

6 VEHICLE MANAGEMENT

Paper E/409/15

Presented by Jon Carney, Head of Parklands

- 7 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.
- 8 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 I of Schedule 12A of the Act specified beneath each item. (There is no part 2 agenda.)

17 June 2015

Shaun Dawson
Chief Executive

LEE VALLEY REGIONAL PARK AUTHORITY

**EXECUTIVE COMMITTEE
21 MAY 2015**

Members Present: Derrick Ashley (Chairman) Heather Johnson
 Paul Osborn (Vice Chairman) Valerie Metcalfe
 John Bevan Alan Searing

In Attendance: David Andrews

Officers Present: Shaun Dawson - Chief Executive
 Simon Sheldon - Director of Finance & Resources
 Dan Buck - Head of Sport & Leisure
 Jon Carney - Head of Parklands
 Gregg Pettit - APMD Section Manager
 Stephen Roberts - Head of Property Services
 Brian Daley - Director of Venues (LVLT)
 Bill Moran - Head of Venues (LVLT)
 Alan Seabrook - General Manager Ice Centre (LVLT)
 Victoria Yates - Strategic HR Manager (LVLT)
 David Barden - HR Business Partner (LVLT)
 Sandra Bertschin - Committee & Members' Services Manager

Part I

634 DECLARATIONS OF INTEREST

There were no declarations of interest.

635 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 30 April 2015 be approved and signed.

636 PUBLIC SPEAKING

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

637 ICE CENTRE FEASIBILITY STUDY – PHASE 3

Paper E/404/15

Shaun Dawson, Chief Executive, gave a presentation including:

- the current Centre was 31 years old;
- performance 2010/11 – 2014/15;
- regional usage;
- key findings from the Feasibility Study phases 1 and 2;
- investment needed to maintain the current Centre operation;
- investment options for a twin pad;
- outline of phase 3 of the Feasibility Study;
- potential sites for a new Centre;
- site selection factors;
- capital funding options;

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- business model for twin pad venue; and
- funding and timeline.

The Chief Executive would be visiting the nearly completed new Ice Centre at Cardiff to gain an understanding of the challenges and opportunities such an undertaking presented.

Member discussion included the following:

- the conservative estimate of additional income from a twin pad;
- potential funding streams and the business models utilised by other ice centres;
- development platforms within the Park and the potential of non-Park purposes land disposal to generate capital;
- the importance of any new Centre being accessible to attract regional and national visitors;
- the proposal that a new Centre also offer non-skating leisure activities such as broomball; and
- the advantages of clustering venues, such as on Queen Elizabeth Olympic Park, or the linear provision of venues across the Regional Park.

Members proposed that:

- given the fairly modest square meterage difference in overall size between an Olympic sized pad and a 56x26m pad it would be prudent to include consideration of 2 Olympic sized pads in phase 3 of the feasibility study to enable a new Centre to host international events like the Lee Valley VeloPark and Lee Valley Hockey & Tennis Centre; and
- that the Authority's initial development considerations be shared with relevant local authorities to gain their feedback at an early stage in the process.

- (1) **the commencement of phase three of the Ice Centre Feasibility Study;**
- (2) **the outline brief as summarised in paragraph 17 of Paper E/404/15 as amended above; and**
- (3) **the allocation of an additional £20,000 from the Authority's General Reserves to fund the Feasibility Study as outlined in paragraph 21 of Paper E/404/15 was approved.**

638 CAPITAL PROGRAMME: PROVISIONAL OUTTURN 2014/15

Paper E/407/15

The report was introduced by Simon Sheldon, Director of Finance & Resources.

The Chairman of the Lower Lee Valley Regeneration & Planning Committee advised that the Committee requested that costed project plans for gates and de-silting works at East India Dock Basin be developed to enable funding to be sought from external bodies such as lotteries and developers of local construction projects.

- (1) **the provisional capital outturn for 2014/15 was noted.**

**EXECUTIVE COMMITTEE MINUTES
21 MAY 2015**

- (2) 2015/16 sickness absence targets of 3 days per year full time equivalent and 2% of working time lost (as set out in paragraph 24 of Paper E/406/15) was approved.

Chairman

Date

The meeting started at 10.30am and ended at 11.30am.



