

To: Paul Osborn (Chairman)	Lesley Greensmyth	Suzanne Rutland-Barsby
David Andrews	Steven Heather	Mary Sartin
Ken Ayling	Calvin Horner	Marshall Vance
Susan Barker	Ross Houston	Terry Wheeler
John Bevan	Heather Johnson	Holly Whitbread
Janet Burgess MBE	Denise Jones	John Wyllie
Nesil Caliskan	Christopher Kennedy	2 x Vacancies
Rokhsana Fiaz OBE	Graham McAndrew	Ben Radbone (EA)
David Gardner	Gordon Nicholson	Mark Pearson (C&RT)
Mike Garnett	Dilip Patel	

A meeting of the **AUTHORITY** (Quorum - 7) will be held by remote access on:

THURSDAY, 20 JANUARY 2022 AT 14:00

at which the following business will be transacted:

A G E N D A

Part I

1 To receive apologies for absence

2 **DECLARATION OF INTERESTS**

Members are asked to consider whether or not they have disclosable pecuniary, other pecuniary or non-pecuniary interests in any item on this Agenda. Other pecuniary and non-pecuniary interests are a matter of judgement for each Member. (Declarations may also be made during the meeting if necessary.)

3 **MINUTES OF LAST MEETING**

To approve the Minutes of the meeting held on 21 October 2021 (copy herewith)

4 **PUBLIC SPEAKING**

To receive any representations from members of the public or representative of an organisation which concerns any area of the Authority's business. Subject to the Chairman's discretion a total of 20 minutes will be allowed for public speaking and the presentation of petitions at each meeting.

- 5 **2021/22 CORPORATE WORK PROGRAMME** Paper A/4310/22
Presented by Shaun Dawson, Chief Executive
- 6 **MARKING TEN YEARS SINCE THE LONDON 2012 GAMES** Paper A/4311/22
Presented by Stephen Bromberg, Head of Communications
- 7 **2022/23 REVENUE BUDGET AND LEVY** Paper A/4312/22
Presented by Keith Kellard, Head of Finance
- 8 **PROPOSED CAPITAL PROGRAMME 2021/22 (REVISED) TO 2026/27** Paper A/4313/22
Presented by Keith Kellard, Head of Finance
- 9 **CAPITAL STRATEGY 2021/22 TO 2025/26** Paper A/4314/22
Presented by Keith Kellard, Head of Finance
- 10 **FOOD SAFETY POLICY** Paper A/4309/22
Presented by Dan Buck, Corporate Director
- 11 **ICE CENTRE PROJECT UPDATE**
Presentation by Dan Buck, Corporate Director
- 12 **DATE OF NEXT MEETING OF THE AUTHORITY**
To note that the next meeting of the Authority will be held on Thursday, 28 April 2022 at 2.00pm.
- 13 **Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency by reason of special circumstances to warrant consideration.**
- 14 **Consider passing a resolution based on the principles of Section 100A(4) of the Local Government Act 1972, excluding the public and press from the meeting for the items of business listed on Part II of the Agenda, on the grounds that they involve the likely disclosure of exempt information as defined in those sections of Part 1 of Schedule 12A of the Act as are listed on the Agenda. (There are no items currently listed for consideration in Part II.)**

12 January 2022

Shaun Dawson
Chief Executive

LEE VALLEY REGIONAL PARK AUTHORITY

**AUTHORITY MEETING
21 OCTOBER 2021**

Members in remote presence:	Paul Osborn (Chairman)	Christopher Kennedy
	David Andrews (Vice Chairman)	Graham McAndrew
	Ken Ayling	Gordon Nicholson
	Susan Barker	Dilip Patel
	John Bevan	Suzanne Rutland-Barsby
	Janet Burgess MBE	Mary Sartin
	Mike Garnett	Marshall Vance
	David Gardner	Terry Wheeler
	Lesley Greensmyth	Holly Whitbread
	Calvin Horner	John Wyllie
	Ross Houston	Ben Radbone (Environment Agency)
	Heather Johnson	Mark Pearson (Canal & River Trust)
	Denise Jones	

Apologies Received From: Nesil Caliskan, Rokhsana Fiaz OBE

Officers in remote presence:	Shaun Dawson	- Chief Executive
	Beryl Foster	- Deputy Chief Executive
	Dan Buck	- Corporate Director
	Jon Carney	- Corporate Director
	Keith Kellard	- Head of Finance
	Victoria Yates	- Head of Human Resources
	Sandra Bertschin	- Committee & Members' Services Manager
	Lindsey Johnson	- Committee Services Officer

**Also in remote presence: Matt Bowmer – S151 Officer (Director of Finance & Commercial – LBE)
Laurie Elks**

Part I

11 DECLARATIONS OF INTEREST

There were no declarations of interest.

12 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 8 July 2021 be approved and signed.

13 PUBLIC SPEAKING

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

14 2021/22 CORPORATE WORK PROGRAMME 6 MONTH UPDATE Paper A/4307/21

The report was introduced by the Chief Executive, key points included:

- the work programme has four main strands: to maximise income generation; progress major developments; deliver against a range of corporate projects and initiatives; and develop a 2022-27 business plan;
- the budget position is looking positive with an £800k surplus, with key over performance areas including: furlough grant; local authority grants; campsites and marinas; events; business rates refund; and property management;
- The Wave – the scheme was on hold due to the pandemic, now it has developed fresh momentum with The Wave securing capital funding and entering into pre-planning with London Borough of Enfield. The exclusivity agreement expires next month; a paper will be taken to the Executive Committee in November requesting an extension of this agreement. A provisional timeline is the submission of a planning application in autumn 2022, building in summer 2023 and opening summer 2024;
- Eton Manor – The Authority has teamed up with University College London (UCL) to create a feasibility and master planning study for the site. The study will be completed towards the end of 2021;
- East India Dock Basin (EIDB) – Technical studies are being commissioned to look at the costs and work involved for the lock gates, silt and water, which will be completed spring 2022. Discussions regarding funding with Heritage Lottery Fund (HLF) are continuing along with possible funding support from Homes England;
- Commercial Opportunities – the Authority and London Legacy Development Corporation (LLDC) have decided to join forces to look at assets collectively, which might offer the best chance of securing commercial interest. A piece of work has been commissioned to assess both our assets which will be completed early in 2022; and
- 10th Anniversary of Olympic and Paralympic Games – the Authority was working with LLDC to create activities to capitalise on the anniversary of London 2012, such as legacy walks and tour exhibitions.

A Member asked if we were still looking at a hotel for Eton Manor now that we have teamed up with UCL. The Chief Executive stated that we are still keen to have a hotel on the site and that he believes it would also be beneficial to UCL.

A Member commented that it would be good to do a drone survey of Spitalbrook in order to see the scale of the work required sooner rather than later. Members agreed that the site had the potential to be an attractive part of the country park. Another Member suggested that it should be known publicly what the cost of restoring the land and making it publicly accessible would be.

A Member asked if we had progressed talks with the Youth Hotel Association regarding the Waterworks and whether there are any plans to activate the site in the interim. The Chief Executive replied stating that we hadn't due to capacity issues but hope to toward the end of this year. Officers would come back to Members regarding any plans to activate the site.

A Member asked if we still had an interest in SS Robin at EIDB. The Chairman responded stating that we now had other plans for the site. A Member asked about what contact we have had with nearby developers at EIDB. The Chief Executive responded stating that local stakeholders are coming together, there was a meeting in August and there will be another one on site next month. A Member also suggested that the site could do with having somewhere to get refreshments and somewhere to sit in order to make it more of a destination. Another Member commented that there will be a new V&A Museum development nearby and therefore it would be a good opportunity to link in with them so that people visit both sites. Members also expressed concerns over some of the nearby developments which dominate the area and

advised that the Regeneration & Planning Committee pay special attention to requesting S106 monies when appropriate.

A Member suggested we reach out to the large number of new organisations that are moving onto the Olympic site. The Chief Executive agreed that it is a huge opportunity which should be taken advantage of which is why we have teamed up with UCL. We will also work with Greenwich Leisure Ltd to capitalise on this opportunity.

Members agreed that any contacts and connections they might have which would help the Authority should be pursued and the Chairman asked that Members email him and the Chief Executive with details.

(1) the report was noted.

- 15 UPDATED SAFEGUARDING POLICY AND DISCLOSURE AND BARRING SERVICE POLICY Paper A/4306/21

The report was introduced by the Head of HR who informed Members that changes mainly related to name changes, changes in legislation and other Authority policies. A few minor changes had also been made when this paper went to the Executive Committee in September.

(1) the Safeguarding Policy attached at Appendix A of Paper A/4306/21; and

(2) the Disclosure and Barring Service (DBS) Policy attached at Appendix B to Paper A/4306/21 was approved.

- 16 UPDATED VOLUNTEERS STRATEGY AND VOLUNTEERS POLICY Paper A/4305/21

The report was introduced by the Head of HR who informed Members that a major change in the policy was that it would be reviewed in one year due to a review of the Investment in Volunteers programme and also the effect the pandemic has had on volunteering.

When this paper went to the Executive Committee in September a number of suggestions were made for inclusion in the policy for next year. These included how we can include a greater diversity in our volunteers and how we can help our volunteers into paid work by giving them the skills employers would want.

The Chairman commented that many of our volunteers have kept going throughout the pandemic, they are very dedicated and we should do all we can to recognise and support them.

(1) the Volunteers Policy attached at Appendix A to Paper A/4305/21; and

(2) the Volunteers Strategy attached at Appendix B to Paper A/4305/21 was approved.

- 17 NEXT MEETING OF THE AUTHORITY

It was noted that the next meeting of the Authority will be held on Thursday, 20 January 2022 at 2.00pm.

18 **EXEMPT ITEMS**

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

Agenda Item No	Subject	Exempt Information Section Number
11	Lee Valley Leisure Service Contract Update	3

19 **LEE VALLEY LEISURE SERVICE CONTRACT UPDATE** Paper A/4308/21

The report was introduced by the Corporate Director who gave a brief history of the Leisure Service Contract and where we are to date.

- (1) **the revised year 1 Management Fee as set out in paragraph 19 of Paper A/4308/21;**
- (2) **entering into the Leisure Services Contract with the Preferred Bidder as set out in paragraph 22 of Paper A/4308/21 and subject to future approval of the lease agreements;**
- (3) **delegation to the Deputy Chief Executive to make any non-material changes to the terms, if required, in consultation with the Chairman was approved;**
- (4) **that Authority Officers will return to Members for approval to enter into the lease agreements subject to Secretary of State consent; and**
- (5) **the 10 year financial profile from the Leisure Services Contract Preferred Bidder as set out in paragraph 19 of Paper A/4308/21 was noted.**

20 **ANY OTHER BUSINESS**

The Chairman briefly updated Members on the future management of Queen Elizabeth Olympic Park.

Chairman

Date

The meeting started at 2pm and ended at 3.30pm

2021/22 CORPORATE WORK PROGRAMME

Presented by the Chief Executive

SUMMARY

The main focus for the organisation over the first 9 months of 2021/22 has been to maximise income generation and to generally get the Authority budget onto a stronger footing, following impact of the pandemic. A projected end of year budget surplus of £700k is a positive position to report as we near the year end.

The 2021/22 work programme shows good progress on a number of fronts. The Ice Centre construction is well underway with the main steel structure now in place. The Wave and Eton Manor schemes have picked up some momentum and in the case of the former an extension to the Exclusivity Agreement has been discussed and a report will go to Executive Committee in the next month or so. In addition, the preparation work for the Leisure Services Contract (1st April start date) is at a critical stage and this will be the organisation's number one priority over the next few months. 2022 marks the 10 year anniversary since the London 2012 Olympic and Paralympic Games and the Authority, along with the London Legacy Development Corporation and other organisations, has been planning a host of events and activities to mark the anniversary. A separate report on the Authority agenda sets out details of the Authority's plans.

The London Legacy Development Corporation has set out a direction of travel around the 'Transition Plan' for the organisation. The key areas are governance structure, a potential revised boundary (within Queen Elizabeth Olympic Park) for the new body and the future arrangements for management of the Queen Elizabeth Olympic Park estate. The Authority has an interest in all these aspects and continues to input its position to the London Legacy Development Corporation and other key stakeholders such as the 4 local Boroughs (Newham, Hackney, Waltham Forest and Tower Hamlets).

The budget for 2022/23 has been developed in recent months along with the work programme for 2022/23. The outline work programme, attached as Appendix A to this report, shows a wide range of activities and initiatives and Appendix B to this report sets out an extensive programme of investment in the Park's open spaces. Work has started on the next 5 year business plan and this will be developed in detail over the next few months.

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- 1 The context for the 2021/22 work programme is the need to recover and rebuild in response to impact of the pandemic, recover a strong financial position and rebuild the activities programme and investment plan for the Regional Park.
- 2 The budget for 2021/22 was set in January when there was a great deal of uncertainty around how and when the Park would open back-up and what level of Government support would be in place in 2021/22. The budget was cautious with its income projections and a healthy contingency was built-in. In order to deliver this budget and to start recovering the Authority's financial position a significant savings package of circa £1mill was required. Around £600k of savings were found through a voluntary redundancy programme with the rest coming from service efficiencies. In addition, the levy was increased by 2%, which followed a decade of levy reductions.

THE WORK PROGRAMME FOR 2021/22 HAS FOUR MAIN STRANDS

- 3 The four main strands are:
 - maximise income generation;
 - progress major developments;
 - deliver against a range of corporate projects and initiatives; and
 - develop a 2022-27 business plan.
- 4 In the first 9 months of 2021/22 the main objective has been to maximise income from the venues as they have opened back-up, whilst also fully capitalising on Government support measures, such as the furlough scheme (ended on 30 September 2021).

