events, youth and schools, community programmes); and asset management. On the other hand, there has been enormous pressure on the Park's open spaces over the past 6 months, with the Ranger teams having to respond to high levels of use and associated adverse impact e.g. litter and anti-social behavior.

Despite the extraordinary challenges presented since March 2020, officers have managed to progress some key investment and strategic projects. Some projects however are on pause/being revisited as a result of the pandemic.

20 a) **Ice Centre**

The new Lee Valley Ice Centre scheme obtained planning permission at the London Borough of Waltham Forest's (LBWF) Planning Committee on 6 October 2020. Members of the Executive Committee in November 2020 approved the recommendations of paper E/698/20 to enter into a section 106 agreement with the LBWF and this was signed and sealed by both parties on 20 November 2020. On November 17 2020 the Mayor gave his approval for LBWF to determine consent following the GLA's stage 2 report and a Decision Notice was issued to the Authority from LBWF on 20 November 2020.

The procurement process for a building contractor has started with 4 major companies progressing from the pre-qualification stage to the Invitation to Tender stage of the OJEU process. Mid tender interviews took place with all 4 of the bidders on 23 and 24 November 2020 and the deadline for submitting tenders is 29 January 2021. This process will be completed by early spring 2021.

Officers have been exploring funding model options for the new Ice Centre. Discussions have taken place with the London Borough of Enfield (LBE) (as part of the Service Level Agreement) and the LBWF with regard to borrowing model options and direct investment. Officers are continuing to explore funding support from LBWF and funding agencies such as Sport England and the London Marathon Trust.

The proposed funding package along with the conclusion of the building contractor procurement exercise will be brought to Members for approval in Spring 2021. If approval is given the build programme will start Summer 2021 with estimated completion in Summer 2023.



21 b) **Wildlife Discovery Centre**

Members were able to enjoy a visit to the new Wildlife Discovery Centre (WDC) pre-opening following which the WDC had its first event on 22 October 2020 when a group of 12 school children from Waltham Abbey took part in an education event to learn about the green roof and make seed bombs to seed the roof. The group had a fantastic day and threw their newly made seed bombs from the tower onto the roof. The event was enjoyed so much they have booked three programs with the Youth and Schools team for 2021.

The WDC was opened to the public in early December 2020 whilst the location was in tier 2 of COVID-19 restrictions and with the use of volunteers, both existing and new, and using redeployed staff who were on furlough we have been able to open it 7 days a week from 10am to 4pm. The sessions are 45 minute bookable slots for up to six visitors.

All snagging elements have now been completed and the green roof is already starting to show some good signs of growth aided by the mild weather in December.

The feedback on the building has been outstanding and there is a real appreciation of the design and the thought that has gone into the building. Following changes in the tier classification that the WDC sits within, on 16 December 2020 we sadly had to close the facility in line with Government guidelines.





22 c)

**The Wave**

The Wave project at Picketts Lock has been on pause for the last 10 months. The Wave opened the UK's first next generation inland surfing venue in Bristol in November 2019. Following a very successful winter and early spring season, the fledgling venue had to close in March 2020, not reopening until August 2020. Despite suffering what was a major financial blow, The Wave Bristol has bounced back with a busy August-October period. The Wave is keen to re-engage with the Authority on the Picketts Lock scheme. A meeting has been arranged in March to revisit the The Wave scheme at Picketts Lock and this will involve The Wave, the Authority and LBE (planning authority).

As part of the Exclusivity Agreement the Authority has with The Wave, the golf course and campsite on the Picketts Lock site were due to close on 31 March 2021, with The Wave taking occupation of the site. However due to the delay it has been agreed that both facilities will continue to operate for 2021/22.



23 d)

**Lee Valley Park Farms**

Located in the River Lee Country Park and opened in 1976, the Farms consist of Hayes Hill Farm, a day visitor attraction and Holyfield Hall Farm, a commercial dairy and arable farm.

Hayes Hill Farm has been operating at a loss and has never made a surplus. The current cost to the Authority this financial year will be in the region of £320,000. Hayes Hill Farm is also likely to require significant

investment to renew the attraction, expected to be greater than £1mill over the coming years.

In August 2020, officers proceeded to market Hayes Hill Farm and additional land to ascertain interest for the operation of the current attraction as a going concern. This marketing resulted in at least 14 enquiries and in turn led to the Authority receiving 5 expressions of interest from key players in the day visitor farm attraction sector.

Executive Committee Members approved the selection of the successful bidder in November 2020 (Paper E/596/20) and subsequently approved in December 2020 (Paper E/700/20) that officers proceed with agreeing terms for a 50 year term lease of Hayes Hill Farm.

Officers are currently working towards 1 March 2021 as the lease commencement date and as part of the transfer, existing staff employed on the site would be transferred under TUPE Regulations on the same date.

The new arrangement will secure the Authority a minimum rental of £50,000pa from 2023/24 onwards, with higher rent expected when the facility is trading over £1.5mill in turnover. The tenant will undertake works/improvements (subject to consents as necessary) by the fifth year to a value of at least £1.5mill and this will include play equipment; mini-golf; splash park; new themed areas; big top etc. In addition, a further £1mill minimum investment is expected by year 10.