LEE VALLEY REGIONAL PARK AUTHORITY

EXECUTIVE COMMITTEE

25 JUNE 2015 AT 10:30

Agenda Item No:

5

Report No:

E/410/15

MAJOR SPORTING EVENTS UPDATE

Presented by the Head of Sport & Leisure

EXECUTIVE SUMMARY

This paper provides an overview of the major sporting events programme at the Authority's three Olympic venues post the London Olympic and Paralympic Games in 2012.

It provides a review of the 2014/2015 major sporting events programme, the range of outcomes achieved, the financial position and an update on the status of the 2015/2016 major sporting events programme.

Determining a strategy of bidding for and the hosting of major sporting events in the future is a key piece of work that is required moving forward. This paper outlines what this piece of work will be and the associated timeline for delivery.

RECOMMENDATION

Members Note: (1) the paper.

BACKGROUND

- 1 Throughout its history the Lee Valley Regional Park Authority (LVRPA) has both delivered and supported partners delivering sporting events at its venues and open spaces. These events were primarily of local and regional significance due to the nature and size of the venues.
- 2 Since the handover of the three Olympic venues to the Authority the nature of the events being promoted by the Authority and others within its venues has changed significantly. The Lee Valley VeloPark (LVVP), Lee Valley White Water Centre (LVWWC) and Lee Valley Hockey & Tennis Centre (LVHTC) fulfil a promise made to the International Olympic Committee (IOC) by London to leave a legacy of facilities capable of hosting major sporting events.
- 3 Over the past five years the Authority has worked closely with a number of national governing bodies (NGBs), international federations (IFs) and partners within London to bid for and secure major international sporting events at its legacy venues. The Authority has supported this with significant investment

(both financial and value in kind (VIK)) and in return has received a number of benefits which are detailed within the report. VIK represents the non financial support the Authority provides such events and includes venue hire fees and staffing costs associated with the event.

- 4 Over this period the Authority has also developed relationships with a number of commercial partners to build a wider major sporting events programme at its legacy venues to maximise the revenue and exposure opportunities. These partners include:
- FACE Partnership;
 - Six Day Management UK Ltd;
 - BBC;
 - Sky;
 - Comic Relief;
 - Sport Relief ;
 - XIX Entertainment.
- 5 In the past three years the Authority has moved from an organisation which previously had not hosted a “world level” event to supporting the delivery of London 2012 and hosting a third of all the World & European major sporting events on UK Sport’s ‘Road to Rio’ campaign (promoting the World and European events hosted in the UK ahead of the Rio 2016 Olympic and Paralympic Games).
- 6 It is a significant shift in the Authority’s role and has had an impact on many areas of the Authority’s business. Now the Authority has had time to assess the impact of this change it must ensure that strategies and processes are implemented to both protect and promote the Authority.

2014 – 2015 MAJOR SPORTING EVENT REVIEW

- 7 The LVVP, LVWWC and LVHTC have all hosted a major sporting events following London 2012. These events have been led by the relevant national and international federations. The table below outlines these events and the financial position.

Event	Date	Venue	Authority Support		Percentage of total event budget support from LV %	Net profit / loss £
			VIK Support £	Cash Support £		
2014 ICF Canoe Slalom World Cup	6 – 8 June 2014	LVWWC	N/A	25,000	4.1	+10,000
2014 Hockey London Investec Cup	7 – 13 July 2014	LVHTC	10,000	N/A	5	+15,000
2014 NEC Tennis Wheelchair Masters	24 – 30 November 2014	LVHTC	40,000	N/A	11.4	-25,000
2014 UCI Track Cycling World Cup	5 – 7 December 2014	LVVP	42,000	N/A	4.2	+15,000
Total			92,000	25,000	Ave 6.2	+15,000

The percentage of total budget support column outlines the percentage of the total event budget that is supported by the Authority. The remainder of the event budget funding is made up from partners such as those identified in paragraph 10 of this report.

- 8 Of these four events the only one not to return a surplus was the NEC Wheelchair Masters and this is primarily a reflection of its small size. The LVHTC is the only permanent Paralympic venue and hosting and developing such events is of importance for Paralympic sport.
- 9 For each of these events the Authority sits on the Stakeholder Board (the event decision making body) which is chaired by an officer from the relevant NGB. The Authority is represented by a senior officer, usually the Head of Sport & Leisure. In addition to being part of the decision making process this ensures that the maximum benefits are obtained for the Authority.
- 10 For all such major events there are a number of other funding partners and these can include but are not limited to:
 - UK Sport, often a major partner and funder;
 - NGB / relevant Federation;
 - London Legacy Development Corporation (Olympic Park venues only);
 - Greater London Authority (GLA);
 - London & Partners (L&P);
 - relevant Local Authorities.