NINE MONTH BUDGET POSITION

- 5 Nearly 70% of the Authority's income derives from its income generating activities, with 30% coming from the levy. 70% of income generation occurs during the peak period, between April and October. The main focus for the organisation therefore has been to maximise income against a backdrop of operating constraints from Covid restrictions (in the early part of the period) and some natural caution from customers as sport and leisure facilities reopened. In addition, the organisation has continued its tight control on expenditure and sought to take advantage of all Government and local authority Covid related support.
- 6 The 9 month budget picture forecasts a net £700k surplus at year end. The key over performance areas are as follows:
 - Furlough grant - £510k received for the period April-September;
 - Local Authority grants - £182k;
 - Campsites and Marinas - £250k (a strong staycation market);
 - Events - £130k (music events at 3 Mills in Bow and the Showground site in Waltham Abbey);
 - Business Rates refund - £136k (outcome of rates appeal for Lee Valley)

- VeloPark); and
 - Property Management - £150k (the main contribution comes from the 3 Mills rent review which has seen the rent increase from £425k to £592.5k per annum).
- 7 The 6 main sports venues have traded well over the 9 months. However, income generation was affected significantly during the April - July period when restrictions were still in place. The 2021/22 budget built in a contingency to cover potential impacts on income as a result of the Covid pandemic, and has been needed to support these venues in 2021/22. This support is included in the £700k surplus position.

2022/23 BUDGET PROCESS

- 8 Senior officers have for the past few months been planning and developing the 2022/23 budget and revising the Medium Term Financial Plan. The budget for 2022/23 needs to continue with the recovery process and create resilience for the future. It also needs to address the impact of commencement of the Leisure Services Contract (LSC) and the agreed Management Fee for Year 1 of the contract. A Member Budget Workshop took place in December, in which Members discussed various options in respect of the Levy and the budget will be set by the Authority in January 2022.

In December, Members agreed the Authority's Fees and Charges for 2022/23, which saw an average increase of 3% across all charges. These have a direct impact on income generation in the forthcoming financial year.

- 9 There a number of important considerations for the 2022/23 budget:
- the year 1 Management Fee for the LSC;
 - impact of the increase in energy costs; and
 - investment plan for income generation and cost savings.

The impact of Covid-19 is still likely to have an impact on the national economy over the coming year, and with the current levels of price inflation, will result in further financial pressure around income levels.

- 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.

WORK PROGRAMME

10 Major Developments

a) Lee Valley Ice Centre

The Lee Valley Ice Centre redevelopment project is progressing well. The past three months have focused on the final internal design, the ground/foundation works and the erection of the steel frame. Despite continued volatility in the building trade, caused by supply chain

challenges and cost increases of some materials, the Ice Centre project is not currently affected. The building contract between the Authority and Buckingham, the contractor, has taken into account the pressures in the construction industry with the contract price and risks allocated accordingly.

The next three months will focus on the completion of the steel frame, the formation of the external walls, the roof and the cladding. Officers continue to work closely with GLL on the final internal layout. Officers are holding a monthly community liaison meeting with local residents as part of a wider community engagement programme.

The project remains broadly on time and within budget.

b) The Wave (Inland Surfing Facility)

Members will recall that back in April 2021 The Wave (TW) scheme was on hold, due to TW Company, in light of the pandemic, having to revisit the business model and funding options. Since the summer of last year, the TW scheme has continued to develop a momentum with the TW Company being close to securing the final detailed terms of the future capital funding and the ongoing Pre Planning Application process with the London Borough of Enfield (LBE) continues.

The 130 acre Pickets Lock (PL) site is Metropolitan Open Land (MOL) and therefore comes with a number of planning challenges e.g.: impact on open space, impact on biodiversity and transport/car parking. In addition, there are a number of existing operations on the site (Odeon, wedding venue and Lee Valley Athletics Centre) and the TW scheme, which will occupy around 100 acres of the site, needs be framed as part of a wider masterplan. Officers continue to work closely with TW and LBE to work through the planning issues and develop the masterplan.

The Authority entered into a second Exclusivity Agreement (EA) with TW in December 2019 and this expired in November 2021. The EA commits both parties to the scheme for the period agreed. For TW project to proceed a further extension to the EA will be required and so a report will be taken to the Executive Committee seeking approval once the proposed terms of the third EA are agreed.

The provisional timeline for the scheme is submission of planning application autumn 2022, start building TW summer 2023 and open summer 2024.

c) Eton Manor

Before the pandemic the Authority procured a contractor to develop a hotel on the site and following a 12 month pause, in April 2021 the developer was keen to get the project back on track. In the past few months the Authority has been in discussions with University College London (UCL) who are looking to enhance the sport and leisure offer on Queen Elizabeth Olympic Park (QEOP) ahead of their new campus opening on QEOP in 2022. The UCL campus will eventually host 4,000 students. UCL is interested in the potential of the Eton Manor site, both in terms of current offer and additional facilities, to support their growing

student sport programme.

The Authority's objective is to increase the footfall and activity levels on the site, ensuring long-term viability and maximum utilisation of sporting facilities. The Authority and UCL have recently jointly funded and commissioned a feasibility study and masterplan to look at facility mix options for investment. The hotel development is still very much part of the plan for the Eton Manor site.

The study will be completed in early 2022 and officers will present the outcomes to Members. The Authority will then consider the investment options and decide how to take forward.

d) East India Dock Basin

The partnership developed with London Borough of Tower Hamlets (LBTH) continues to grow and now includes London Docklands Museum and Brick Lane Circle. A working group from the partnership has now met twice and is developing proposals for the site to strengthen a Lottery bid in 2022. This working group is also bringing further benefits with offers of match funding coming forward and proposals to expand and enhance the project. Early discussions are taking place on an offer to site a community/heritage room and café on the Orchard Wharf development rather than on the Basin. There is also a proposal from a river operator to activate the old Pura Food jetty and the Authority is linked into these discussions.

The technical studies for the lock gates, silt and water will be completed in early 2022 and we will have more detail on costs and solutions for this element of the project. Initial discussions are suggesting silt can be moved back into the Thames if contamination is below a particular threshold.

Discussions regarding funding continue with Heritage Lottery Fund (HLF). The HLF has been positive with its advice and has suggested that an expression of interest is submitted once the technical studies have been completed and the stakeholder/partner positions determined. Funding support from Homes England is still being discussed but was put on hold due to a Homes England Review and we expect to reopen discussions in early 2022.

e) Spitalbrook

An exploratory meeting has been held between senior officers of the Authority and Broxbourne Borough Council to consider how best to take the site forward. Initially there will be a review of information that is available relating to establishing ownership and responsibility for infrastructure/highway/bridge loading etc. There will be a follow-up officer meeting in the next few weeks to discuss further which will then enable an informed initial Member discussion early in the spring.

f) Environment Policy

Scrutiny Committee have agreed the next review will be an Authority Environment Policy and Strategy. Following an initial Scrutiny discussion

in November officers will develop a new draft policy and strategy for Scrutiny Committee to review.

Officers are currently benchmarking with a range of other authorities and organisations as well as developing proposed measures to monitor progress going forwards. Due to the unique remit of the Authority and the nature of operations, in particular in the larger sporting venues, an innovative and bespoke strategy will be developed to support the current climate change and environmental issues.

g) Waltham Abbey Gardens

A partnership with Waltham Abbey Town Council has been successful in an expression of interest to the National Lottery Heritage Fund (NLHF) and has been invited to construct a bid for funding. The project initiated by the Authority's ranger team has been developed with Heritage England and will include restoration works on the three ancient monuments and marking out of the original Abbey footprint. It will also include an improved interpretation and activity programme, managed going forwards between the Town Council and the Authority's education team. The final part of the project will see biodiversity improvements to the Cornmill Stream and the Monastic Fish Ponds on the Cornmill Meadows, bringing the history of the site together and improving the visitor attraction. Early 2022 will see construction of the bid with Waltham Abbey Town Council providing officer resource to write and submit to the NLHF.

h) St Paul's Field

Landscape architects have been commissioned with receipts from the sale of land to Lignacite at St Paul's Field, Nazeing, to develop an attractive footpath scheme linking Meadgate Road to Dobb's Weir Road and opening a new route linking Nazeing Lakes to Glen Faba. Site meetings have taken place and we expect to receive a number of costed options early in the New Year.

i) Middlesex Filter Beds

A project to restore the wetland habitat at Middlesex Filter Beds has gained some momentum and officers are proposing to deliver this project in 2022. This project has become a priority for the Authority and needs to be progressed. External funding has been explored but due to the heavy engineering bias to this project it would appear unlikely to attract external funding. Officers will continue to explore options. There is currently an offer of £50K contribution from a S106 agreement and the Authority will look to its own capital programme to fund the scheme.

CORPORATE PROJECTS & INITIATIVES

11 i) Leisure Services Contract (LSC)

Members of the Authority approved paper A/4308/21 in October 2021 to commence the LSC with the preferred bidder (Greenwich Leisure Ltd (GLL) to start running the six LSC venues from 1 April 2022. This is subject to another paper to come back to Members on the individual

venue leases and the pension admissions agreement. Since approval, the mobilisation process has progressed well, the TUPE process has commenced with formal meetings with staff representatives and plans are in place for staff to ensure the project milestones continue to be hit during an intense period post the new year.

ii) London Legacy Development Corporation (LLDC) Transition Plan

The LLDC in consultation with the GLA, the 4 local Boroughs and other key stakeholders such as the Authority, has been determining post 2025 governance and estate management arrangements for Queen Elizabeth Olympic Park (QEOP). This follows the repatriation of planning powers to the 4 local Boroughs in 2024. The Chief Executive has been in discussion with senior LLDC and Borough officers. In addition, the Chairman and Chief Executive have discussed the key aspects of the proposed Transition Plan with the LLDC Chairman and Chief Executive. In the past couple of months the LLDC has set out its proposals for a successor body. The key areas in the proposal are:

- a revised boundary for the new body's area of responsibility;
- a new governance structure; and
- management arrangements for the wider QEOP.

The Authority clearly has an interest in all of these aspects and it is important that it does all it can to help shape future arrangements for governance and management of the QEOP. To this end, the Executive Committee plus the Authority's 4 local Borough Members has started to discuss the key issues and articulate the Authority's position to the LLDC, GLA and the 4 Boroughs. All Authority Members will be copied in on relevant documents and correspondence.

iii) Commercial Opportunities

The Authority has entered into an agreement with LLDC to jointly research the potential for commercial partnerships across both organisations assets. This follows attempts by the Authority and LLDC in the past to attract sponsorship but without major success.

The first stage of this work - an assessment of the assets and approaches to marketing them - is expected very soon and this will be followed by the marketing stage during 2022 which will be commissioned separately.

As soon as officers have the relevant information, they will produce a detailed report to Members on the outcomes along with a discussion on the parameters for any commercial arrangement concerning Authority venues.

iv) 10 Year Anniversary of the 2012 Olympic and Paralympic Games

2022 marks the 10-year anniversary of the London 2012 Games. Officers have created a programme of activities, events and partnerships to use the occasion to appropriately capitalise on this date.

The intention is not to mark the anniversary as a purely historic point, but to use it to pivot forwards to show what the Authority has done since

2012, what we do now and what we will do in the future. By doing this we will help achieve our consumer marketing and stakeholder objectives, including building our credibility with key policy and political audiences.

The key period for activity would be Easter to the end of the calendar year. Plans include:

- an exhibition – hopefully in partnership with LLDC, the BOA and British Cycling – at Lee Valley VeloPark;
- a partnership with New London Architecture's (NLA) 2022 programme which is focused on the Games, their legacy and future plans. NLA are still forming their plans which will likely include their large scale London Model being at a retail space in Westfield, the London Festival of Architecture being at QEOP, a report (possibly a book) about the Games, the legacy and future plans for east London. We have folded into this Lee Valley White Water Centre and the new Lee Valley Ice Centre – the latter as an example of continued sporting development in east London;
- a series of volunteer-led walks including ones centred on Lee Valley White Water Centre, Lee Valley VeloPark and Lee Valley Hockey & Tennis Centre;
- a stakeholder brochure detailing the impact of our three venues;
- maximising the point of the Commonwealth Games;
- presences at QEOP-wide events; and
- a summer marketing campaign.

v) UCI Track Champions League

Lee Valley VeloPark recently hosted rounds 3 and 4 of the newly created UCI Track Champions League. A new format for track cycling, involving the world's best track cycling athletes, attracted by the large prize winning monies involved thanks mainly to the inclusion of Discovery. The UCI Track Champions League is a series of competitions travelling across multiple countries, having previously visited Mallorca and Lithuania. Due to further COVID restrictions, the final round planned for Tel Aviv was cancelled, meaning that Lee Valley VeloPark had the honour of hosting the finale.

72 different athletes from 29 nations competed at Lee Valley VeloPark. A total of 10,873 spectators and 571 corporates enjoyed the racing across two days. The global reach of the event was significant, driven by the inclusion of Discovery Media. The Authority worked hand in hand with British Cycling to deliver this very challenging event, which included light shows, track projections, LED track boards and pyrotechnics, all adding to the spectacle.

vi) Investment Projects

Campsites

- Glamping units have been ordered with construction and delivery within our timeframes.
- The playgrounds are in the process of being tendered with installation booked in for February.
- Wi-Fi is on track.

Marinas

- Welding tents are being sourced.
- Pump out machine has been ordered and we are waiting for a delivery and installation date, but expected early in 2022.

Holyfield Hall Farm

- Calf nurse and milk storage tanks have been sourced and after a review of the milk enterprise; an order will be placed or a report will come to Members of any changes to the current enterprises that are being recommended (dairy, arable & beef).
- Holyfield Farmhouse Conversion, planning permission now applied for after a pre application process, decision expected spring and a construction programme April – June/July 2022.

Lee Valley Whitewater Centre

- Offices - Planning permission has been applied for after a pre application submission, decision expected early spring with offices and meeting rooms being ready in June.
- Kayak Slalom Ramp - Final proposals are currently being agreed and a structural engineer appointed, delivery expected summer 2022.

Air cleansing units

- A review of numbers and locations has been undertaken and these have been ordered for busy and restricted locations only. Order has been placed with Clenzair with an install during February 2022.

Velodrome LED lighting upgrade

- Design agreed and procurement process to commence this week, install May/June 2022.

2022/23 WORK PROGRAMME

12 In broad terms, there are two aspects to the Authority's work programme:

- a) the day to day management of the Park which covers open spaces and venues operations, property management across a 5,000 acre estate, activation of the Park through events and community programmes, as a planning consultee responding to planning applications and Local Plans and the important marketing and communications function; and
- b) development of the Park and major initiatives. Continuous investment and the enhancement of the Park is a hallmark of the Authority's philosophy and 2022/23 onwards sees this positive approach continue with a range of investment projects. The London 2012 10 years anniversary programme and international events such as the Commonwealth Games are examples of major initiatives in 2022/23 designed to market the Park and raise its profile on a national and international stage.

