Lee Valley
Regional Park Authority

Lee Valley Regional Park Authority
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To: Paul Osborn (Chairman)
David Andrews (Vice Chairman)
Susan Barker
Ross Houston
Chris Kennedy
Heather Johnson
Graham McAndrew
Mary Sartin

A meeting of the **EXECUTIVE COMMITTEE** (Quorum – 4) will be held by remote access on:

THURSDAY, 18 NOVEMBER 2021 AT 10:30

at which the following business will be transacted:

AGENDA

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 on an issue which is on the agenda of the meeting. 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 2022/23 REVENUE BUDGET – METHODOLOGY, ASSUMPTIONS AND TIMETABLE — Paper E/742/21

Presented by Keith Kellard, Head of Finance

6 **VENUES CAPITAL INVESTMENT PROJECTS CAPITAL BUDGET UPDATE 2021/22** **Paper E/743/21**

Presented by Keith Kellard, Head of Finance

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 are no items currently listed for consideration in Part II.)**

10 November 2021

Shaun Dawson
Chief Executive

LEE VALLEY REGIONAL PARK AUTHORITY

EXECUTIVE COMMITTEE
21 OCTOBER 2021

Members in remote presence:	Paul Osborn (Chairman) Susan Barker Ross Houston	Heather Johnson Chris Kennedy Graham McAndrew Mary Sartin

Apologies Received From: David Andrews (Vice Chairman)

In remote attendance: John Bevan and David Gardner

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
	Daud Arghandawi	- Solicitor
	Sandra Bertschin	- Committee & Members' Services Manager

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

Part I

994 DECLARATIONS OF INTEREST

There were no declarations of interest.

995 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 23 September 2021 be approved and signed.

996 PUBLIC SPEAKING

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

997 Q2 REVENUE BUDGET MONITORING 2021/22 Paper E/739/21

The report was introduced by the Head of Finance.

Members welcomed the positive financial position and expressed thanks to all those who had contributed to achieving this.

(1) the report was noted.

998 Q2 CAPITAL PROGRAMME BUDGET MONITORING 2021/22 Paper E/740/21

The report was introduced by the Head of Finance.
A Member highlighted the potential for S106 monies from proposed developments around Lea Bridge Road.

(1) the report was noted.

999 BRITISH CANOEING WATER USAGE AGREEMENT RENEWAL AT LEE VALLEY WHITE WATER CENTRE — Paper E/738/21

The report was introduced by the Corporate Director.

(1) the granting of a new four year Water Use Agreement to British Canoeing in accordance with paragraphs 8 to 11 of Paper E/738/21 was approved.

100 RISK REGISTER 2021/22 — Paper E/741/21

The report was introduced by the Corporate Director.

The Chairman, endorsed by the Audit Committee Chairman, encouraged all Members to attend the forthcoming Risk Management Workshop.

(1) the Corporate Risk Register and associated sub-registers as set out in Annex A (Paper AUD/123/21) to Paper E/741/21 was noted.

101 **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	Proposed New Lease of Existing Telecoms Installation off Roydon Road, Stanstead Abbotts	3

102 PROPOSED NEW LEASE OF EXISTING TELECOMS INSTALLATION OFF ROYDON ROAD, STANSTEAD ABBOTTS — Paper E/742/21

The report was introduced by the Deputy Chief Executive.

(1) the heads of terms outlined below for a new lease to be granted to On Tower UK Ltd for a term of 10 years; and

(2) subject to Secretary of State approval, the signing and sealing of any legal documentation was approved.

____
Chairman

____
Date

The meeting started at 11.03am and ended at 11.37am

Lee Valley Regional Park Authority **LEE VALLEY REGIONAL PARK AUTHORITY** **EXECUTIVE COMMITTEE** **18 NOVEMBER 2021 AT 10:30**	**Agenda Item No:** **5** **Report No:** **E/742/21**

2022/23 REVENUE BUDGET – METHODOLOGY, ASSUMPTIONS AND TIMETABLE

Presented by the Head of Finance

EXECUTIVE SUMMARY

The report sets out:

- the budget timetable for the 2022/23 budget process; and
- the proposed methodology and assumptions for preparation of the revenue and capital budgets for the year ahead.