Working with a range of partners enhances the Authority's position and creates important working relationships.

- 11 Whenever UK Sport fund an event they commission an economic impact study which is undertaken by the Sports Industry Research Centre at Sheffield Hallam University. The study covers all aspects of the event and provides valuable information and data to the Authority / Lee Valley Leisure Trust Ltd (the Trust) to support their marketing programmes. The information provided includes:
 - direct economic impact;
 - total public funding;
 - spectator satisfaction;
 - spectators inspired to play more sport;
 - total spectators, event staff and volunteers;
 - where people come from.

For the three major events held at LVRPA venues to date an economic impact study has been undertaken and specific feedback received relating to LVRPA areas of interest are as follows:

- 60% regional and national spectators;
 - average spectator age range 25 – 44 years;
 - 50% spectators play sport 3 x 30mins per week;
 - 55% of spectators inspired to do more sport;
 - detailed inspirational factors for doing more activity defined.
- 12 The commitment to major sporting events is just one part of the Authority's

growing relationships with the NGB's and IF's. For example, England Hockey (EH) are continuing to show their commitment to the LVHTC by moving all their domestic & international finals to the venue which includes:

- all International invitational matches;
- U16 / U18 National Boys & Girls Schools Finals;
- U14 National Boys & Girls Schools Finals;
- U16 / U18 National Club Finals;
- Men's Hockey League Finals.

These bookings have secured over £55,000 of income for the venue in this financial year. These events are not financially supported by LVRPA and the 2015/2016 finals programme is currently being finalised.

- 13 In addition to the hosting of federation led major sporting events the LVVP and Lee Valley Athletics Centre (LVAC) have also hosted major commercial sporting events which do not require Authority support. The table below outlines these events and the financial position.

Event	Date	Venue	Net profit / loss £
Revolution Series	18 / 19 March 2014	LVVP	+65,000
Sport Relief	21 March 014	LVVP	+25,000
Invictus Games	11 September 2014	LVAC	+35,000
Invictus Games	13 September 2014	LVVP	+18,000
Revolution Series	24 / 25 October 2014	LVVP	+33,000
Revolution Series	27 / 28 February 2015	LVVP	+39,000
Sir Bradley Wiggins – One Hour Record	7 June 2015	LVVP	+42,000
Total			+257,000

- 14 The Authority and now the Trust has retained all the rights from catering within its venues for all federation led and commercial major sporting events. The figures in the table above include the income received from the catering operation at each event. The catering provision is delivered through a mixture of direct and contractor run services. The average spend per head for all major events is currently £5 which is 42p higher than the London Organising Committee of the Olympic & Paralympic Games (LOCOG) achieved at LVRPA venues during London 2012.
- 15 In total over 110,000 spectators have attended major sporting events at the three legacy venues and LVAC since London 2012. The Authority has negotiated over 8,000 free tickets that have been distributed to regional community groups and stakeholders.

2015 – 2016 MAJOR SPORTING EVENT PROGRAMME

- 16 All the events listed below are taking place during the 2015 / 2016 year and were secured prior to London 2012, which demonstrates the long lead in time

for this type of event.

- 17 The table below shows the Federation led events, the Authority support and projected financial position.

Event	Date	Venue	Authority Support		Percentage of total event budget support from LV %	Net profit / loss £
			VIK Support £	Cash Support £		
2015 FIH Hockey European Championships	21 – 30 August 2015	LVHTC	50,000	70,000	5	-80,000
2015 ICF Canoe Slalom World Championships	16 – 20 September 2015	LVWWC	120,000	N/A	9.2	-100,000
2015 NEC Tennis Wheelchair Masters	23 – 29 November 2015	LVHTC	40,000	N/A	10.9	-20,000
2015 UCI Track Cycling World Championships	2 – 6 March 2016	LVVP	100,000	N/A	4.5	-40,000
Total			310,000	70,000	Ave 6.1	-240,000

The Authority funds the support set out above, however any income received from the events goes directly to the Trust. Over £300,000 has been secured by the Authority and NGB's to support the significant community aspects of these events, this is detailed within the community benefits section of this report.