The 2022/23 major development projects and other key programmes and initiatives are set out in Appendix A to this report. In addition, a comprehensive list of open spaces investment projects is set out in Appendix B to this report. The circa £2.4mill of investment in open spaces projects is being funded from S106 monies, grant funding and the Authority's capital budget. In addition, as

part of the Ice Centre project, £1.4mill is being invested in enhancing the landscape, habitats and biodiversity on Leyton Marsh and the surrounding area.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

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PREVIOUS COMMITTEE REPORT

Authority 29/04/21 Corporate Work Programme 2021/22 A/4299/21

LIST OF ABBREVIATIONS

GLL	Greenwich Leisure Ltd
TW	The Wave
LBE	London Borough of Enfield
PL	Picketts Lock
MOL	Metropolitan Open Land
EA	Exclusivity Agreement
UCL	University College London
QEOP	Queen Elizabeth Olympic Park
LBTH	London Borough of Tower Hamlets
HLF	Heritage Lottery Fund
LSC	Leisure Services Contract
LLDC	London Legacy Development Corporation

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.

Project List

Location	Project Summary	Budget/Approx Costs
Stanstead Innings	Habitat enhancement on the lake edge.	£5000
Stanstead Innings	Improvements to entrance.	£3000
Glen Faba	Lake edge habitat enhancements.	£15,000
Glen Faba	Reed bed development and management in the Stort Pit.	£2,000
Glen Faba	Grassland restoration on the west side of the lake.	£5,000
Glen Faba	Installation of approx 1500m of CEDEC footpath.	£80,000
Glen Faba	Installation of new car park.	£127,000
Glen Faba	Interpretation development.	£5,000
Glen Faba	Design work for the creation of a gateway to Glen Faba.	£30,000
Glen Faba	Lake edge habitat enhancements including scrub removal.	£3,000
Dobbs Weir Camp Site	Create a garden area at the entrance to the holiday homes.	£21,000
St Pauls Field	New path network linking Meadgate Lane with Dobbs Weir.	£180,000
Silvermeade	Infrastructure enhancements to enhance and protect the key Water Vole habitat.	£5,000
Admirals Walk	Scrub encroachment removal to manage the grassland.	£93,000
Spitalbrook	Habitat improvements to the River.	£100,000
Nazeing	Disused WWII pill boxes converted into bat hibernacula, providing winter roosts for Bats.	£5,000
Patty Pool Mead	Opening up of small pools and scrapes to provide invertebrate-rich mud on which wading birds can feed.	£5,000
Nazeing	Re-fencing the area, water supply installed and procuring an external grazier.	£185,000
Seventy Acres Lake	Restoration and enlargement of existing reedbed.	£30,000
Goosefield	Feasibility study and project design covering, habitat restoration,	£40,000
North Met Pit	Removal of trees from reed bed, lowering of levels on lake edge.	£8,000
River Lee Country Park	Installation of a bespoke sculpture showing the important species in the area.	£11,500
River Lee Country Park	Tree removal from margins of lakes to enhance marginal vegetation.	£20,000
River Lee Country Park	Water Safety Partnership to educate residents on the issues surrounding water	£10,000
River Lee Country Park	Regular programme of wildlife surveys and implementation of targeted disturbance mitigation measures.	

Location	Project Summary	Budget/Approx Costs
River Lee Country Park	Engagement projects to raise awareness of the Special Protection Area and its important features.	£20,000
Seventy Acres Lake	Remove trees from existing islands.	£10,000
Seventy Acres Lake	Removal of trees from existing island and reed planting to create 0.2ha of new reed bed.	£15,000
River Lee Country Park	Information pack for new homeowners pack showcasing the open space and biodiversity provision on site.	£10,000
Fishers Green	Removal of invasive vegetation to open up the water for Newts.	£30,000
Turnford Marsh	Removal of bankside trees to increase light levels.	£7,500
Turnford Marsh	Scrub removal to retain and regain areas of grassland.	£7,500
Cheshunt Marsh	Scrub clearance and habitat management within the Turnford and Cheshunt Pits.	£9,000
River Lee Country Park	New Signage to direct visitors.	£15,000
River Lee Country Park Small River Lea	Habitat improvements works within Small River Lea.	£20,000
River Lea Country Park	New fingerposts to direct visitors between Waltham Cross and Lee Valley White Water Centre.	£2,000
Myddelton House Gardens	Complete restoration of Rock Garden at Myddelton House Gardens.	£10,000
Hall Marsh	Installation of an Otter Holt.	£1,500
Hall Marsh	Removal of trees over shading.	£5,000
Hall Marsh	Installation of a bespoke bird hide.	£50,000
Hall Marsh	Creation of early successional habitat providing the best conditions for wading birds to breed.	£20,000
Hall Marsh	Establishing islands for breeding wading birds.	£20,000
Bowyers water	Fishing swim improvements on Bowyers Water and North Met Pits.	£30,000
Bowyers water	Improved footpath provision to prepare for increased usage from new local developments.	£50,000
Britannia Lake	Removal of trees from the banks of the lake on Britannia Meadows.	£45,000
Britannia Lake and Bowyers Water	New water safety signage at Bowyers Water and Britannia Lake.	£1,000
Britannia Meadows	Installation new bench and one dog bin.	£2,000
Britannia Meadows	Installation of new pedestrian and vehicle access linking the local housing estate and Trinity Lane.	£60,000
Britannia Meadows	Remove damaged footbridge on west side of lake, deep litter pick, Install boundary fence	£15,000

Appendix B to Paper A/4310/22

Location	Project Summary	Budget/Approx Costs
Britannia Meadows	Woodland management adjacent to Britannia Meadow and Cheshunt Marsh.	£10,000
Cornmill Meadows	The first stage of a project to investigate water level management.	£2,500
Waltham Abbey Gardens	Activation of Abbey Gardens including restoration works to ancient monuments, marking out historic Abbey walls, interpretation and biodiversity.	£500,000
Ramney Marsh	Management of the scrubland habitat encroaching grassland.	£5,000
Essex Wharf	Habitat improvements including reed bed installation.	£53,000
WaterWorks	Restoring the river habitat.	£30,000
Waterworks	Time line and species identification for the Hide.	£10,000
Leyton Marsh	New path to discourage incursion on to the meadow area planting.	£15,000
Walthamstow Marshes	The first stage of a project to investigate water level management	£2,500
Walthamstow Marshes	Installation of steps and a kissing gate at the entrance from Aqueduct Path.	£5,000
Walthamstow Marshes	Ditch management for Water Voles Walthamstow Marshes.	£5,000
Walthamstow Marshes	Investigations into Water Level issues on Walthamstow Marshes	£5,000
Walthamstow Marshes	Connection of water for Cattle on Walthamstow South Marsh.	£1,000
Middlesex Filter Beds	Instillation of sluice and pipe linking to river to provide a permanent solution to water supply issues on the Filter Beds.	£240,000
WaterWorks	Building a new Kingfisher Bank at WaterWorks Nature Reserve.	£5,000
WaterWorks	Development of a pond on the WaterWorks Nature Reserve in partnership with Froglife.	£10,000
East India Dock Basin	Feasibility Study will be undertaken to understand options for improvements at East India Dock Basin	£75,000
Various open space locations including QEOP, Cheshunt Marsh & WaterWorks Fields	A range of ecological surveys to monitor key sites and inform future management works	£15,000
	Total Investment Projection	£2,425,000

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MARKING 10 YEARS SINCE THE LONDON 2012 GAMES

Presented by the Head of Communications

SUMMARY

2022 is the 10-year anniversary of the London 2012 Olympic and Paralympic Games. Many organisations are marking this, and there is expected to be significant reflection and media coverage. The anniversary provides the Authority with the opportunity to reinforce and build new stakeholder links and encourage more visitors to the Park. During the actual anniversary of the Games themselves in July and August, Lee Valley VeloPark will host the track cycling events for the Birmingham 2022 Commonwealth Games. This is a strong, tangible example of legacy, and also a historic moment – as it becomes the only venue in history to have hosted an Olympics, World Championships and Commonwealth Games in the same sport.

RECOMMENDATION

Members Approve: (1) the plan outlined in this paper, subject to the budget allocation of £44,000 being approved as part of the overall 2022/23 Authority budget in the Budget and Levy paper elsewhere on this agenda.

BACKGROUND

- 1 The London Olympic Games ran from 27 July to 12 August 2012 and the Paralympic Games from 29 August to 9 September 2012. They were the catalyst for the transformation of the Lower Lee Valley, a transformation which is still underway. Immense economic, social, health and wellbeing and sporting opportunities and improvements flowed from this enormous national project.
- 2 The 10-year anniversary of the Games is a chance to show the central role that the Authority has played in delivering the sporting legacy from the Games since 2012, what we do now and what we will do in the future; and through this to use the anniversary to help achieve our consumer marketing and stakeholder objectives, particularly to deepen and improve political connections. It also serves as a backdrop against which ourselves and London Legacy Development Corporation (LLDC) will be jointly seeking to secure commercial partnerships.

- 3 We have been working with a range of interested organisations, and this paper sets out a programme of activities and alliances which will deliver tangible benefits back to the Authority, along with the budget required for this. Much of the work is planned to be delivered through pre-existing budgets – for example summer promotional campaigns which we would ordinarily do, but 2022's will be themed around the anniversary. These would work across all our channels and those of the venues under the new Leisure Services Contract (LSC) which will then be run by Greenwich Leisure Ltd (GLL). These channels include web, social media, database marketing, PR, print, advertising, partnership promotion etc.

OBJECTIVES

- 4 The key objectives for the work around this year focuses on stakeholders and consumers to:
- communicate to stakeholders our contribution to the sporting legacy from the Games, our approach in creating long term sustainable models for the London 2012 venues – and in doing so build our credibility and political capital;
 - encourage people to come to our three Olympic venues and the Lee Valley Regional Park (LVRP) as a whole:
 - for the first time;
 - to come again; or
 - to come more often;
 - add value to their visit when they are here by providing visitor focused information. To work with partners to encourage wider visits to the Queen Elizabeth Olympic Park (QEOP);
 - capitalise on the Park's huge open spaces to have opportunities open to all. To portray the LVRP itself as a resource, along with the venues, and to portray the Park as a joined up destination;
 - create a strong theme and narrative – linked to health and wellbeing, a sustainable sporting legacy and opportunities for everyone;
 - have long term benefits – eg a walks programme that can run in future years.

STRATEGIC PARTNERSHIPS

- 5 There are a host of bodies, organisations and individuals with a stake and interest in the anniversary. Officers have mapped activity where known in order to create alliances and avoid duplication where possible. The key alliances we have formed are:

London Legacy Development Corporation

LLDC are the "go to" organisation for all things to do with legacy and are the obvious first choice for the public, media and stakeholders. Officers are establishing a coordinated approach for these groups and have shared information with LLDC about our venues and their impact. Officers are attempting to coordinate stakeholder engagement (as we have many of the same targets), to have a presence at QEOP-wide public facing events and to join up on walks and tours. We will have, where possible and appropriate, a joined up look and feel taking advantage of a British Olympic Association (BOA) and International Olympics Committee approved brand which LLDC have developed.

British Olympic Association

The BOA are formulating their own plans to mark London 2012 and officers need to ensure that the Authority is part of that. They are negotiating access to a larger range of stills and videos from the Games, something we particularly need for any exhibition (see paragraph 6).

New London Architecture

New London Architecture (NLA) is a respected forum for discussion, debate and information about architecture and development in London. Officers have negotiated becoming a headline sponsor of the NLA's programme in 2022 which is focused on the Games, their legacy and the ongoing and future plans for the Lower Lee Valley. The Authority has worked with NLA twice before, most recently on an exhibition to mark our 50th anniversary in 2017. NLA are still forming their plans which are likely to include: their 12.5m 1:20000 scale New London Model being at a retail space in Westfield, giving access to a large consumer audience; the London Festival of Architecture being at QEOP (including an extensive public walks and talks programme); a report, possibly a book, about the Games, their legacy and future plans for east London. We have folded into this sponsorship Lee Valley White Water Centre and the new Lee Valley Ice Centre – the latter as an example of continued sporting development in the area.

Officers have had conversations with operations staff who will transfer to GLL and are working with senior GLL officers to align and facilitate activity involving venues.

PROPOSED ACTIVITY

- 6 This table sets out the activity proposed. If Members agree the recommendations in this paper, these are expected to flex as other organisations' plans become more developed and there are greater opportunities for partnerships and collaborations. The plan includes activities which are directly anniversary-related along with others (such as the start of the LSC with GLL) which link to our overall messages for 2022 – in this case securing a long term sustainable operating model for our Olympic venues.