RECOMMENDATIONS

Members Approve:

(1) the budget timetable for the 2022/23 budget process as set out in Appendix A to this report; and

(2) the principles, assumptions and methodology for the 2022/23 revenue and capital budgets as set out in paragraphs 9 to 13 of this report.

BACKGROUND

1 The Authority's Business Strategy performs a dual role in relation to the Business and Annual Service Plans. Firstly, it secures the finance necessary to fund the Authority's revenue operations and capital development programme. Secondly, by ensuring that the resources allocated through the budget process reflect the priorities in the Business Plan 2022-2027 and the Annual Service Plan (2022/23), it provides a means of positively influencing the overall direction of the organisation.

2 One of the key objectives within the Authority's Business Strategy is for it to continue to reduce its reliance on the levy. This objective is being achieved with the levy currently 37.0% of the maximum chargeable compared to 59.3% in 2011/12. The current levy (2021/22) equates to £0.81p per head based on the latest population figures (census 2010 and the Mid-Year Population Estimates, Office for National Statistics, June 2020) for Hertfordshire, Essex and London.

3 The Funding Strategy in place has enabled the Authority to achieve its current

levy objective, whilst ensuring adequate resourcing is available to deliver its key statutory and business/service priorities.

4 The current business objectives incorporate the following financial targets:

- continue to work to reduce the cost of Lee Valley Regional Park to the taxpayers of London, Essex and Hertfordshire via the levy from the maximum chargeable;
- seek external funding for the capital programme;
- deliver an investment programme for the venues to increase income/reduce costs;
- continually look to increase income through a range of new investment opportunities both directly and with/or via third parties;
- maximising the return on the Authority's estate; and
- finalising the Leisure Services Contract (LSC) Management Fee, to enable the delivery of sport and leisure at venues in line with the new contract.

The Authority's Business Plan will be revised for the period 2022-2027 in light of the impact of the pandemic and will be produced for Spring 2022.

5 The Authority approached the coming financial year from a stable financial position, having been able to weather the impact of the Covid-19 pandemic in 2020-21 on its cash resources, with a robust, resilient, and rebuilt approach to the 2021/22 financial year. Whilst we are still only two thirds of the way through this financial year, the General Fund (revenue cash reserve) is anticipated to stand at £4.3m at year end. This is in line with the approved policy of maintaining a general reserve of between £3m-£4m, and reflects an improved position against the budget for the year.

6 Having each year carefully considered the continuing financial pressures on the precepted Boroughs, the general current economic climate, the Authority's strategic objectives, demands on the organisation and its financial position, the Authority had approved an annual decrease in the levy since 2011/12. As the Authority needed to look to rebuild its reserves, and to mitigate against potential further coronavirus waves or other impacts on its financial position, it increased the levy by 2% for 2021/22. However, the current Medium Term Financial Plan (MTFP) assumes working towards an ongoing reduction in the levy in real terms over the mid-term.

7 Over the last three to ten years the levy has been significantly below inflation with a real term decrease of nearly 50%.

	3 Year Change	5 Year Change	10 Year Change
Levy change	2.0%	-10.0%	-20.0%
RPI increase	6.8%	12.7%	27.2%
	-4.8%	-22.7%	-47.2%

8 The Authority has a number of inflationary and budget pressures (which are set out below) facing it in the coming years. However, it continues to be mindful of the financial pressures facing contributing authorities and will continue to strive to minimise the impact of the levy; whilst balancing this against the delivery of its strategic objectives and fulfilling its statutory role.

KEY BUDGET OBJECTIVES

9 The budget for 2022/23 needs to continue to address the impact on the Authority's reserves from 2020/21, whilst taking into account the change in risk profile associated with the commencement of the LSC with GLL in April 2022. The focus for the 2022/23 budget is to create further resilience, whilst continuing to rebuild for the future.

10 The main objectives of the 2022/23 budget are:

- develop budget capacity to allow for any possible fall in income;
- achieve a cash reserves position which enables the Authority to deal with further financial shocks;
- increase income where possible e.g. non LSC venues; and
- continue to deliver efficiencies across all activities.