- 18 As detailed in paragraph 9 above, Authority officers are working within each of the Stakeholder Boards to maximise the benefit and impact of each of these events. These events will also have an economic impact study conducted and lessons learnt from previous events have all been fed into the various working groups.
- 19 The table below shows the confirmed major commercial sporting events for 2015 / 2016.

Event	Date	Venue	Projected financial position £
Revolution Series	14 November 2015	LVVP	58,000
Six Day Track Cycling	13 – 18 October 2015	LVVP	90,000
Total			148,000

The contracts for these events result in them being held at the LVVP for a number of years. This allows the Trust to have a guaranteed programme of commercial major sporting events whilst still enabling special one off events (e.g., Sir Bradley Wiggins Event) and the Federation led major sporting events.

VALUE TO LVRPA FROM HOSTING INTERNATIONAL EVENTS

PROFILE

- 20 The hosting of these major events has greatly increased the profile of both the Authority and the three legacy venues, with 65% of the spectators from the Authority's funding region. As these events were the first to be held following the opening of the venues the majority of the Authority's marketing and communications has focussed on the key messages that the venues are open and available for everyone to enjoy.
- 21 The major sporting events programme has reminded visitors, potential visitors, stakeholders and funders, why the venues were built and given a further platform for the message that the public can take part in sporting activities in venues used by the very best athletes in the world.
- 22 The large spectator numbers across all the events has given people the opportunity to see these venues for themselves. During each event, messages have reached the spectators (through big screens presentations, adverts or editorial in programmes) to make it clear that these are also major participation venues.
- 23 Media coverage (and only coverage that includes the name of the venues is counted) has amounted to a value of approximately £2m since the start of the major events programme, with particularly strong coverage for the Canoe Slalom World Cup in June 2014, Sport Relief in March 2014 and the UCI Track Cycling World Cup in December 2014.
- 24 The Authority, and more recently the Trust, have also maximised the stakeholder engagement opportunities by using these events to show partners, funders and potential commercial partners the venues in event mode and at full capacity.
- 25 The majority of the major sporting events have resulted in an increase in social media followers. The prime channel is Twitter with an increase in LVVP Twitter followers during the Revolution series and the Sport Relief event. Officers are analysing the data to understand which media channels work best and how to use them to greatest effect. Twitter followers for venues build steadily, but major sporting events provide regular boosts to followers, allowing the LVVP to now have more followers than the National Cycling Centre that has been an established facility for many years.
- 26 The major sporting events programme is also adding people to the Authority's database and assisting in building long term relationships with these people. Over 2,300 people have signed up to the Lee Valley database through the free Wi-Fi access provided at LVVP with over 1,000 of these registering at December's UCI Track Cycling World Cup.
- 27 There has been strong domestic TV coverage for the major sporting events with all events, apart from the NEC Wheelchair Masters, receiving live coverage on either Sky or the BBC. An example of this is the Sport Relief event at the LVVP in March 2014 which achieved a peak audience viewing figure of 10.8million which was a record number for the Sport & Comic Relief events.

COMMUNITY BENEFITS

28 Major sporting events play a key role in maximising the opportunities to create community engagement, long-term sporting opportunities and assist in reaching the targets set out for the Authority in the Lottery Funding Agreement (LFAs) for the LVVP and LVWWC.

29 2014 Canoe Slalom World Cup

This event was the first major event in England to secure funding from the newly created Sport England (SE) Major Events Legacy Fund. In the lead up and during the Canoe Slalom World Cup Sport England provided £15,000 to create an activity zone where 14 schools and colleges and 384 young people from across the region tried out the various activities on offer which included:

- White Water rafting on the legacy channel;
- Go-Canoeing – ‘have a go’ sessions on the flat water lake;
- the chance for schools to try out hydro speeding on the legacy channel.

A group of 30 volunteers from local clubs, including young people, supported the delivery of these activities.

30 2015 Canoe Slalom World Championships

British Canoeing (BCU) are working with the Authority to expand on the legacy projects delivered as part of the 2014 Canoe Slalom World Cup. BCU have applied to both SE and the GLA for external funding to pay for additional legacy activity. In addition to the activities planned both prior to the Championships and during the event itself, a programme of outreach schools coaching will take place across the region. Qualified coaches will deliver sessions within schools and invite schools back to the LVWWC for flat water canoe and kayaking tuition.