24 e)

#### **Hotel at Eton Manor**

A preferred developer was previously selected, having put a proposal forward for a 98-bed hotel, gym and a drive through coffee facility planned for the 2.35-acre Eton Manor development site. The hotel is expected to support the operation of the Lee Valley Hockey & Tennis Centre, notably the events programmes and provide a revenue stream to assist in ensuring a sustainable future for the site. Over the course of 2020 due to the pandemic and the resulting impact on the hotel leisure industry, the developer continued with their engagement with the proposed hotel operator. The interest in the Eton Manor site is still strong with the operator looking ahead and beyond the end of 2021 which is where they anticipate 'normality' to resume to their industry. Officers are currently progressing discussions with the preferred developer to agree heads of terms and an exclusivity period ahead of seeking Member approval.

25 f)

#### **East India Dock Basin**

Officers have been working with the London Borough of Tower Hamlets to look at possible improvements to East India Dock Basin. Works were completed last year to update a range of studies that were carried out over eight years ago to understand what options are available to seek to resolve the siltation issues. A planning application has now been submitted by the developer for the Orchard Wharf site directly to the east of the Basin and the developer is also keen to see improvements to the offer on the Basin. Officers are now exploring an informal joint partnership with the London Borough of Tower Hamlets. This partnership hopes to develop a shared vision, understand the issues that need to be addressed and explore potential funding opportunities to complete a thorough improvement project at East India Dock Basin.

26 g)

**Land and Property****Mile & Langley Nursery**

A planning appeal has been lodged with the Planning Inspectorate against the decision by Epping Forest District Council to refuse planning permission on the site of the former Mile and Langley nursery. The appeal has been validated and the Authority is still waiting for a start date for the process. The Planning Inspectorate have advised that they are currently waiting for an Inspector with the right expertise to become available in our area and that this is currently taking more time than usual due to COVID-19.

**Harbert Road and Rammey Marsh**

Discussions are on-going with LBE over land at Harbets Hump (Authority owned). Members will recall that LBE require the land at Harbets Hump for flood alleviation in connection with the Meridian Water development and have now issued a Compulsory Purchase Notice to the Authority to seek to acquire Harbets Hump. The Authority has lodged an objection to the Compulsory Purchase Order and it expects to receive a statement of case from LBE. In parallel, LBE have indicated they wish to engage in a discussion on acquiring the Harbets Hump land and officers await a proposal from the LBE agent to this effect.

LBE has indicated that it wishes to keep discussions on Rammey Marsh separate and are looking to extract value from the LBE land. Members will recall that land at Rammey Marsh West is in 3 separate ownerships, LBE, the Authority and TfL. Further attempts will be made to bring TfL into the discussion and officers will continue to meet with LBE to discuss the potential benefits of working together and options to bring forward development on that site.

Further progress on this is expected in February after work over the coming weeks, where LBE will be looking to finalise their employment and housing evidence to fully understand demand and projected need.

**Spitalbrook**

Discussions with Broxbourne Borough Council (Broxbourne) on the development of a masterplan for the 200 acre Spitalbrook site have been on hold. As previously advised, Broxbourne had shared some high level scenarios for the site in 2020. There is a further joint meeting of officers in the calendar which will take place before the end of January. Discussions on Spitalbrook will re-start with Members over the next few months.

27 h)

**Management of the 6 Sports Venues**

Up until the announcement of tier 4 restrictions for the majority of England just before Christmas, the Authority and GLL were working towards a LSC start date of 1 April 2021 with the LSC matters resolved and the year 1 Management Fee almost agreed. The introduction of the tier 4 restrictions followed by the national lockdown has meant that the 1 April contract start date has had to be revisited. It is now likely that the pandemic will impact on 2021/22 greater than previously thought, in terms of when venues can fully open and the trading climate. As a result of this increased uncertainty, officers and GLL have concluded that it is no longer feasible for the LSC to start on 1 April. The earliest practicable start date is now 1 October 2021.



From an operational standpoint the Authority will continue to manage the venues as it has done this year. There is a potential business rates liability and officers are looking at ways to mitigate the impact, including applying for rate relief from the local rating authorities.

## **BUSINESS PLANNING**

- 28 In early 2020 the Chief Executive had drafted a new business plan for 2020-25 and this was to have been discussed with Members and finalised in April 2020. The Authority now finds itself in a very different place, with the continued uncertainty around how and when the Park will emerge from the pandemic and with the short term (1-2 years) focus very much on recovery in terms of financial health and rebuilding the programmes, initiatives and investment projects. A shorter term 2 year business plan will be developed in the next few months.

## **ENVIRONMENTAL IMPLICATIONS**

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

## **FINANCIAL IMPLICATIONS**

- 30 There are no financial implications arising directly from the recommendations in this report.

## **HUMAN RESOURCE IMPLICATIONS**

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

## **LEGAL IMPLICATIONS**

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

## **RISK MANAGEMENT IMPLICATIONS**

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

## **EQUALITY IMPLICATIONS**

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

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## **PREVIOUS COMMITTEE REPORTS**

Authority	A/4288/20	Work Programme Update	12 October 2020
Authority	A/4281/20	Covid-19 Response and Work Programme Update	22 April 2020
Authority	A/4274/19	Work Programme: Progress Update	17 October 2019

**LIST OF ABBREVIATIONS**

the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)
LBE	London Borough of Enfield
LBWF	London Borough of Waltham Forest
Broxbourne	Broxbourne Borough Council
LSC	Leisure Services Contract