Date	Activity
March	LVRPA spring marketing campaign
1 April	Handover of venues to GLL and start of LSC
April – December	Exhibition at Lee Valley VeloPark in partnership with LLDC and the National Paralympic Heritage Trust on cycling and the wider Games
April	Installation of accessible Olympic related markers such as 100m routes and long jumps, with interpretation, in selected open spaces across LVRP
April	Relaunching of the Community Access Fund as a 10-year anniversary activity with the bulk of visits to Lee Valley VeloPark and Lee Valley White Water Centre
April	Installation of boards in the three 2012 venues with information about the Games, what has happened since and plans for the future
May	Publication of legacy brochure/webpages with the impact since the Games of our sporting legacy. Event to launch to key stakeholders

May	Resumption of volunteer led walks. Two new Olympic themed walks to be added at Lee Valley White Water Centre and Lee Valley VeloPark/Lee Valley Hockey and Tennis Centre. Collaboration with LLDC to extend these to cover all of QEOP.
June	New physical activity programme in the open spaces such as walks, trim trails and led cycle rides
5 June	Commonwealth Games Queen's Baton Relay via Lee Valley VeloPark
1-30 June	London Festival of Architecture including an NLA led series of public walks, public and stakeholder talks and public and stakeholder events both physical and virtual
June TBC	Publication of NLA book/ report into the Games, their legacy, the future of the Lower Lee Valley Residency at Westfield / public gallery with an exhibition derived from the book / report. This will provide opportunities for advertising our new venues especially through autumn for Lee Valley Ice Centre
July – September	LVRPA Summer marketing campaign
23 July	Great Get Together. Large scale annual QEOP community event. Our sports venues and open spaces teams to attend and provide activities to engage with communities
29 July – 1 Aug	Commonwealth Games event at Lee Valley VeloPark (Games runs 28 July –8 Aug)
August	Community days at Authority venues and / or certain number of free tickets for visitors to mark the anniversary
19 September	First students at College of ESports at Lee Valley VeloPark
November/December	Opening of Lee Valley Ice Centre

BUDGET

- 7 Wherever possible existing budgets have been reoriented to support this planned work, however there are elements which require extra budget. These are:

Activity	Cost
Exhibition	£20,000
Creation of marked out routes in the wider LVRP	£5,000
New boards/material highlighting what happened during the Games, what has happened since and what future plans are in three 2012 venues	£1,500
Stakeholder event and video for legacy brochure launch	£2,500
Communications support – via agency or freelancer	£5,000
Additional promotional spend for extra events and activities	£5,000
Community days / free activities at Lee Valley venues	£5,000
	£44,000

THE OLYMPIC RINGS

- 8 For some time, Members and officers have wanted to improve the Olympic

Rings which are close to Lee Valley VeloPark - one of the enduring iconic views of QEOP. Since the rings were installed the colours – which are only on one side of the rings - have begun to fade a little. There is currently no interpretation and while there is a path to them from the nearby Timber Lodge café, access to them from Lee Valley VeloPark is difficult.

- 9 Officers have been working with colleagues at LLDC to improve the rings, with colour on both sides and to review access. Initial estimates are that work would cost £80,000. Officers have agreed a 50:50 split with LLDC and we have allocated £40,000 in the Capital Programme which will be discussed by Executive Committee on 20 January.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 11 The financial implications are outlined at paragraphs 7 and 9.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

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LIST OF ABBREVIATIONS

LLDC	London Legacy Development Corporation
QEOP	Queen Elizabeth Olympic Park
LSC	Leisure Services Contract
GLL	Greenwich Leisure Ltd
NLA	New London Architecture
BOA	British Olympic Association
LVRP	Lee Valley Regional Park

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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 known 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%.

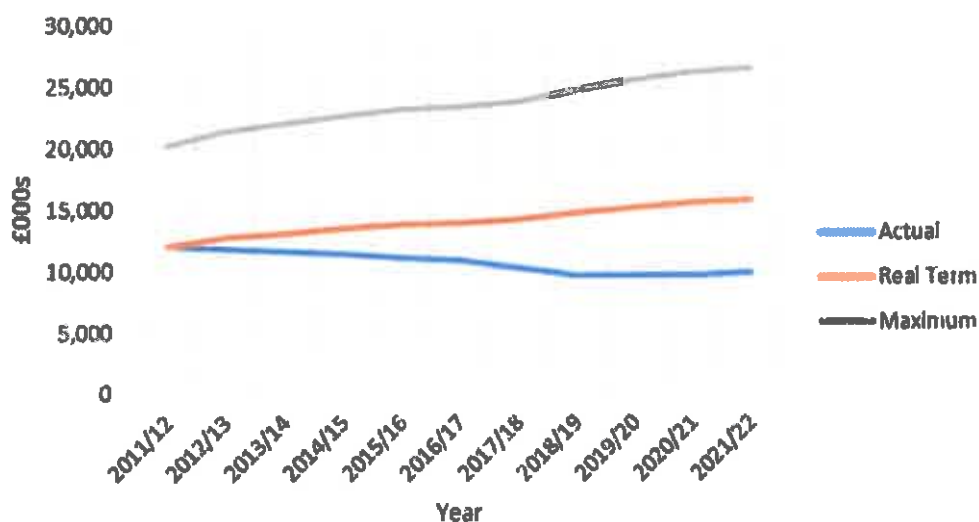
Year	Levy Movement	Levy as a proportion of the Maximum Chargeable
2012/13	- 2%	55.1%
2013/14	- 2%	52.6%
2014/15	- 2%	49.9%
2015/16	- 2%	47.9%
2016/17	- 2%	46.6%
2017/18	- 6%	42.9%
2018/19	- 6%	38.8%
2019/20	0%	37.6%
2020/21	0%	36.7%
2021/22	+ 2%	37.0%
Total	- 20%	

- 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

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
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	
Third 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)	-	-	-	-	-
Lewy (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)
Haverling	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 Commill Stream and Commill 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.

**PROPOSED CAPITAL PROGRAMME
2021/22 (REVISED) TO 2026/27**

Presented by the Head of Finance

SUMMARY

The Executive Committee considered the attached paper (Annex A, Paper E/750/22) at their meeting this morning (20 January 2022) which sets out the revised capital budget for the period to 2026/27, along with the capital financing to fund that expenditure.

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 revised capital programme for 2021/22 (revised) to 2026/27 as set out in Appendix A to paper E/750/22; and
 - (2) the proposed capital funding to meet the planned capital programme as set out in Appendix B of paper E/750/22.

BACKGROUND

- 1 The draft capital programme, and the funding of that programme, were considered in the paper presented to Executive Committee this morning, as set out in Annex A to this report (paper E/750/22).
- 2 A significant programme of capital development and investment is an important part of the Authority's statutory remit, whether funded directly by the Authority or with other partners. The capital programme reflects the Authority's key role as a developer and enabling organisation and includes a number of projects which are crucial in achieving the objectives set out in the Strategic Business Plan.

ENVIRONMENTAL IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 5 These are dealt with in the body of the report attached as Annex A to this report (Paper E/750/22).

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 8 These are dealt with in the body of the report attached as Annex A to this report (Paper E/750/22).

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ANNEX ATTACHED

Annex A Paper E/750/22

PREVIOUS COMMITTEE REPORTS

Executive	E/750/22	Proposed Capital Programme 2021/22 (Revised) To 2026/27	20 January 2022
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 <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/750/22</p>
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PROPOSED CAPITAL PROGRAMME 2021/22 (REVISED) TO 2026/27

Presented by the Head of Finance

EXECUTIVE SUMMARY

The last full review of the capital programme was undertaken in December 2020 and the current programme was approved at the Executive Committee meeting on 17 December 2020 (Paper E/703/20). This report brings together revisions and refinements to that programme and the latest information on the estimated total cost and timing of projects through to 2026/27.

The Authority's capital development programme is geared to the management and development of its existing assets, legacy venues on its land and business development schemes to generate further income for the Regional Park. The capital programme incorporates the major development scheme at Lee Valley Ice Centre, but beyond this period is yet to be fully determined with major investment schemes identified and potential new investment following the re-letting of the new Leisure Services Contract post 2022 and this will impact the future direction of the capital programme and its financing requirements.

In terms of overall financial provision, the proposed capital programme provides for total investment by the Authority of up to £41.4 million to 31 March 2027, as set out in Appendix B of this report. The majority of this investment is for the new Ice Centre, £30 million.

RECOMMENDATIONS

- Executive Committee Recommend to Authority:
- (1) the revised capital programme for 2021/22 (revised) to 2026/27 as set out in Appendix A to this report; and
 - (2) the proposed capital funding to meet the planned capital programme as set out in Appendix B to this report.

BACKGROUND

- 1 A significant programme of capital development and investment is an important part of the Authority's statutory remit, whether funded directly by the Authority or with other partners. The capital programme reflects the Authority's key role as a

developer and enabling organisation and includes a number of projects which are crucial in achieving the objectives set out in the Strategic Business Plan. Major capital projects have and will continue to determine the character of the Regional Park for the near future.

- 2 The Covid-19 pandemic has had a major impact on the Authority's cash reserves, but has also impacted on the potential development of the capital programme over the next few years. Projects such as third party investment at Picketts Lock and Eton Manor, as well as potential development investment at venues as part of the Leisure Services Contract (LSC) have been delayed.
- 3 This report brings together the results of known approved changes and the latest information on estimated costs and timing of existing individual projects. It proposes a revised capital programme for the period 2021/22 (revised) to 2026/27 for Members' consideration. This is summarised in paragraph 16 in this report and further detailed in Appendices A and B to this report.
- 4 The key project in the capital programme is the development of the Ice Centre, with £30m earmarked for the period August 2021 to November 2022. This will require external funding from borrowing, and has been included within the programme at the current expected phased expenditure.

Another key development in the programme is to provide an asset management programme for the Authority's estate. This work is ongoing but a major condition survey of the Authority's venues ahead of the LSC retender has provided clarity on the investment sums required by the Authority to maintain this part of the estate. Estimated figures have been incorporated into the revised capital programme attached at Appendix A to this report.

The Authority has adopted a land and property strategy when considering land acquisition and disposal. Officers guided by Members have reviewed the Authority's estate in its widest sense, in terms of maximising the return, both in terms of how the land is used, new land purchases, and disposals where potentially land can be identified as no longer required for Park purposes, alongside its strategic and financial viability.

This approach provides a more strategic overview to the capital programme of which land disposal/acquisition is a key aspect and potential disposals can provide for funding further developments in the programme in the longer term. The proposed capital programme includes a Land Acquisition and Remediation provision.

STATUS OF THE CAPITAL PROGRAMME

- 5 **The capital programme is principally a planning document.** It matches the Authority's investment plans to its estimated projected capital resources over the medium term and enables officers to undertake planning and feasibility work for projects which often have long lead times.
- 6 **Inclusion of a project in the capital programme does not, in itself, commit the Authority or constitute approval to incur expenditure.** For all major projects a full business case based on the Prudential Code including detailed briefs, scheme designs, project costs, funding arrangements and ongoing revenue costs (including the cost of capital) will be the subject of specific reports for Member approval.

Likewise, any land identified for potential disposal **does not, in itself, commit the Authority to dispose of any areas of land.** For all decisions concerning potential disposal a full appraisal must be carried out covering a strategic evaluation of the disposal which must in the first instance be identified as no longer required for Park purposes. Each area of land considered for disposal will be the subject of a specific report for Member approval which will include the financial, legal, planning and risk implications of doing so.

- 7 In some cases inclusion of financial provision in the programme reflects an identified or expected need for investment. Although the exact nature and scope of any project may yet need to be determined. In these cases, both the level and timing of expenditure are clearly subject to change.
- 8 The Authority's capital development programme is geared to the management and development of its existing assets, legacy venues on its land and business development schemes to generate further income for the Park. The capital programme beyond this period is yet to be determined with major investment schemes identified at particular sites. Future major investments e.g. the Ice Centre and venue investment will require separate business cases and funding plans to be in place before committing to the project, but indicative figures are included in the plan.

PROJECTED AVAILABLE CAPITAL FUNDING

- 9 Initial indications are that existing capital reserves together with projected borrowing and revenue contributions will provide funds of £54.5m to 31 March 2027.
- 10 A key feature of the Business Plan is recognition of the need to work in partnership with other organisations and sectors in order to deliver the Authority's vision for the Park. One strand of this approach has been to look for opportunities for external funding, using the Authority's resources to attract contributions from partners and funding bodies.

In recent years the ability to attract external grant funding to support the capital programme has become very limited. The Authority has therefore shifted its strategic approach to realising more of its funding from utilising its own asset base. This has identified potential new capital resources to support the funding of the programme as well as key strategic sites for investment. Any income that is generated can be used to develop the Park further through the capital programme.

- 11 Currently forward projections for partnership funding against major schemes are not included, although officers are working closely with partners to seek external funding for major projects, for example, at Picketts Lock and Eton Manor.
- 12 The proposed revised capital programme is detailed at Appendix A to this report; the financial provision shown represents the Authority's own capital investment alongside any anticipated borrowing. The total net funding requirements of the revised capital programme proposals are **£41.4 million** to 31 March 2027.
- 13 Appendix A to this report does not include the potential impact from any new work undertaken through the Park Development Framework (PDF) or works resulting due to contaminated land. Further investment across the themed categories of the PDF and decontamination works may be needed in the longer term and where this occurs officers will need to identify resources required through the normal capital programming process.

Neither does it include capital development works at the major sports venues, which have yet to be identified and agreed with GLL.

- 14 The proposed future revenue funding to support the capital programme has been reduced to £1.3 million in line with the current Medium Term Financial Plan. This currently represents 13.3% of the existing levy (£9.767m). Remaining capital resources will come from existing capital receipts and borrowing.
- 15 The estimated and proposed capital resources available to fund the capital programme proposals are set out in Appendix B to this report and summarised below.
- 16 Table 1 shows that at the end of the five year period to 31 March 2027 capital reserves would be £13.16 million.

Table 1: Summary of Capital Expenditure and Financing

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m	£m
Opening Resources	12.43	10.59	13.85	13.48	13.27	12.98
Contributions/Borrowing	17.66	19.29	1.29	1.29	1.28	1.28
Capital Expenditure	(19.50)	(16.03)	(1.66)	(1.50)	(1.58)	(1.10)
Surplus Capital Resources	10.59	13.85	13.48	13.27	12.98	13.16

ENVIRONMENTAL IMPLICATIONS

- 17 There are no environmental implications arising directly from the recommendations in the report. However, the schemes contained in the programme clearly have significant environmental implications. These will be considered as part of the detailed development of each scheme/sale and will feature in the Individual reports to Members on each proposal.

FINANCIAL IMPLICATIONS

- 18 As part of the budget process over the last couple of years, Members have reviewed the annual revenue contribution to capital reducing it to £1.3 million for 2022/23. This recognised that the contribution to capital has a direct impact on the levy (12.4%). Some rationalisation of the Authority's estate to enable re-investment has identified potential new capital resources to support funding of the programme going forward, therefore placing less reliance on the levy for capital investment. This is however reliant on achieving a capital receipt within any given year.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 21 There are no risk management implications arising directly from the recommendations in this report. The assumptions for future investment and funding rely to a degree on rationalisation of the Authority's estate to enable re-investment in development and/or improvement in other areas of the Regional Park and therefore to deliver the corporate priorities going forward. If the Authority does not achieve some land disposals then it may mean major investment projects are either pared back to match available resources, deferred until new resources become available, or funded by borrowing (which would have a direct impact on the levy). Failure to invest in major repairs may also lead to a deterioration of the existing asset base. It should be noted that any land disposals may result in adverse publicity or potential legal challenge where local stakeholders/residents/interest groups do not agree with an Authority decision to dispose of areas of land.