31 Hockey Internationals

EH continue to use the LVHTC for international games and have played a number of international friendlies in the build up to the European Championships. The Authority has successfully negotiated a number of free community / schools tickets which included:

- 3,000 tickets for the match between Great Britain and Japan with 10% of these tickets going to the local boroughs of Tower Hamlets, Waltham Forest and Newham;
- tickets will also be available for schools to watch Great Britain vs Australia in June 2015.

32 2014 NEC Wheelchair Tennis Masters

This is the end of year tour finals to the wheelchair tennis season for the top eight globally ranked male and female wheelchair tennis players. The Wheelchair Masters provides an ideal opportunity to promote the sport of disability tennis and the Tennis Foundation (TF) is working closely with the Authority to maximise the opportunities created through hosting the Wheelchair Masters.

33 A community engagement steering group was formed between TF, LVRPA, LTA and local authorities to formulate the direction of legacy activity. Activities on offer during the Wheelchair Masters included:

- development of an activity zone to provide fun and interactive taster sessions;
- development of a ball crew programme consisting of 47 ball kids, recruited from eight schools across East London;
- a schools and colleges engagement programme, offering £2 tickets for pupils and the chance to spend a fun hour in the activity zone. Over 900 school children came to the event from 30 schools and 2 FE colleges;
- £2 tickets for community groups and a chance to spend time in the activity zone. 300 people across 15 different local community groups attended including many disability groups.

34 **2016 UCI Track Cycling World Championships**

A flagship event in the cycling calendar which provides the Authority with an excellent opportunity to not only promote the sport of cycling but also to sell LVVP as a destination for the country's best cycling venue.

35 The Authority, through the SE Major Events Legacy Fund, has secured £81,250 to invest into community legacy projects surrounding the event targeting:

- a Young Volunteer Programme aimed at 14-18 year olds and run by British Cycling tutors;
- a fulltime British Cycling 'Go-Ride' Coach to work in the boroughs surrounding LVVP, engaging school pupils and community groups in 2,000 cycling activity opportunities per year over the next two years;
- a 'Cycling for Health and Older People' project, that will identify and work with four GP and health centres surrounding the LVVP;
- a 'Pathway to Competition' programme that provides young riders with an introduction to the sport and takes interested cyclists onto the next stage and their first taste of competitive cycling;
- a Disability Cycling Hub at LVVP providing adapted bike provision for people with various disabilities.

In addition the Authority will receive 2,000 free tickets to the event which will be distributed to schools and community organisations.

36 **2015 Wheelchair Masters**

The TF have submitted a funding application to SE to apply for funds to cover the cost of legacy tennis activity and are awaiting the outcome of the applications. In addition the ball crew members from the 2014 event will be used to mentor new additions to the ball crew. In the lead up to the event elite wheelchair tennis players will go into local schools to inspire young people and raise awareness of disability sport.

37 The volunteer programme for the 2015 Wheelchair Masters will be further developed improving on key areas of support.

38 2015 EuroHockey Championships

This event provides the platform to increase participation in an area of East London that has traditionally seen low levels, particularly within local schools. The Authority has supported EH in the creation of an East London Hockey delivery group. Additionally EH have developed a four year strategy that firmly places the LVHTC at the heart of all hockey development across East London.

39 Through the SE Major Events Legacy Fund EH have been awarded over £300,000 to invest into community, schools and club hockey provision with the following opportunities being created:

- in April 2015 a workforce / corporate hockey event took place attracting 8 local businesses and 64 people. This event was used to help create links to the London business community and encourage more investment into the sport;
- a new player development centre will be created in June 2015 to further enhance the progression of local young talented players;
- in June a local Primary Schools Festival coordinated by EH and delivered to 48 local primary schools and 500 young people from targeted boroughs across East London will be held;
- over the summer 6 outreach community events will receive hockey provision led by EH coaches;
- during the 2015 EuroHockey Championships a major community hockey zone will be created which will provide activity and the Authority with an opportunity to cross-sell the LVHTC offer.

40 During the 2015 EuroHockey Championships disability hockey will feature for the first time. In addition to the finals being played at the LVHTC other matches will take place across other venues on Queen Elizabeth Olympic Park.

MAJOR EVENTS STRATEGY

41 As set out in paragraphs 7 & 17 the current series of international events (2014-2016) being hosted at the Authority's Olympic venues were all secured prior to London 2012. This was also prior to the venues being in the Authority's management and individual venue business plans being developed. Supporting these major events helped to position the Authority both nationally and internationally and ensure that these venues were seen to be capable of hosting major legacy events.