BUDGET METHODOLOGY & ASSUMPTIONS

11 It is proposed that existing service levels should be reviewed along with the latest approved forecast, with the 2022/23 base Budget constructed accordingly, to ensure a satisfactorily link to delivery of the Authority's Business Plan and Annual Service Plans.

There may remain reduced demand and income as a result of lower operating capacities and the general economic climate. This needs to be factored in along with looking at possible areas for income growth.

Budgets should also take account of efficiency savings found within the 2021/22 budgets, and additional income targets generated as a result of any approved capital investment projects.

12 Any priority items, savings and additional income already approved by Members for 2022/23 as part of the 2021/22 budget will be reviewed to ensure that they still meet the business objectives of the Authority and are deliverable.

However, it will still be necessary for the Authority to look for any areas where efficiencies and savings can be found within the organisation.

13 General inflation rises, to reflect expected 2021/22 (outturn) prices, will need to be taken into account. The Retail Price Index (RPI) to September 2021 is currently 4.9%. The Consumer Price Index (CPI), the Government's preferred indicator, is 3.1%. CPI inflation is expected to increase to a peak of around 5.0% in early 2022, before falling to around 2.5% late 2022, and returning to the target rate of 2% in late 2023.

- **2%** increase in employee costs;

- An additional **1.25%** to incorporate increase to Employers National Insurance contribution for Health and Social Care Levy;

- agreed rises in contracted items, for example Grounds Maintenance or ITC licences, which will inflate by agreed contractual sums (usually CPI or RPI rate as at a specified month);

- inflation increases in non-employer costs, although services levels should be reviewed from a zero base to ensure appropriate budget allowance;

- electricity and gas prices are currently indicating significant increases in the wholesale market of around 50% for gas supply and 30% for electricity. However, the contract the Authority signed for accessing the 2020-2024 Laser framework, was secured with fixed prices for the initial 24 months, so the market price movements will not affect us until October 2022, when we will join the flexible basket price arrangements and therefore see rises in these costs – electricity and gas of 5% will be applied at existing usage levels. Electricity and gas budgets will be increased in line with the Laser projections to reflect these updated prices. Water is projected to increase at above inflation rates too, and a prudent increase of 5% will be built into the budgets;

- whilst insurance premiums have decreased significantly following a full retender of all policies in September 2020 it is estimated that in 2022/23 premiums will increase by around 4%-5%, with future years estimated to remain at around 5% a year;

- Fees and Charges make up a significantly lower proportion of the Authority's income in 2022/23 with commencement of the LSC from April 2022. However, we will continue to review pricing structures at the remaining operational venues – marinas and campsites, and increases at inflation rates will be built in;

- other income is raised by commercial rents and leases; car parking charges; event space hire; and the farm sales of milk and arable crops which are market dependent and subject to the terms set out in the lease/rent/contract agreements;

- additional income growth and/or efficiency savings could be achieved through minor capital investment projects at venues;

- a proposed standstill levy for 2022/23 has been built into the MTFP, which was approved by Authority last year. Actual future changes in the levy will still be determined annually and be subject to the estimated budget requirements for the year ahead and economic circumstances at that time. Provisionally future levy changes are shown to continue with real term reduction to reliance on the Levy for Authority funding.

14 Overall income from Fees and Charges is estimated to rise in line with inflation and the existing Fees and Charges Policy. This approach reflects the pressures that will exist on demand for the Authority's activities in 2022/23. The majority of fees and charges will commence from March/April 2022. Fees and charges will be the subject of a separate paper on the next Executive Committee agenda.