EQUALITY IMPLICATIONS

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

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PREVIOUS COMMITTEE REPORTS

Executive Committee E/703/20 Proposed Capital Programme 17 December
2020/21 Revised To 2024/25 2020

APPENDICES ATTACHED

Appendix A Capital Development Programme Revised 2021/22 to 2026/27
Appendix B Capital Programme Financing Forecast 2021/22 to 2026/27

LIST OF ABBREVIATIONS

PDF Park Development Framework
LSC Leisure Services Contract

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LEE VALLEY REGIONAL PARK AUTHORITY
CAPITAL PROGRAMME 2021/22 to 2026/27

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Comments
	£000s	£000s	£000s	£000s	£000s	£000s	
Land Acquisition & Remediation	0	450	450	450	450	450	Annual Provision
IT Infrastructure & Communications	250	100	100	100	100	100	
Olympic Park Hostile Vehicle Mitigation	245	250	0	0	0	0	
Wildlife Discovery Centre	17	0	0	0	0	0	
Dobbs Weir	0	27	0	0	0	0	
Lee Valley Ice Centre Stage 1	30	0	0	0	0	0	
Lee Valley Ice Centre Stage 2 Build	16,000	12,300	0	0	0	0	
Lee Valley Ice Centre Stage 2 Fit out	0	700	0	0	0	0	
Capital Development Projects	0	0	tbc	tbc	tbc	tbc	
Infrastructure and Open Space Projects	275	0	0	0	0	0	
Venue Investment Projects	1,506	595	0	0	200	0	
Olympic Rings	0	50	0	0	0	0	
Project Management	0	150	150	150	150	150	
AM Schemes							
Asset & Infrastructure Management	1,001	1,404	957	801	677	395	
Abercrombie Lodge Repair Work	173	0	0	0	0	0	
NET PROGRAMME	19,497	16,026	1,657	1,501	1,577	1,095	
Financed By							
Capital Receipts	(1,998)	(1,332)	(410)	(410)	(610)	(410)	
Contribution from Revenue	(325)	(290)	(290)	(290)	(290)	(290)	
Asset Management Reserve	(1,174)	(1,404)	(957)	(801)	(677)	(395)	
Borrowing	(16,000)	(13,000)	0	0	0	0	
NET FINANCING	(19,497)	(16,026)	(1,657)	(1,501)	(1,577)	(1,095)	

Lee Valley Regional Park Authority
Capital Programme Financing Forecast 2021/22 to 2026/27

Capital Resources	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	TOTAL £000s
Opening Balance		(12,424.5)	(10,585.5)	(13,849.5)	(13,482.5)	(13,271.5)	(12,974.5)	
Usable Capital Receipts Reserve	(11,809.6)	(279.0)	(5,000.0)	0.0	0.0	0.0	0.0	(17,088.6)
Capital Fund	0.0	(250.0)	(290.0)	(290.0)	(290.0)	(280.0)	(280.0)	(1,680.0)
External Borrowing	0.0	(16,000.0)	(13,000.0)	0.0	0.0	0.0	0.0	(29,000.0)
Asset Maintenance (Major Repairs) Reserve	(614.9)	(1,054.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(6,668.9)
Revenue Financing Of Capital	0.0	(75.0)	0.0	0.0	0.0	0.0	0.0	(75.0)
		(17,658.0)	(19,290.0)	(1,290.0)	(1,290.0)	(1,280.0)	(1,280.0)	(54,512.5)
Total Available Resources	(12,424.5)	(30,082.5)	(29,875.5)	(15,139.5)	(14,772.5)	(14,551.5)	(14,254.5)	(54,512.5)
Proposed Net Capital Expenditure		16,542.0	14,027.0	700.0	700.0	700.0	700.0	33,369.0
Asset & Infrastructure Management		1,174.0	1,404.0	957.0	801.0	677.0	395.0	5,408.0
Infrastructure and Open Space Projects		275.0	0.0	0.0	0.0	0.0	0.0	275.0
Investment Projects		1,506.0	595.0	0.0	0.0	200.0	0.0	2,301.0
Total Capital Expenditure		19,497.0	16,026.0	1,657.0	1,501.0	1,577.0	1,095.0	41,353.0
Closing Balance		(10,585.5)	(13,849.5)	(13,482.5)	(13,271.5)	(12,974.5)	(13,159.5)	(13,159.5)
Capital Related Fund Balances								
Usable Capital Receipts Reserve	(11,809.6)	(10,090.6)	(13,758.6)	(13,348.6)	(12,938.6)	(12,318.6)	(11,898.6)	
Capital Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Asset Maintenance (Major Repairs) Reserve	(614.9)	(494.9)	(90.9)	(133.9)	(332.9)	(655.9)	(1,260.9)	
	(12,424.5)	(10,585.5)	(13,849.5)	(13,482.5)	(13,271.5)	(12,974.5)	(13,159.5)	

CAPITAL STRATEGY 2021/22 TO 2025/26

Presented by the Head of Finance

SUMMARY

The Executive Committee considered the attached paper (Annex A, Paper E/749/22) at their meeting this morning (20 January 2022) which sets out the capital strategy that gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.

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 Capital Strategy as set out in Paper E/749/22 and Appendices B – D to that report; and
 - (2) the Prudential Indicators for 2021/22 to 2025/26 as set out in Appendix A of paper E/749/22.

BACKGROUND

- 1 The draft capital strategy was considered in the paper presented to Executive Committee this morning, as set out in Annex A to this report (paper E/749/22).
- 2 The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining its Capital Programme.
- 3 This strategy integrates the Capital Programme, the Annual Investment Strategy, Treasury Management Strategy, Minimum Revenue Provision Statement, and Prudential Indicators.

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/749/22).

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 9 These are dealt with in the body of the report attached as Annex A to this report (Paper E/749/22).

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ANNEX ATTACHED

Annex A Paper E/749/22

PREVIOUS COMMITTEE REPORTS

Executive	E/749/22	Capital Strategy 2021/22 to 2025/26	20 January 2022
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LEE VALLEY REGIONAL PARK AUTHORITY
EXECUTIVE COMMITTEE
20 JANUARY 2022 AT 10:30

Agenda Item No:

Report No:

E/749/22

CAPITAL STRATEGY 2021/22 TO 2025/26

Presented by the Head of Finance

EXECUTIVE SUMMARY

This paper sets out a capital strategy that gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services. This strategy integrates the Capital Programme, the Annual Investment Strategy, Treasury Management Strategy and the Minimum Revenue Provision Statement.

It also includes the prudential indicators to be approved by the Authority.

RECOMMENDATIONS

- Executive Committee Recommend to Authority:
- (1) the Capital Strategy as an overarching strategy document within the body of the report, and Appendices B to D of this report; and
 - (2) the Prudential Indicators for 2021/22 to 2025/26 as set out in Appendix A of this report.

BACKGROUND

- 1 Publication of CIPFA's Prudential Code 2017 and Treasury Management Code 2017 introduced a change to the reporting requirements around investment within local authorities.
- 2 The Capital Strategy is an overarching document with a simple guide on the capital programme, borrowing, investments, and sets out the prudential indicators that the Authority defines as parameters to work within when setting a prudent and sustainable approach to its investment to meet service needs.
- 3 The Capital Programme provides more details on capital expenditure and financing from the information provided in the Capital Strategy.
- 4 The CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) requires a range of Prudential Indicators which provide assurance that the Authority's capital expenditure plans are affordable and proportionate.

- 5 There are five Prudential Indicators which are defined and quantified within this strategy.

The Prudential Indicators are:

- Estimates of Capital Expenditure;
- Estimates of Capital Financing Requirement;
- Gross Debt and the Capital Financing Requirement;
- Authorised Limit and Operational Boundary for Borrowing; and
- Proportion of Financing Costs to Net Revenue Stream.

CORE PRINCIPLES THAT UNDERPIN THE CAPITAL PROGRAMME

- 6 The key principles for the capital programme are summarised below:
- Capital investment decisions reflect the aspirations and priorities included within the Authority's Business Plan and supporting strategies;
 - Schemes to be added to the capital programme will be subject to Member approval, and prioritised according to availability of resources and any specific funding, business needs of the Authority, and with reference to the longer-term impact on the Authority's financial position;
 - The cost of financing capital schemes, net of any revenue benefits that they may provide, are profiled over the lifetime of each scheme and incorporated, where applicable, into the budget.

CAPITAL EXPENDITURE AND FINANCING

- 7 The current projected capital programme and financing is shown elsewhere on this agenda (Paper E/750/22) and is summarised below. It includes current estimates for capital expenditure for 2021/22 and beyond.

8

	2021/22 Estimate £0m	2022/23 Estimate £0m	2023/24 Estimate £0m	2024/25 Estimate £0m	2025/26 Estimate £0m
Capital Expenditure	19.497	15.976	1.657	1.501	1.577
Financed By					
- Capital Receipts	1.998	1.282	0.410	0.410	0.610
- Revenue Contributions	0.325	0.290	0.290	0.290	0.290
- Asset Maintenance Reserves	1.174	1.404	0.957	0.801	0.677
- Short Term Borrowing	16.000	13.000	0.000	0.000	0.000
Total Financed	19.497	15.976	1.657	1.501	1.577

- 9 Appendix A to this report sets out the Capital Expenditure and Financing Prudential Indicators that require approval. Appendix E to this report sets out the description of what should be included as capital expenditure and what is revenue.

MINIMUM REVENUE PROVISION

- 10 Each year the General Fund sets aside sums known as the Minimum Revenue Provision (MRP) to reduce its borrowing liabilities. The policy for MRP is set out in Appendix B to this report and complies with the latest guidance issued by the MHCLG.
- 11 Government guidance on the MRP requires that the General Fund set aside prudent sums to reduce debt and any other long term liabilities arising from capital spend and that the Authority produces a statement on its MRP policy. MRP costs fall on revenue budgets and runs on for many years into the future, usually over the period to which the capital item provides an economic benefit.

TREASURY MANAGEMENT

- 12 Treasury Management is concerned with keeping sufficient but not excessive cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of resources can be met by prudential borrowing.
- 13 The Authority's Treasury Management Policy was approved in April 2021 (paper A/4297/21) and no amendments to that Policy are proposed.

ANNUAL INVESTMENT STRATEGY

- 14 The Local Government Act 2003 requires local authorities to have regard for the latest guidance on local authority investments, the latest update being 2018.
- 15 Central to the guidance is an Annual Investment Strategy that each authority must approve. Key to that strategy should be the principal for security, liquidity, and then yield.
- 16 The Annual Investment Strategy sets out the general policy objective for investments, the procedures for determining which investments in the specified and non-specified categories the Authority will use in the forthcoming financial year, and the maximum periods for which funds may be committed in each asset class.
- 17 Attached at Appendix C to this report is the Annual Investment Strategy for 2022/23 for Members consideration and approval. Definitions for specified and non-specified investments are also set out in Appendix A.

BORROWING STRATEGY

- 18 The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required.
- 19 Appendix D to this report sets out the Authority's borrowing strategy 2022/23, in line with its current Treasury Management Policy.

KNOWLEDGE AND SKILLS

- 20 The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and

investment decisions.

- 21 Where Authority staff do not have the knowledge and skills required, or where further support is needed, use is made of external advisors and consultants that are specialists in their field. The Authority currently employs Tullet Prebon as treasury management advisors.
- 22 The Authority also has a service level agreement with the London Borough of Enfield for provision of section 151 services, and is able to utilise this knowledge and experience to assist with its own decisions.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 24 These are dealt with within the body of the report.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 27 There are no risk management implications arising directly from the recommendations in this report. However future capital expenditure and its phasing may require additional support from borrowing as the level of cash receipts is dependent on future land sales that are yet to be fully determined in both terms of value and timing.

EQUALITY IMPLICATIONS

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

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BACKGROUND INFORMATION

None

PREVIOUS COMMITTEE REPORTS

Executive	E/750/22	Proposed Capital Programme 2021/22 (Revised) to 2025/26	20 January 2022
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Executive	E/725/21	Annual Report on Treasury Management Activity 2020/21 and Annual Investment Strategy 2021/22	27 May 2021
Authority Executive	A/4297/21 E/702/20	Treasury Management Policy Capital Strategy and Prudential Indicators 2020/21 to 2024/25	29 April 2021 17 December 2020
Executive	E/647/19	Capital Strategy and Prudential Indicators 2019/20 to 2023/24	19 December 2019

APPENDICES ATTACHED

Appendix A	Prudential Indicators 2021/22 to 2025/26
Appendix B	Annual Minimum Revenue Provision Statement 2022-23
Appendix C	Annual Investment Strategy 2022/23
Appendix D	Borrowing Strategy 2022/23
Appendix E	Capital Expenditure

LIST OF ABBREVIATIONS

CFR	Capital Financing Requirement
PWLB	Public Works Loans Board
MRP	Minimum Revenue Provision
CIPFA	Chartered Institute for Public Finance and Accountancy
MHCLG	Ministry for Housing, Communities and Local Government

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Capital Expenditure and Financing Prudential Indicators 2021-22 – 2025-26

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice.

To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure

Capital expenditure is the money the Authority spends on assets, such as equipment, property and vehicles, which will be used for more than one year. The Authority's capital development programme is geared to the management and development of its existing assets, legacy venues on its land and business development schemes to generate further income for the Regional Park. The capital programme reflects the Authority's key role as a development and enabling organisation and includes a number of projects which are crucial in achieving the objectives set out in the Strategic Business Plan.

The Authority's planned capital expenditure and financing may be summarised as follows. These estimates only include the capital expenditure that has been agreed by Members.