42 With the increased pressures on public spending a new strategy for funding and hosting major international events now needs to be developed. Officers will be working with various partners and stakeholders over the next six months to develop a strategy and return to Members with their recommendations.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

44 There are no financial implications arising directly from the recommendations in

this report.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

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PREVIOUS COMMITTEE REPORTS

Executive Committee	E/192/12	Eton Manor Hockey & Tennis Centre - Hockey European Championships Bid 2015	23 February 2012
Executive Committee	E/215/12	Bid for the 2016 World Track Cycling Championships at the Lee Valley Velodrome	24 May 2012
Executive Committee	E/395/15	European Hockey Championships 2015 at Lee Valley Hockey & Tennis Centre	26 February 2015

LIST OF ABBREVIATIONS

LVRPA	Lee Valley Regional Park Authority
the Trust	Lee Valley Leisure Trust
LLDC	London Legacy Development Corporation
GLA	Greater London Authority
L&P	London & Partners
NGBs	National Governing Bodies
ICF	International Canoe Federation
UCI	Union Cyclist International
LOCOG	London Organising Committee of the Olympic & Paralympic Games
LVVP	Lee Valley VeloPark
LWWC	Lee Valley White Water Centre

LVHTC	Lee valley Hockey & Tennis Centre
LVAC	Lee Valley Athletics Centre
VIK	Value in kind
IOC	International Olympic Committee
SE	Sport England
EH	England Hockey
BCU	British Canoeing
TF	Tennis Foundation
LTA	Lawn Tennis Association
IF	international federations
LFA	Lottery Funding Agreement

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LEE VALLEY REGIONAL PARK AUTHORITY
EXECUTIVE COMMITTEE
25 JUNE 2015 AT 10:30

Agenda Item No:

6

Report No:

E/409/15

VEHICLE MANAGEMENT

Presented by the Head of Parklands

EXECUTIVE SUMMARY

This report advises Members of the altering market that officers have been monitoring since the acquisition of the first phase of the Authority fleet in 2009 by Contract Hire. The report updates Members following the approval in March 2009 and recommends a flexible approach to acquiring vehicles in the future which will look at the most competitive option at the point of purchase, whether or not that is Contract Hire or Outright Purchase. The report recommends and seeks approval for the Outright Purchase of 13 Authority vehicles at this time which will be undertaken under a framework agreement through Hertfordshire County Council and requests approval to extend the life of the vehicles from 3 years to 5 years which is a change from the agreed position in 2009.

RECOMMENDATIONS

- Members Approve:
- (1) the renewal and replacement of the Authority's vehicle fleet as required using a Contract Hire or Outright Purchase method whichever provides the best value for money;
 - (2) extend the life of the vehicles from 3 years to 5 years;
- Members Note:
- (3) Subject to Members approval above, the Authority fleet of 13 vehicles will be replaced by Outright Purchase. The Trust will be invited to review their fleet at the same time.

BACKGROUND

- 1 The Authority is responsible for managing a range of different sites and facilities that require a variety of vehicles. The type and quality of its vehicles is an important consideration and it is increasingly important to project an appropriate and professional image of the Park.

- 2 The Authority currently has a road licensed fleet of 13 vehicles and the Trust has 7, a reduction from 26 vehicles in 2009. The current road fleet serves various roles, including patrolling the Park, moving materials, delivering stores and performing functions directly related to the sites within the Park. A review of Vehicle Management was reported to Members in October 2007 (Paper FA/139/07) and in March 2009 (Paper FA/188/09).
- 3 The Action Plan reported to Members in 2007 recommended a "Value for Money" approach for procuring vehicles based on an Option Appraisal exercise. An Option Appraisal was carried out in 2009 and the findings reported in October 2009 and the procurement of vehicles on a Contract Hire basis was agreed by Members on 26 March 2009.
- 4 Members approved and adopted a phased approach to vehicle replacement (Paper FA/188/09) with the first group of vehicles being replaced in 2009, consisting of 14 high visibility road going vehicles and vehicles which were most in need of replacement due to their condition.