15 In addition, there are a number of other factors which will need to be taken into account before setting the Levy as they could significantly affect the budget requirement for next year. At this stage these include:

- need to continue to rebuild cash reserves that have been depleted as a result of the Covid pandemic;

- employee cost increases in the MTFP are estimated at 2% for 2021/22, however current pay negotiations are still ongoing and yet to be finalised;

- priority areas resulting from the realignment of resources to the priorities within the Authority's Business Plan;

- revenue financing of the capital and asset maintenance programme is proposed at £1.3m for 2022/23. With future requirements for asset maintenance, IT investment, land, open spaces and infrastructure projects, and small scheme business investments capital reserves are being depleted. Future major investment schemes will require funding from other sources, for example, land sale receipts, borrowing and third party contributions. A revised capital programme will be considered by Members at Executive Committee in January 2022;

- low returns from investment income are continuing. Currently short term (1 month) investments are securing on average a 0.06% return, with mid-term (< 1 year) 0.1% (2021/22 actual). It is unlikely that reinvestments will achieve much in excess of 0.15%. Actual returns will be dependent on how much of the existing funds are reinvested; the period of time they are invested for and the demands on cash for both revenue and capital expenditure in future years alongside any potential land sales that materialise. Investment returns are currently estimated at £6,000 based on existing balances and return rates;

- LSC Management Fee has been finalised with GLL for the contract to start in April 2022. The proposed fee for year 1, along with provision for utilities and ICT mobilisation, has been included in the base budget for 2022/23.

BUDGET UNCERTAINTIES

16 The Coronavirus Covid-19 pandemic and the subsequent national lockdowns and local regulations, since March 2020, continue to present significant uncertainty in the upcoming year. The Government's Job Retention Furlough scheme has meant that we have been able to claim up to 80% of furloughed employees wages, and this continued until September 2022, there is currently no indication of what will happen should the country enter further periods of lockdown. In addition, the Authority has benefitted from both the business rates holiday/reductions and a reduction in VAT on holiday accommodation and hospitality, these are also due to end in March 2022.

17 Additionally, there are always a number of issues which can have an impact on the Authority's budget during a year, but the size and/or timing of the financial impact tends to be uncertain. For example, further increases in utility, fuel/travel costs. Members agreed for 2021/22 to allocate a contingency for such events that impact operations, and it may be prudent to continue to allow a buffer contingency in the coming years to offset some of these events.

18 There is still a possibility that a VAT reduction could be applied to local authority sporting income. Our VAT consultants have been using a lead case in respect of non-business treatment and considered the impact of reclaiming VAT on the

protective VAT claims previously lodged with HMRC. The value of the potential VAT repayment could result in a significant windfall in 2022/23. Officers have submitted calculations to KPMG for review and they have submitted a claim and appeal to HMRC.

LEISURE SERVICES CONTRACT

19 Authority officers worked with GLL on finalising the Management Fee for the first year of the LSC, due to commence in April 2022. Members approved a Year 1 fee at the Authority meeting on 21 October 2021 (paper A/4308/21).

20 The LSC transfers the majority of the risk for income from the Authority to the contractor and minimises the need to consider shortfalls at these major venues as an ongoing risk. For next year there will be tolerances (for over or under performance) which will be agreed as the LSC contract is finalised with GLL. This income is also protected to a certain degree by Business Interruption Insurance held by the contractor.

RESERVES POLICY

21 It is important that without any contingency, budget uncertainties combined with the level of income generation that the Authority relies upon, that Members keep the existing policy on revenue reserves under annual review ensuring minimum levels of cash reserves are maintained to deal with unforeseen circumstances. The level Members have currently agreed for the general fund is between £3m-£4m.

22 The MTFP review requires Members and the Chief Financial Officer (CFO) to establish and maintain a general reserve to help cushion the impact of uneven cash flows to avoid temporary borrowing and to provide a cushion for unexpected events or emergencies. 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.

23 In order to assess the adequacy of the general fund reserve when setting the 2022/23 budget the CFO and Members should take account of the strategic, operational and financial risks facing the Authority. This should assess external risks e.g. emergencies, and internal risks e.g. ability to deliver financial efficiencies in the organisation. All operational and financial risks should be properly assessed and effective controls put in place to manage these. Financial risks should be assessed and these include:

- Coronavirus Covid-19 pandemic;
- assumptions around inflation and interest rates;
- estimates and timing of capital receipts and expenditure;
- the treatment of demand led pressures;
- the treatment of planned efficiency savings;
- the availability of existing reserves;
- the general economic climate;
- the increase in utility costs; and
- the impact of Brexit.