	2021/22 Estimate £0m	2022/23 Estimate £0m	2023/24 Estimate £0m	2024/25 Estimate £0m	2025/26 Estimate £0m
Capital Expenditure	19.497	15.976	1.657	1.501	1.577
Financed By					
- Capital Receipts	1.998	1.282	0.410	0.410	0.610
- Revenue Contributions	0.325	0.290	0.290	0.290	0.290
- Asset Maintenance Reserves	1.174	1.404	0.957	0.801	0.677
- Short Term Borrowing	16.000	13.000	0.000	0.000	0.000
Total Financed	19.497	15.976	1.657	1.501	1.577

Table 1 : Estimates of Capital Expenditure

Estimates of Capital Financing Requirement

The Capital Financing Requirement (CFR) is a measure of the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. It measures the underlying need to borrow for a capital purpose, although this borrowing may not necessarily take place externally. The Authority has been able to make prudent use of cash that it has already invested for long-term purposes. In doing so, the level of funds we hold for longer-term investment does not reduce but we have been able to adopt an efficient and effective treasury management strategy. This practice, is known as 'internal borrowing', and is common in local authorities and means there is no immediate link between the need to borrow to pay for capital spending and the level of external borrowing.

The capital financing requirement increases with new debt-financed capital expenditure and reduces with MRP and any capital receipts used to replace debt. The CFR is expected to decrease during 2021/22, but the long term borrowing in relation to the Ice Centre redevelopment project will see the CFR increase at the end of 2022/23.

The Authority's estimated CFR is as follows.

	2021/22 Estimate £0m	2022/23 Estimate £0m	2023/24 Estimate £0m	2024/25 Estimate £0m	2025/26 Estimate £0m
Opening CFR	11.674	11.206	39.756	38.599	37.459
Long Term Borrowing	-	29.000	-	-	-
Minimum Revenue Provision	(0.468)	(0.450)	(1.157)	(1.140)	(1.123)
Closing CFR	11.206	39.756	38.599	37.459	36.336

Table 2 : Estimates of Capital Financing Requirement

Affordable Borrowing Limit

Irrespective of plans to borrow or not, the Authority is required to set an affordable borrowing limit (also known the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit. There are currently plans to borrow long term to fund the Ice Centre Development in 2022/23, and whilst the actual borrowing amounts are subject to further Member approval, the limits are set to include the current budgeted amount less contingency.

In addition, the Authority should set its limit to include provision for additional borrowing that may be required to deliver the operational strategy as well as for capital development.

The limit reflects the possible need to borrow, subject to timing of capital receipts, to finance the capital programme. It does not mean that the Authority will actually borrow, rather that it is authorised, subject to further Member approval, to borrow up to that limit.

	2021/22 Estimate £0m	2022/23 Estimate £0m	2023/24 Estimate £0m	2024/25 Estimate £0m	2025/26 Estimate £0m
Operational Boundary	30.0	30.0	30.0	30.0	30.0
Authorised Limit	35.0	35.0	35.0	35.0	35.0

Table 3 : Authorised Limit and Operational Boundary for Borrowing

Ratio of Financing Costs to Net Revenue Stream

Although capital expenditure is not charged directly to the revenue budget, the Minimum Revenue Provision (MRP), and if applicable, interest payable on loans are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount of revenue budget to be met from the Levy. For the purposes of this table, the Levy is assumed to remain at the 2021/22 cash level.

Currently the Authority does not have any external borrowing, so the financing costs for 2021/22 are made up of the MRP and investment interest received. The change in financing costs from 2023/24 is based on the Authority borrowing £29m in the latter part of 2022/23, with the costs being rolled up into the project and repayments commencing in 2023/24.

	2021/22 Estimate £0m	2022/23 Estimate £0m	2023/24 Estimate £0m	2024/25 Estimate £0m	2025/26 Estimate £0m
Financing Costs	0.460	0.442	1.691	1.659	1.627
Proportions of net revenue cost %	4.71%	4.52%	17.31%	16.98%	16.66%

Table 4 : Ratio of Financing Costs to Net Revenue Stream

Adoption of the CIPFA Treasury Management Code

The Authority has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition. It fully complies with the Code's recommendations.

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Annual Minimum Revenue Provision Statement 2022-23

Background

The Minimum Revenue Provision (MRP) is statutory requirement to make a charge against the Authority's General Fund to make provision for the repayment of the Authority's past capital debt. The Local Government Act 2003 requires local authorities to have regard to statutory guidance on Minimum Revenue Provision. The broad aim of the Guidance is to ensure that capital expenditure is financed over a period that is commensurate with that over which the capital expenditure provides benefits.

The Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP.

A prudent level of MRP on any significant asset or expenditure may be assessed on its own merits or in relation to its financing characteristics in the interest of affordability or financial flexibility.

Capital Expenditure incurred before 1 April 2008

In relation to any capital expenditure incurred before 1 April 2008, the MRP shall be calculated at an amount equal to 4% of CFR at the end of the preceding financial year.

Capital Expenditure from 1 April 2008

Where capital expenditure incurred from 1 April 2008 is on an asset financed wholly or partly by self-funded borrowing, the MRP is to be made in instalments over the life of the asset, and calculated on a straight line basis and should be linked to when the asset is brought into operational use. The maximum allowable asset life to be used in calculating MRP is 50 years.

The useful life of the asset should be commensurate with the term of the borrowing, and MRP charged appropriate to the principal loan repayment amount.

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Annual Investment Strategy 2022/23

This Authority has regard to the MHCLG's Guidance on Local Government Investments and CIPFA's Treasury Management in Public Services: Code of Practice and Cross Sector Guidance Notes 2017.

This Annual Investment Strategy states which investments the Authority may use for the prudent management of its treasury balances during the financial year. In short these will only be specified investments.

This strategy sets out this Authority's policies for managing its investments and for giving priority to the security and liquidity of those investments.

Investment Objectives

All investments will be in sterling. The general objective, as set out in the Treasury Management Policy for this Authority, is the prudent investment of its treasury balances. The Authority's investment priorities are the security of capital and liquidity of its investments. The Authority will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

The Authority holds cash in the normal course of its business and any cash not immediately required for settling Authority liabilities should be invested until needed. Investments should be managed prudently and fall within two categories: specified investments and non-specified investments, as set out in government guidance. Specified investments are investments up to one year, as detailed below, with high liquidity and credit quality. Non-specified investments, as set out below, are investments that exceed one year and are potentially more responsive to liquidity, credit and market factors.

The MHCLG maintains that the borrowing of monies purely to invest or on-lend and make a return is unlawful and this Authority will not engage in such activity.

Specified Investments

The idea of specified investments is to identify investments offering high security and high liquidity. These investments can be made with minimal procedural formalities. All these investments should be in sterling and normally with a maturity of no more than one year.

Non – Specified Investments

The aim is to ensure that proper procedures are in place for undertaking risk assessments of investments made for longer periods or with bodies which do not have a "high" credit rating. Such investments are not proposed for this Authority for 2022/23 and where such investments were to be made they would require the prior approval of Members.

Based upon its cash flow forecasts, the Authority anticipates its fund balances in 2022/23 to range between £2m and £6m. A prime consideration in the investment of fund balances is liquidity and the Authority's forecast cash flow. Any in-house investment of more than one month needs the approval of the Chief Executive or Deputy Chief Executive.

Provisions for Credit – related losses

If any of the Authority's investments appeared at risk of loss due to default the Authority will make revenue provision of an appropriate amount.

End of year Investment Report

At the end of the financial year, the Head of Finance will prepare a report on the Authority's investment activity as part of its treasury management activity report and report this to Executive Committee by the end of June. The Annual Investment Strategy will need approval by Executive Committee.

Borrowing Strategy 2022/23

The Authority's debt management strategy has been to pursue a policy of internal borrowing, which is the use of existing reserves and balances to fund capital expenditure rather than the use of external borrowing.

The use of internal borrowing allows the council to minimise unnecessary external borrowing costs by only borrowing when needed for liquidity to fund the major redevelopment of the Ice Centre. Borrowing in advance of need from a cashflow perspective would create a 'cost of carry' which is the difference between the short term investment income earned through holding cash balances compared against longer term external debt financing costs of repayments.

The Authority currently only has short-term external borrowing, used to cash-flow finance the Ice Centre redevelopment. It has been free from long-term external debt since March 2016. When the Authority is in the position where it needs to borrow long-term, its main objectives would be to achieve low but a certain cost of finance, whilst retaining flexibility should plans change. These objectives are often conflicting, and the Authority would seek to strike a balance between cheap short-term loans (currently available at around 0.6%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0% to 2.5%).

Officers will monitor current and forecast interest rates to determine the benefits of internal/short-term borrowing against the potential for incurring additional costs by taking longer-term borrowing early, due to the current uncertainty of interest rates in the medium term.

The Authority would look to borrow in the short-term from other local authorities as this is typically at lower rates than from other sources, such as PWLB, for short duration debt.

Longer term borrowing will likely be from the Public Works Loans Board (PWLB) at fixed rates and interest.

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Capital Expenditure

Under standard accounting practices local authorities are required to account for revenue expenditure and capital expenditure differently. Capital expenditure is defined in the Local Government 2003 Act as expenditure which, in accordance with proper accounting practices, falls to be capitalised. Proper accounting practice is currently accepted to be the CIPFA/LASAAC Code of Practice on Local Authority Accounting: A Statement of Recommended Practice (known as the SORP).

Capital expenditure essentially relates to the provision and improvement of significant fixed assets including land, buildings and equipment which will be of use or benefit in providing services for more than one financial year.

Expenditure that should be capitalised will include expenditure on the:

- Acquisition, reclamation, enhancement or laying out of land;
- Acquisition, construction, preparation, enhancement or replacement of buildings and other structures;
- Acquisition, installation or replacement of plant, machinery and vehicles;
- Replacement of a component of a non current asset that has been treated separately for depreciation purposes and depreciated over its individual useful life.

In this context, enhancement means the carrying out of works that are intended to:

- Lengthen substantially the useful life of the asset; or
- Increase substantially the open market value of the asset;
- Increase substantially the extent to which the asset can or will be used for the purposes of the Authority.

The Authority can also capitalise Project Management costs where this is directly linked to the delivery of a major project included within the Capital Programme.

Revenue expenditure is expenditure incurred for the purpose of the organisation's daily activity, services or to maintain fixed assets. For example, employees' pay, travel expenses and IT consumables are all deemed to be revenue expenditure.

However, it is often quite difficult to easily distinguish between capital and revenue expenditure so consideration needs to be given to the nature of the expenditure in order to identify what should be classed as capital and what is revenue.

Capital and Revenue Examples

There is no definitive list of items which are revenue and which are capital. All decisions on capitalisation must be made with due regard to legislation, guidance and the individual circumstances of a capital project.

Below is a list of examples for expenditure that falls into each category. This is not intended to be an exhaustive list but should for a guide.

Capital Items

- Land Purchases
- Construction Payments
- Professional fees related to capital projects
- Development costs
- Vehicles
- Major items of Equipment
- Feasibility costs that relate to successful schemes

Revenue Items

- Repair and Maintenance
- General Tools / Equipment
- Stock
- Security Costs
- Rental Costs
- Employee costs, unless directly involved in construction of delivery of projects
- Travel Expenses
- Training
- Abortive feasibility costs
- Costs of Disposal - up to 4% of the proceeds may be netted off the capital receipt;

Expenditure from the Asset Maintenance programme will normally be classed as revenue, as it usually forms repairs or maintenance expenditure. For example, expenditure that simply ensures an asset remains in a condition suitable for its current use would still be classed as revenue. However, some items of asset maintenance expenditure may fall more correctly as expenditure that can be capitalised, and large expenditure items should be reviewed.

De-minimus

Capital expenditure is subject to a de-minimis level of £20,000. Expenditure below this level should usually be classed as revenue. However the limit may be used flexibly as it may be appropriate to add items such as vehicles or equipment of a lower value to the asset register.

In the cases where groups of similar assets are acquired at the same time, which individually would fall under the de-minimus level, can be grouped together to form a collective asset. An example of this would be IT equipment.

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FOOD SAFETY POLICY

Presented by the Corporate Director

SUMMARY

The purpose of this report is to seek Member approval for the Food Safety Policy and associated procedure which has been created as a result of changes to legislation and the status of food outlets within the Authority's facilities, previously managed by Lee Valley Leisure Trust Ltd.

The Food Safety Policy was considered and approved for recommendation to Authority by the Executive Committee in December 2021 (Paper E/744/21).

RECOMMENDATION

Members Approve: (1) the draft Food Safety Policy and associated procedure for adoption.

BACKGROUND

- 1 The Authority has a register of Policies that ensure the organisation works efficiently and consistently towards delivering its Business Strategy. As required, new policies are introduced to safeguard the Authority and make sure that all staff are conforming to current legislation and best practice.
- 2 All of the food outlets within facilities were managed as part of the contract between the Authority and Lee Valley Leisure Trust Ltd (the Trust), with the Trust having its own procedures in place. With the end of the contract these food outlets returned to the Authority's control.
- 3 As part of a review of all processes involved with the preparation and sale of foodstuffs, a new Food Safety Policy has been written, along with accompanying procedures and guidance documentation.

FOOD SAFETY POLICY

- 4 The Executive Committee approved for recommendation to Authority the Food Safety Policy at its meeting in December 2021 (Paper E/744/21) which is attached at Annex A to this report for Members consideration and approval.

- 5 Any environmental, financial, human resource, legal and risk management implications are covered in paper E/744/21 attached as Annex A to this report.
-

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ANNEX ATTACHED

Annex A Paper E/744/21



LEE VALLEY REGIONAL PARK AUTHORITY

EXECUTIVE COMMITTEE

16 DECEMBER 2021 AT 10:30

Agenda Item No:

Report No:

E/744/21

FOOD SAFETY POLICY

Presented by Corporate Director

EXECUTIVE SUMMARY

The purpose of this report is to seek Member approval for the draft Food Safety Policy and associated procedure and recommendation to the Authority for its adoption. The Policy has been created as a result of changes to legislation and the status of food outlets within the Authority's facilities, previously managed by Lee Valley Leisure Trust Ltd.

In addition, with the commencement of the new Leisure Services Contract, it will need to be confirmed with the incoming contractor that the same level of service and approach to food safety will be in place at all facilities they will be responsible for.

RECOMMENDATION

Members Approve: (1) recommendation of the draft Food Safety Policy and associated procedure to the Authority for adoption.