CURRENT SITUATION

- 5 As part of the sponsorship and naming rights project, the fleet was an area identified as a possible area where (category) sponsorship of the fleet could provide a financial benefit. During 2011/12 the sponsorship of the fleet including supply was discussed with a number of manufacturers and suppliers. While these discussions were taking place the current contract hire agreement was extended to allow the negotiations to take place. Unfortunately a sponsorship deal for vehicles has not materialised.
- 6 During the discussions for the possible sponsor's supply of the fleet, changes to the vehicles market highlighted the financial changes to the cost base of outright purchase compared to contract hire, whereby outright purchase had become the cheaper of the two options. A cost review analysis was carried out of markets between 2011, 2012, 2013 and again in 2015 for the replacement and acquisition fleet requirements with fluctuating results outlined in Table 1 below.
- 7 Table 1 highlights the fluctuating markets over the years between Outright Purchase and Contract Hire. These figures do not consider management costs or asset value in the case of Outright Purchase but are included to show how the markets alter in favour of each method.

Table 1 – Phase 2 Initiative

SITE(S) (Quotes 2011)	VEHICLE SPECIFICATION	No. OF VEHICLES	Outright Purchase	Contract Hire 3yrs
Vehicles 2011	Ford Ranger Double Cab 4x4	3	£39,472.21	£46,032.48
Vehicles 2012	Ford Ranger Double Cab 4x4	3	£41,706.25	£46,228.74
Vehicles 2013	Ford Ranger Double Cab 4x4	3	£53,871.76	£48,055.77
Vehicles 2015	Ford Ranger Double Cab 4x4	3	£56,846.76	£36,946.60

- 8 The 14 vehicles procured under the Phase 1 initiative in Spring 2009 are now on a rolling month extension with the Contract Hire company; these vehicles are currently divided between the Authority and Trust, 11 and 3 respectively.
- 9 Due to significantly less wear, tear and mileage within the fleet it has become apparent the minimum default replacement of 'all' vehicles at 3 years old is too short a period compared to the 5 year replacement as set out in Table 2 below. In addition to this the vehicle manufacturers now have generally extended the warranty periods from 3 to 5 years.
- 10 Table 2 – Outright Purchase Vs Contract Hire (3 & 5 Years)

SITE(S) (Quotes 2014)	VEHICLE SPECIFICATION	No.	Outright Purchase 3 Years	Outright Purchase 5 Years	Contract Hire 3 Years	Contract Hire 5 Years
Rangers	Ford Ranger Double Cab 4x4 (a/c) XL 2.2 TDCI 150ps	7	£134,602.44	£134,602.44	£84,944.16	£124,777.80
Rangers	Ford Ranger Double Cab 4x2 (a/c) XL 2.2 TDCI 150ps	2	£33,993.14	£33,993.14	£22,260.96	£32,313.60
Rangers	Ford Connect T240 LWB 1.6 TDCI 95ps	2	£26,973.06	£26,973.06	£18,586.80	£26,583.60
Fisheries	Ford Ranger Double Cab 4x4 (a/c) XL 2.2 TDCI 150ps	1	£19,113.92	£19,113.92	£12,549.24	£18,253.80
Farms	Ford Ranger Double Cab 4x4 (a/c) XL 2.2 TDCI 150ps	1	£18,618.92	£18,618.92	£11,848.12	£17,603.40
Management/ Servicing costs			£27,000.00	£45,000	£0	£0
Disposal Value			-£108,088.57	-£72,066.83	£0	£0
		13	£152,221.91	£206,234.45	£150,189.28	£219,532.20

- 11 The contract hire agreements for the fleet expired between July and September 2012 and the contract was extended by a further 2 years to avoid replacing during the London 2012 Games. In late 2014 work started on gaining the financial information to replace the fleet. Officers agreed a rolling monthly extension as detailed above to enable this to take place. The vehicles are now 6 years old require replacement. Initial discussions with manufacturers have identified up to a 3 month lead time for replacement of some vehicles. In order to identify the cheapest option for replacing these vehicles a new appraisal has been carried out to identify the value for money attached in Table 2. The Authority source vehicles using the Hertfordshire County Council Fleet Department, this covers both Contract Hire and Outright Purchase, who source vehicles for many Authority's including the Central Buying Consortium (CBC) and the process is fully compliant with the Public Contract Regulations 2006 (replaced by PCR2015) and relevant EU Procurement Directives and the prices in Table 2 were supplied by Hertfordshire County Council Fleet Section.