These factors are inherently considered at the time of approving the budget and levy and the assumptions in this paper help to deal with accounting for these risks.

24 The level of general reserve should be considered in terms of the MTFP and the risks identified in the corporate risk register. Balancing the annual budget by drawing on general reserves may have been a legitimate short-term option, but it is not now prudent to finance planned on-going expenditure in this way.

25 Other factors such as Government support in emergencies can be considered when setting reserves, especially in extreme cases such as Covid-19, and potentially weather, flooding, etc. However, insurance and managing local emergencies through the reserves generally rest with the Authority itself.

26 Therefore, current guidance sets the framework for consideration when setting reserves but does not prescribe amounts that the Authority should allocate. It is therefore important that Members assess the risk impact themselves and set a level of reserves accordingly.

BUDGET APPROVAL

27 The Authority is required to determine its Levy by 15 February in each year. This requirement will be met as Members are scheduled to consider and approve a Revenue Budget and Levy for 2021/22 at the Authority meeting on 20 January 2022.

28 Committee Terms of Reference and Financial Regulations require the Executive Committee to recommend a budget and Levy to the Authority. The Executive Committee are scheduled to consider the 2022/23 budget and Levy options at their meeting on 20 January 2022 (following a Budget Workshop on 16 December 2021).

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

30 The financial implications arising directly from the recommendations in this report are dealt with within the main body of the report.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

33 The strategic risk register SR3 highlights the risk of insufficient and/or inappropriate allocation of future resources to meet objectives. This risk can to a

certain degree be mitigated by reviewing the MTFP. The external auditor has previously highlighted the unsustainability of relying on general reserves to fund any ongoing projected funding gaps.

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PREVIOUS COMMITTEE REPORTS

Authority	Paper A/4292/20	Proposed Budget & Levy 2021/22	21 January 2021

APPENDIX ATTACHED

Appendix A	Proposed Budget Timetable 2021/22

LIST OF ABBREVIATIONS

CPI	Consumer Price Index
RPI	Retail Price Index
MTFP	Medium Term Financial Plan
LSC	Leisure Services Contract
CFO	Chief Financial Officer

LEE VALLEY REGIONAL PARK AUTHORITY
2022/23 CAPITAL PROGRAMME & REVENUE BUDGET TIMETABLE

	Description	Lead Officer	Dates	Meeting Date
1.	**Budget Timetable for 2022/23:**			
	(i) Prepare budget methodology paper & timetable for Executive Committee	KK	Nov 21	18 Nov 21
	(ii) Finalise timetable and issue to SMT, HOS, Managers	KK	Nov 21	19 Nov 21
	(iii) Authority Sites Fees and Charges	JC	Dec 21	16 Dec 21
2.	**Medium Term Financial Forecast (MTFF) – 2021/22 to 2025/26**			
	Update MTFF to take account of:	KK	Oct 21	13 Oct 21
	(i) Review Management Fee from Leisure Services Contract			
	(ii) Uplift all budgets for inflation as appropriate			
	(iii) Levy options from 2022/23			
	(iv) Revenue "growth" items i.e. income/expenditure items not already within the existing 2021/22 budget			
	(v) Any significant variations in staffing/establishment			
	(vi) Risks/areas of sensitivity			
	(vii) Circulate updated MTFF to SMT for discussion			06 Oct 21
3.	**Capital Programme – 2021/22 Revised to 2025/26:**			
	(i) Prepare Capital, Investment, and Infrastructure Programme phasing over next 5 years	KK	Nov 21	05 Nov 21
	(ii) Prepare Capital Resourcing Requirements	KK		05 Nov 21
	(iii) Prepare Asset Management Programme	MS		05 Nov 21
	(iv) Finalise Venue Capital Investment Projects programme and funding requirements	KK		10 Nov 21
	(v) Venue Capital Investment Projects programme for Member approval	KK		18 Nov 21
	(vi) Circulate final capital programme for consideration by SMT	KK	Dec 21	03 Dec 21
	(vii) Finalise capital programme & capital resourcing for SMT	KK		10 Dec 21
	(viii) Capital programme and resourcing for Members approval		Jan 22	20 Jan 21
	(ix) Capital Strategy and Prudential Indicators for Members approval			20 Jan 21