BACKGROUND

- 1 The Authority has a register of Policies that ensure the organisation works efficiently and consistently towards delivering its Business Strategy. As required, new policies are introduced to safeguard the Authority and make sure that all staff are conforming with current legislation and best practice.
- 2 All of the food outlets within facilities were managed as part of the contract between the Authority and Lee Valley Leisure Trust Ltd (the Trust), with the Trust having its own procedures in place. With the end of the contract these food outlets returned to the Authority's control.
- 3 As part of a review of all processes involved with the preparation and sale of foodstuffs, a new Food Safety Policy has been written, along with accompanying procedures and guidance documentation.

FOOD SAFETY POLICY

- 4 A draft of the Food Safety Policy is attached at Appendix A of this report for

Members consideration and approval and the Food Safety Procedure is an annex to this policy.

- 5 The Food Safety Policy is to set out the principles and practices that the Authority will adopt to meet with its legal obligations and its commitment to ensure the safety of both customers and staff when using any food outlet within the Authority's facilities or outside spaces.
- 6 As outlined in the Food Safety Policy, there are a range of legislative acts covering food safety of which the primary one is the Food Safety Act 1990.
- 7 The aim of the proposed policy is to ensure that the Authority complies with the relevant legislation and that any associated procedures safeguard both customers and staff at all times.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 9 There are no financial implications arising directly out of the recommendations in this report.

HUMAN RESOURCE IMPLICATIONS

- 10 Existing staff resources will be used to manage and monitor the Food Safety Policy and accompanying procedure.

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 12 There will need to be regular training of all levels of staff in processes and monitoring as outlined in the Food Safety Procedure.

EQUALITY IMPLICATIONS

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

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APPENDIX ATTACHED

Appendix A Food Safety Policy

LIST OF ABBREVIATIONS

the Trust Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)

Food Safety Policy

November 2021

Reference: [Version 1]



i Document Information

This document is controlled by Lee Valley Regional Park Authority.

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Consultation:	Senior Management Team, Policy/Procedure Review Group, RDHS
Approved	Approved by: Executive Committee Approval Date: 16 December 2021 Review Frequency: Every 3 Years Next Review: December 2024

Version History		
Version	Date	Description
0.1	09 July 2021	Initial draft, circulated Policy/Procedure Group, RDHS, Regional Catering Teams
1	16 December 2021	Executive Meeting approved. Paper E//21

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1. Context

- 1.1 The Lee Valley Regional Park Authority has a moral and legal duty to protect all visitors and staff from food-related illness, and other harm arising from food contamination. Within the Authority's operations, there are various processes by which customers, staff and contractors are provided with food and drink which include:
- High & low risk Food/drink provided 'in house'
 - High & low risk Food/drink via external Contracted caterers
 - High & low risk Food/drink via Contracted food retailers (Events)
- 1.2 By law, food safety must be managed using a documented, HACCP (Hazard Analysis Critical Control Point) based approach, and food handlers must be appropriately trained in food safety.
- 1.3 This policy identifies how the Authority helps to ensure these requirements are met; both for the food/drink that is provided by Authority staff 'in house', and that which is provided by external contractors.
- 1.4 The ultimate aim is to ensure food safety, and to ensure the Authority is able to demonstrate it has taken all reasonable precautions and exercised all due diligence to ensure that food is safe and wholesome.
- 1.5 The welfare of children and members of vulnerable groups is paramount, where these groups are unable to make their own decisions on what foods may pose a safety hazard to them.

2. Policy Aims

- 2.1 The Lee Valley Regional Park Authority has systems in place to ensure they have:
- Specified the management arrangements and responsibilities for ensuring food safety for food provided by Authority staff.
 - Specified the management arrangements and responsibilities for ensuring food safety for food provided by any contracted caterers and food retailers.
 - Provide specific food hygiene guidance and training to be followed by food handlers.
 - Set out the reporting and assurance framework to ensure food safety within the Authority.
 - Set out the relevant procedures and processes for the receipt and delivery of food products.
 - Ensured there is ongoing training of staff and monitoring of all processes in the preparation, storage and eventual sale of foods to customers/staff



3. Food Safety Policy

3.1 Introduction

3.1.1 Lee Valley Regional Park Authority firmly believes in providing safe and nutritious food. The Authority wholly accepts its moral and legal duties to protect food from contamination and to comply with current food safety legislation, of which key legislation includes:

- The Food Safety Act 1990
- Food Standards Act 1999
- EU law Regulation (EC) 178/2002, 'General Food Law'
- Regulation (EC) No. 852/2004 on the hygiene of food stuffs
- The General Food Regulations 2004
- The Food Hygiene (England) Regulations 2006.
- Food Information Regulations 2014

3.1.2 Furthermore, the Authority aims to, where possible, set standards in line with best practice, as set down in the Industry Guides to Good Practice.

3.1.3 This Food Safety policy sets out the management arrangements and standards required to ensure that the Authority and any contractors employed by the Authority that carry out catering or retail of food/drink comply with legal requirements, with the ultimate aim to protect the Authority's staff and visitors from food-related illness, or other harm which may arise from the chemical, physical or microbiological contamination of food.

3.2 Definitions

3.2.1 **'Food'** is defined as articles and substances for human consumption. Food includes food ingredients, drink and ice.

'High risk food' is defined as food which supports the growth of micro-organisms and which is 'ready to eat' (i.e. there is no further step in the process, such as cooking, which will eliminate or reduce hazards to a safe level). Examples of high risk foods are cooked meat and meat products, cooked fish and fish products, dairy products, cooked rice and pasta and infant formulas.

'Low risk food' is defined as foods which:

- will not support the multiplication of micro-organisms, or
- foods which do support the multiplication of micro-organisms, but which will be subject to further processing such as cooking which will eliminate or reduce any hazards to a safe level.

Examples of low risk foods are many ambient stable foods such as bread, biscuits, sponges, cereals, and raw meat/fish.

NB. Low risk foods such as raw meat may be contaminated and transfer contamination to ready to eat foods, therefore controls must be in place to prevent such contamination.



'Food handler' is defined as any person involved in the service provision who handles or prepares food whether open (unwrapped) or packaged.

'High risk food handler' is a food handler who prepares open, high risk foods.

'Low risk food handler' is a food handler who handles low risk or wrapped food only.

'HACCP' (Hazard Analysis Critical Control Point) is a systematic way of analysing the potential hazards in a food operation, identifying the points in the operation where the hazards may occur, and deciding which points are critical to consumer safety. These are the critical control points (CCP's). The CCP's are then monitored and corrective action is taken if conditions at any CCP are not within safe limits. By law, food businesses must manage their food safety using a documented system based on HACCP principles. CCP's are defined as a step at which control can be applied and is critical to prevent or eliminate a food safety hazard or reduce it to an acceptable level.

'Appropriate training' for food handlers is as stipulated in the Safer Food, Better Business guidelines and as detailed within the relevant Food Safety procedure.

3.3 Roles and responsibilities

3.3.1 The roles and responsibilities for the food safety of food/drink provided by Authority staff and contracted caterers and food retailers are as follows:

- The Chief Executive holds ultimate responsibility for implementation of this policy.
- The Director of Operations holds delegated responsibility for the implementation of this policy and for ensuring the prevention of infection and control of food safety and is responsible for monitoring the placing of any external catering and food retail contracts as required by the Authority to support its in-house provision.
- All staff (including permanent and temporary staff) are responsible for:
 - Adhering to this Food Safety Policy
 - Adhering to the Authority's food safety standards (as detailed in within the relevant Food Safety procedures).
 - Reporting breaches of this policy or the food safety standards to the person in charge and to their line manager.
 - Ensuring they have received the appropriate training before handling food.
- Externally contracted caterers and food retailers are responsible for:
 - Ensuring that their organisation have robust systems in place to ensure food safety for the service they provide to the Authority. This will include a comprehensive, effective, documented food



- safety management system based on HACCP principles, and appropriate staff training, instruction and supervision.
- Ensuring that their safety system for the operations which they carry out on behalf of the Authority is appropriate for this operation, and incorporates requirements from within this policy and standards identified within the relevant Food Safety procedures.
 - Ensuring that the safety training and instruction provided for their employees incorporates requirements from within this policy and standards identified within the relevant Food Safety procedures.
 - To maintain accurate HACCP documentation in an organised manner, and make documentation and the food safety system available for inspection or audit at all times.
 - Promptly informing the Authority of visits from local Environmental Health Practitioners, and providing the Authority with copies of all correspondence and reports to and from the local Environmental Health Practitioner.
 - Ensuring that any deficiencies within their defined areas of operation in respect of building and engineering elements, and all equipment are remedied in a timely manner. Any matters not within their defined areas should be reported immediately to the Authority's relevant facility manager.
 - Ensuring that recommendations made by pest control contractors are actioned, or reported to the Authority as necessary.
 - Informing the Authority of any serious or recurring food complaints, or allegations of food poisoning.
 - Informing the Authority, if for any reason the contractor is unable to effectively control critical control points, and/or meet legal requirement for food safety.

(Non-compliance with Authority policy by contract caterers and food retailers will result in termination of contract.)

3.3.2 For further information please see the relevant Food Safety procedure.

4. Food safety standards

4.1 Who is responsible for Food Safety Standards?

4.1.1 The Food Safety procedure details the food safety standards that Authority food handlers, supervisors and managers staff must follow and adhere to.

4.1.2 The Authority's HACCP plan is detailed on a site by site basis within their operational procedures. The generic Food Safety procedure supplements and provides additional detail to controls cited in each site's HACCP plan and HACCP pre-requisites such as personal hygiene, pest control, structure and cleaning and disinfection.



4.1.3 All organisations involved with providing catering or food retail services to the Authority will be expected to have their own, robust systems in place to ensure food safety. This will include a comprehensive, effective, documented food safety management system based on HACCP principles, and suitable staff training, instruction and supervision.

4.1.4 The food safety systems which contractors have in place must ensure compliance with food safety legislation, and wherever possible best practice as identified by industry guides to good practice. Relevant standards set down in the Food Safety procedure will be expected to be also met or exceeded by contracted caterers and food retailers i.e. although primarily designed for Authority food handlers, these standards must also be met by contractors, and where appropriate integrated into their own food safety systems.

4.2 Monitoring Compliance/Effectiveness

4.2.1 Monitoring will be carried out to ensure that this policy is implemented, and verification will be in place to ensure its effectiveness in preventing food borne illness and food contamination.

4.2.2 Processes in place in order to monitor and verify this policy include:

- Day to day supervision of the Authority and any contractor's supervisory and management staff, and

Environmental Health Practitioner reports:

- Mandatory inspections of catering and food retail outlets will be carried out by the local Environmental Health Practitioner. Copies of reports will be provided to the Facility Manager, Regional Catering Manager, the Authority, and any catering contractor.

4.2.3 Internal audits:

The Contracts and Quality team will monitor the adherence to food hygiene standards. via Customer Viewpoint Audits. If significant concerns are identified, these will be escalated as necessary.

4.2.4 External audits:

The Authority contracts the services of a Health and Safety consultancy, currently RDHS Safety Consultancy Limited, in order to carry out health and safety audits on an annual basis.

4.2.5 Complaint/Incident monitoring:

- Levels of food complaints, incidents and allegations received will serve to verify the effectiveness of the system.

4.2.6 Customer/staff feedback/satisfaction:

- The results of customer and staff feedback surveys and questionnaires will indicate the effectiveness of the food safety system (for example whether the temperature of food served is satisfactory).



5. Relevant Procedures

- 5.1 This policy is under-pinned by the Food Safety procedure and other policies/procedures.
- 5.2 This policy operates in conjunction with the following policies/procedures:
- Recruitment Policy
 - Recruitment Procedure
 - Training & Development Policy
 - Equal Opportunity and Harassment Policy
 - Whistleblowing Policy
 - Anti-Fraud, Bribery and Corruption Policy

6. Policy Implementation

- 6.1 This policy will be available on the intranet pages for all employees to access. Once the policy has been approved, the Director of Operations and Facility Managers will be responsible for ensuring on behalf of the Authority's Senior Management Team that this is carried out.

7. Monitoring & Evaluation

- 7.1 The policy will be monitored and evaluated on effectiveness periodically.

8. Review

- 8.1 This policy will be reviewed in light of significant experience or new legislation, every three years or whichever is the earlier.

9. Glossary of Terms

Term	Definition
HACCP	Hazard Analysis Critical Control Point

10. Appendices

Food Safety Procedure

Detail

Procedure name:	Food Safety
Issue Number:	1
Date Created:	November 21
Date updated:	N/A
Review Date:	November 22
Author (job title):	Regional Catering Manager
Responsibilities:	It is the responsibility of the Regional Catering Manager and Facility Managers to ensure that all catering team members comply with this Food Safety Procedure.

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Introduction

This procedure is to provide our visitors / staff with high quality, safe food. To help us to achieve this a Food Safety Management System based on the principles of Hazard Analysis Critical Control Points (HACCP) has been developed and implemented.

We recognise that our staff play an integral part in the production of safe, clean food and this procedure will help achieve our aims.

Aim

This Food Safety Procedure outlines practices related to ensuring catering provision across all catering outlets is delivered in accordance with legal responsibilities and customer (and staff) expectations.

Monitoring and Evaluation

This Procedure and supporting documents will be monitored by the Regional Catering Manager and the Contracts and Quality Manager to ensure they are followed correctly at an operational level. Evaluation of the procedure will take place annually and checks will be carried out at each facility audit to ensure compliance.

Relevance

This procedure is relevant to:

- Regional Catering Manager
- Hospitality and Catering Manager
- Catering Duty Managers
- Catering Team Leaders/ Supervisors
- Catering Assistants
- Chefs
- Kitchen staff.

Staff Knowledge Requirements

All catering staff must adhere to the following procedure and report any concerns or non-compliance immediately to their line manager.

Staff Personal Hygiene

To keep food, colleagues and customers safe every member of the catering team working in a food-handling area must maintain a high level of personal hygiene, by following the Food Standards Agency (FSA) guidelines. Staff will be required to follow the guidance on Personal Hygiene, Correct Handwashing and Fitness for Work - [Click here for guidance](#). Managers are to ensure that all staff have read and understand the relevant documentation and have signed to that effect within their training records. Where staff are unsure of the expectations placed upon them, they must at the first opportunity discuss this with their line manager. Regular checks on staff hygiene are to be carried out by Duty Managers to ensure staff are abiding by the guidelines.