- 12 Contract Hire includes full service and maintenance, tyre cover, road fund licence, and road side assistance, however vehicle insurance is excluded and vehicles procured under this method are replaced or returned at the end of the contract period.
- 13 Vehicles purchased under the Outright Purchase method are owned by the Authority with servicing, maintenance, tyre cover, road fund licence and road side assistance managed internally; such management of servicing, repairs, breakdowns and general operative costs equated to approximately £9k+/- pro rata for a fleet of up to 16 at 2015 rates. The majority of administration management is currently undertaken by officers with Contract Hire, but additional elements such as arranging and paying for the road fund licence and servicing reminders will be additional under Outright Purchase. These additional elements can be covered within current resources.

The projected disposal value of ²46.33% and 30.89% for well maintained, average to low mileage vehicles after 3 and 5 years respectively are to be considered as a comparative offset.

Repair and Servicing costs and projected asset receipt are included in Table 2 above.

- 14 The above 2015 cost review, which includes the management costs of an Outright Purchased fleet off set with the projected asset receipt(s), shows a comparative difference of £2k+/- in favour of the Contract Hire option over a 3 year period and a £13k+/- comparative difference in favour of the Outright Purchase option over a 5 year period.

NEXT STEPS

- 15 Officers propose such fleet replacement and financing will be based upon the most competitive option at point of purchase.
- 16 Officers propose the replacement life for each vehicle is increased from 3 to 5 years and replacement of the current Authority fleet by Outright Purchase.

FINANCIAL IMPLICATIONS

- 17 The cumulative amount set aside within the "renewal and repairs" budgets would fund the £233k required for Outright Purchase of (13) Parkland vehicles in 2015, ongoing management will be within current financial resources.
- 18 The Trust fleet of vehicles (7) undertake work that is less arduous in workloads and mileage which results in vehicles that do not need replacing as often. Conversations with Trust officers indicate that the current vehicles are adequate for purpose. They are also considering their future requirements bearing in mind the length of the current contract and other options that maybe open to them.
- 19 Any vehicles purchased outright will be required to be maintained and serviced to the required standards and be deemed saleable assets at point of replacement,

¹ *£9k+/- per annum. Pro-rata calculation 2009

² Source(s):- Cap Val (Dagenham Motors) & Parkers Car Guide 2014
2009-2011 average to low- mileage comparable vehicles

providing an asset receipt to the Authority, from disposal in-line with Financial Regulations.

Vehicles procured under a contract hire agreement are returned to the lessee at the end of term with zero asset value to the authority.

ENVIRONMENTAL IMPLICATIONS

- 20 The choice of vehicles procured will give due consideration to non-combustible fuel driven alternatives, currently at present no vehicles are suitable for the Authority's requirements, but this position is subject to ongoing review. Therefore as highlighted in para 21, vehicle choice will be influenced by fuel economy, which is minimal.
- 21 There is nominal fuel efficiency to report between the current and proposed fleet of 3mpg – in part this is due to a reduction of 300cc in the model engine size. Based on an average of 90,534 miles being covered between the Parkland, Fisheries, Farms fleet, this equates to an approximate saving of £1407.14 per annum at 119.95ppl³.
- 22 A key aspect of the implementation of this project and the procurement of a modern road licensed fleet has and will provide an improvement in the environmental impact of our fleet operations especially:
 - the fuel used by the fleet; and
 - the environmental impact i.e. fuel efficiency and lower carbon emissions.

HUMAN RESOURCE IMPLICATIONS

- 23 The Authority will incur a slight increase in management resources when opting to utilise the Outright Purchase route. As already mentioned in para 13 each manager with a vehicle has the capacity to undertake this, which can therefore be contained within existing resources.

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 25 There are increased risks (and hidden costs, e.g., staff time) of fleet management to the Authority if vehicles are purchased out-right, but as the Authority currently undertakes the majority of these tasks (see para 13) officers' view is that these risks are very minimal. There are currently procedures in place that ensure that all vehicles are fit for purpose when acquired and managed through daily checks (before vehicles are taken onto the road) and servicing that follows manufacturers recommendations, therefore outright purchase adds minimal and manageable additional risks.

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³ Source – data.gov.uk 16.04.15 National average fuel prices

PREVIOUS COMMITTEE REPORTS

Finance & Audit Committee	FA/23/04	Annual Report on Work of Internal Audit Section 2003/4	24 June 2004
Finance & Audit Committee	FA/139/07	Vehicle Management	25 October 2007
Finance & Audit Committee	FA/188/09	Vehicle Management	26 March 2009

LIST OF ABBREVIATIONS

CBC	Central Buying Consortium
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