Staff Training

All new and existing staff members are required to complete relevant training/retraining before working within the catering team. The training listed below is not exhaustive but will cover all the areas especially relevant to those working within the catering areas at any Authority facility.

These include -

- Venue induction
- Catering induction
- *Catering Assistant* – Food Safety and Hygiene Course - Level 2
- *Catering Team Leader/Supervisor and above* - Supervising Food Safety in Catering – Level 3

All staff members must complete any organisational training requirements such as Safe Operation of Catering Equipment, Manual Handling and Control of Substances Hazardous to Health (COSHH).

A staff training matrix must be maintained at each site, detailing what training each staff member requires/has undertaken and their training records should also indicate when update training is required e.g. First Aid.

Although the Food Safety Course qualifications do not have an expiry term, it is recognised best practise to renew these every three years as a minimum and anyone involved within the catering section of a facility would be expected to hold Food Safety and Hygiene Course - Level 2. It is also important for all staff to maintain an appropriate level of Continued Professional Development (CPD).

Managers should ensure that all staff involved in the preparation and serving of food undertake regular documented refresher training on food safety and allergens. This should be at least every 12 months or if legislation changes. Any facility specific training will be organised through the HR department in liaison with the Health and Safety Contractor.

Safer Food, Better Business for Caterers

The food safety management pack has been developed to help small catering businesses such as restaurants, cafés and takeaways comply with food hygiene regulations and was introduced in January 2006 (last updated 29th January 2020).

The pack has been developed by the Food Standards Agency (FSA), working with catering businesses, to be practical and easy to use. Using this pack will help management and staff to:

- comply with food hygiene regulations – regular checks from Local Authority EHO.
- show what is required to make food safely
- manage and train staff
- protect the business's reputation
- improve the business, such as by wasting less food.

Catering check sheets have been developed in line with this management pack. Staff should store all completed check sheets until the next visit from a Local Authority Environmental Health Officer as these will be requested as part of their assessment. It will be the responsibility

of the responsible manager to monitor the catering check sheets and countersign on completion.

It is the responsibility of the Regional Catering Manager to ensure that any changes to Safer Food, Better Business for Caterers are communicated to all staff/management immediately. With changes in legislation that may occur, it is vital to ensure that everyone working with food has the most up to date knowledge required for their role.

Hazard Analysis Critical Control Points (HACCP)

Hazard Analysis Critical Control Points (HACCP) is a method used to identify the hazards at each process step of the food production process and to ensure that the critical points within the process are checked to confirm the safety of the final product.

HACCP should cover the food production process (these are covered with in the food safety checks delivered on site):

- Purchase
- Storage - refrigerated/frozen/ambient
- Preparation - ready-to-eat/defrosting
- Cooking
- Cooling
- Reheating
- Service - hot and cold on site

Food Safety Checks

All relevant checks to be completed for the day, week or month for sign off and these will be printed and available for completion in catering folder located at each outlet within a venue. These checks are listed below.

Required checks	Frequency	Links
Opening/Closing check	Daily	Click Here
Weekly Cleaning check	Weekly	Click Here
Monthly Cleaning check	Monthly	Click Here
Delivery Temperature check	Daily (if required)*	Click Here
Fridge/Freezer temperature check	Daily	Click Here
Hot food & Hot hold	Daily (if required)*	Click Here
Cooking, Cooling & reheating	Daily (if required)*	Click Here
Probe calibration	Monthly	Click Here
Allergens	Daily	Click Here
Wastage sheet	Daily	Click Here

*Not all venues will receive deliveries or cook hot food on a daily basis.

Records of all of the above checks must be kept and all recorded on the appropriate check sheet and any issues reported immediately. The Regional Catering/Hospitality & Catering manager should monitor the check sheets to ensure that they are being completed by staff to the requisite standard and at the correct intervals.

Opening and Closing checks

These are daily checks ensure that a catering outlet is safe and ready for opening to the public and is closed correctly each day to ensure compliance with food safety regulations. All check sheets should be counter signed by the facility manager to ensure these are being satisfactorily completed. Sheets should be filed and retained within the facility

Café Cleaning Guidelines

A list of cleaning to be undertaken daily and weekly kept in each area and completed. Any missed tasks and the reason the task was missed must be noted and communicated to the line manager. It will be the responsibility of the line manager to ensure the missed task is completed at the earliest opportunity, but at least within the following 24 hour period.

Catering specific cleaning products found in the chemical store cupboard located within the Kitchen / Catering Store and Café area. All cleaning products should be logged in the COSHH file and a regular check is undertaken on physical chemicals against the COSHH handbook. Any chemicals not listed should be removed until the relevant COSHH safety data sheets (SDS) are available. If COSHH SDS are not available for the unlisted chemical, these should be safely disposed of. All chemicals must have a COSHH SDS and COSHH risk assessment accompanying them.

Cleaning guidelines and responsibilities are shown in the cleaning schedule which will be monitored by the line manager and checked at the Facility Audits.

Deliveries

When placing orders, the person doing so must take in to account storage space as well as cleanliness of dry storage and fridge/freezer facilities. Good practice in these areas ensures that any goods received is safe to be stored on the premises. It is the responsibility of the catering staff at each facility to ensure that both dry storage and fridges/freezers are cleaned according to the relevant schedule to prevent the build-up of dirt/detritus. The responsible manager should ensure that cleaning schedules are adhered to and documented.

As part of the food safety daily check sheets, stock rotation including that from deliveries, will be monitored by the catering staff following the Storage and Stock Control procedure to ensure that no out of date food is retained.

Accepting a Delivery

The individual receiving the goods shall check:

- the delivered goods against the delivery note
- the condition of the goods is acceptable e.g. packaging intact
- the delivery note should clearly state the correct purchase order number, customer account number and the correct delivery address.
- Food temperatures are within HACCP parameters and temperature slip received.
- If delivery is correct, all delivery notes are signed by staff member.

Incorrect Goods

If the goods delivered are incorrect or are not in a suitable condition, the receiver should not accept or sign for the delivery.

Part Delivery or unexpected goods

Where an item has been omitted from the delivery, a note should be made on the delivery note as to the variation, along with date and signature, which should then be counter-signed by the Duty Manager for follow up.

Fridge/ Freezer checks

These are daily checks to ensure both fridges/freezers remain within the correct temperature parameters (refrigerator 1c – 5c and freezer -18c to -28c). In addition, catering staff should carry out regular checks on the use by dates of all food stored within fridges/freezers to ensure any out of date items are disposed of. The relevant responsible person at each facility should document any items that are disposed of as being out of date.

Cooking

Food must be stored at the required temperature before cooking. Once removed from storage it must be cooked for the recommended time and be temperature checked before serving to the customer.

A probe will be used to check food temperatures, with the results recorded on the Hot Food & Hot Hold check sheet. The probe should be calibrated at least monthly or according to the manufacturer's instructions to ensure it is functioning correctly by the delegated member of catering staff at the facility.

Food Displays

All foods (hot and cold) are to be displayed and stored using the specific product and food safety guidelines that determine:

- The length of time they can be displayed for
- How they should be displayed
- The correct temperature for food to be stored
- How often temperature checks need to be carried out
- When to dispose of the food when it has been on display for the predetermined time.

Hot Holding

Any food cooked and not immediately consumed should be held in appropriate temperature controlled conditions. This requires food to be kept above 63°C (checked by using a food probe for 30 seconds), and for no longer than 2 hours. This should be recorded on the Hot Food & Hot Hold temperature check sheet, with the relevant line/duty manager making spot checks to ensure compliance.

Allergens

Food business operators in the retail and catering sector are required to provide allergen information and follow labelling rules as set out in [food law](#). Managers should also ensure that staff have undergone relevant training, suitably recorded, to ensure customers are kept safe from allergens within their facility. <https://www.food.gov.uk/business-guidance/allergy-training-for-food-businesses>

This means that food business operators must:

- provide allergen information to the consumer for both prepacked and non-prepacked food and drink.
- handle and manage food allergens effectively in food preparation.
- ensure all staff involved in the preparation and serving/handling food for sale to the customer has been suitably trained in their responsibilities with regards to allergens in food

Food businesses need to tell customers if any food they provide contain any of the 14 listed allergens as an ingredient – [click here for more information](#). Managers responsible for catering at any outlet within the Authority need to review with the Regional Catering Manager if they have considered all the options listed on the checklist for managers – see link. (<https://www.food.gov.uk/business-guidance/allergen-checklist-for-food-businesses#allergen-checklist-for-managers>)

It is essential that, before serving food to a customer, staff have checked with the customer by asking if there any specific allergens that staff need to be aware of - see link. (<https://www.food.gov.uk/business-guidance/allergen-checklist-for-food-businesses#allergen-checklist-for-waiters-and-front-of-house-staff>)

Staff in kitchens or food preparation areas need to be aware of the possibility of cross contamination due to the use of things like peanut oil within the food preparation area and should consider the questions listed on the allergen guidance. See link. (<https://www.food.gov.uk/business-guidance/allergen-checklist-for-food-businesses#allergen-checklist-for-kitchen-staff>).

Training within this area of food safety is delivered within the mandatory level 2 food safety training and must be undertaken by all staff involved, not only in the preparation of food, but serving food as well. Refresher training should be carried out on a 12 monthly basis and documented within the staff member's training records.

It will be the responsibility of the Regional Catering Manager to ensure that any changes to legislation with regard to allergens are complied with in a timely manner. (<https://www.food.gov.uk/business-guidance/introduction-to-allergen-labelling-changes-ppds>)

Wastage

There are three main waste streams to be considered for catering outlets within the Authority:

- Food
- Mixed waste recycling-plastic and cardboard
- General waste

Waste should be disposed of in the appropriate marked bin in the café /kitchen. The waste should then be transferred to the bin store.

All food waste is recorded on food wastage sheet and each week given to Duty Manager for calculation and sign off. Checks will be carried out on this process by the Regional Catering Manager on a regular basis, monthly as a minimum.

Serving the customer

Communication between staff and customers is key in the delivery of exceptional service. Therefore, all staff must be professional, pleasant, polite and approachable at all times. These standards will ensure that the customer enjoys an excellent customer experience and key information is delivered.

Key requirements for customer service:

- Greet all customers with a smile
- Acknowledge all customers to let them know you are aware that they are there and waiting to be served
- Serve the customer as quickly and efficiently as possible
- Listen to their requirements and inform customer of any relevant allergen and ingredient information (<https://www.food.gov.uk/business-guidance/allergen-checklist-for-food-businesses#allergen-checklist-for-waiters-and-front-of-house-staff>)
- If necessary, indicate any signage/items on the menu that may be of concern with regard to allergens if they are included within the 14 allergens listed. (<https://www.food.gov.uk/business-guidance/allergen-guidance-for-food-businesses#allergens>)
- Take the opportunity to up sell any additional items such as a drink or any current specials being delivered.
- If at peak times there is likely to be a waiting period between the ordering and the delivery of the food or drink please inform the customer of this at the time of the order and the approximate waiting time.
- Input items onto payment (e.g. till) system, take payment from customer, offer a receipt to the customer and ask customer to wait at collection point for their purchases.

All staff involved in serving the customer should have refresher training on a 12 monthly basis to ensure that standards of service and allergen checks are maintained.

Cleanliness and Hygiene (inc. COVID-19)

Staff must consider the following (but not exhaustive) jobs for a clean catering outlet throughout their shift whilst open to the public to ensure hygiene standards are maintained. This includes:

- Clear and wipe down all tables, chairs, high chairs and serving area with blue roll & sanitiser
- All customer touch points
- Empty bins and clean lids
- Sweep floor as and when required
- Spot mop if required

- Empty and wash all drip trays, flush coffee machine

Management and Staff should be aware of any additional COVID-19 risk control measures put in place as outlined on the Government website (<https://www.gov.uk/coronavirus>). These may increase during times of high infection rates and may require additional safeguards to be put in place. It will be the responsibility of the responsible manager, aided by the Regional Catering Manager to ensure suitable safeguards are instigated.

Handling Complaints

Be professional, pleasant and polite when dealing with the customer. Then take the appropriate action -

When dealing with the complaint:

- Listen to the customer and try not to interrupt unless for clarification
- Consider if you fully understand the nature of the complaint, if not seek further clarification
- Apologise to the customer and assure them that their complaint will be dealt with appropriately (if food safety/hygiene related please inform your manager immediately).
- Inform the customer how you are going to resolve the complaint (e.g. replacing a coffee served cold).
- If you cannot deal with the complaint or if the customer wishes to speak to somebody else contact your manager.
- Report the complaint to your line manager along with all details including any actions that you have taken

Monitoring

Food safety across all catering outlets is monitored/audited on a regular basis via both the following internal and external systems –

- Local Authority Environmental Health Officer inc. Food Hygiene ratings
- RDHS Food Safety Audit
- LVRPA Customer Journey Audit
- Trading Standards
- Periodic external Stock Take feedback
- Pest Control contactor routine visits

Any feedback from the above monitoring is recorded within the Catering Service Improvement Plan. These are reviewed and assessed by the Regional Catering Manager and catering team before being actioned appropriately to deliver a safe, continually improving high standard of food service.

All catering outlets are required to maintain a 5 star rating from the local authority for food safety. If a score of below 5 is received, an investigation is required and changes implemented to bring the catering outlet back to a 5 star rating.

The Authority's Contract and Quality Officer will also report any immediate concerns on food safety, compliance and completion of forms to the Health and Safety Contractor for their information and additional visits as required.

Internal Forms

- Opening/Closing check
- Weekly Cleaning check
- Monthly Cleaning check
- Delivery Temperature check
- Fridge/Freezer temperature check
- Hot food & Hot hold check
- Cooking, Cooling & reheating check
- Probe calibration check
- Allergens
- Wastage sheet

External Forms

- N/A

Sources of Information

- Food Standards Agency
- Food Safety Act 1990
- HACCP
- Weights and Measures (Intoxicating Liquor) Order 1988
- FSA 'Cooksafe' – Food Safety Assurance System
- FSA 'Safer Food, Better Business For Caterers Pack
- LVRPA H&S Manual
- Trading Standards - Pricing
- Trading Standards - Business Guidance
- Basic Food Hygiene
- Allergy Training - <https://allergytraining.food.gov.uk/>
- Storage and Stock Control Procedure