4.	<u>Staffing Costs:</u> (i) Budget sheets prepared based on establishment list as at 15/11/21 (ii) Full revenue/capital budget sheets completed by Finance	LR/VY KK/MK/MS	Nov 21	20 Nov 21 04 Dec 21
5.	Draft budgets reviewed by managers	All Managers Authority SMT	Dec 21	24 Dec 21
6.	Meeting with Chair/Vice Chair to discuss draft budget proposals for Member Budget Workshop	SD/MB/KK	Nov 21	tbc Nov/Dec 21
7.	Finalise revenue and capital financing & levy options (i) Final report to be circulated to SMT for consideration	KK	Dec 21	03 Dec 21
8.	Write to contributing authorities requesting their council tax base information	MK	Dec 21	03 Dec 21
9.	**<u>Member Budget Workshop</u>** - Report on revenue & capital budgets, levy options	SD/MB/KK	Dec 21	16 Dec 21
10.	**<u>Executive/Authority Meetings:</u>** Provisional second budget workshop if required - Report on revenue and capital budgets and Levy options - * Under Park Act section 48 (1) need estimates approved by 24 January each year -	SD/KK SD/KK	Jan 22 Jan 22	06 Jan 22 20 Jan 22
11.	Write to contributing authorities to notify them of the Levy for 2021/22 **** Under the Park Act section 49 (5) need to notify contributing councils by 15 February each year***	KK/MK	Feb 22	05 Feb 22

Lee Valley Regional Park Authority **LEE VALLEY REGIONAL PARK AUTHORITY** **EXECUTIVE COMMITTEE** **18 NOVEMBER 2021 AT 10:30**	**Agenda Item No:** **6** **Report No:** **E/743/21**

VENUES CAPITAL INVESTMENT PROJECTS CAPITAL BUDGET UPDATE 2021/22

Presented by the Head of Finance

EXECUTIVE SUMMARY

This paper provides Members with a recommended approach to Venues Capital Investment projects along with budget implications for 2021/22. The Authority, in accordance with its statutory remit, is a park that delivers a range of high quality sport and recreation opportunities within its diverse and high profile portfolio of venues.

The Authority's sport and leisure venues require ongoing investment to maintain the safe operation of the venue, reduce costs and also to develop more income generating opportunities and ensure the venues remain relevant. The Covid-19 pandemic has presented the Authority with an opportunity to assess its venues since returning from the Lee Valley Leisure Trust Ltd to ascertain where investment is needed for both Leisure Service Contract and Non Leisure Service Contract venues.

Authority officers have developed a project document to identify investment opportunities/needs whilst managing our project delivery, ensuring resources are available to take various projects forward and planned within any required timelines. Where applicable, potential income generating opportunities for the various schemes have been fully assessed.

Together with the Asset Maintenance Plan, Landscape and Open Space projects, and Land and Property Strategy, these investment projects feed into the overall Authority Capital Strategy.

RECOMMENDATIONS

Members Approve:	(1)	the projects as identified in paragraphs 6 to 13 be incorporated into the capital programme for 2021/22 to 2025/26;
	(2)	the proposals, as identified in paragraphs 25 to 26, regarding the financing of these projects; and
Members Note:	(3)	the draft list of projects, as set out in Appendix A to this report.

BACKGROUND

1 The Authority manages 12 Sports and Leisure venues and one Open Spaces site that provide a diverse range of high quality sport and recreation opportunities. The Venues are split into Leisure Service Contract (LSC) venues, these that will be operated by Greenwich Leisure Limited (GLL) from 1 April 2022 (paper A/4308/21) and Non LSC venues/Open Spaces that, at least in the short term, will remain under the direct control of the Authority.

<u>LSC Venues</u>
Lee Valley VeloPark
Lee Valley Hockey & Tennis Centre
Lee Valley Ice Centre
Lee Valley Riding Centre
Lee Valley Athletics Centre
Lee Valley White Water Centre.

<u>Non LSC Venues</u>
Lee Valley Camping and Caravan Park, Picketts Lock
Lee Valley Campsite, Sewardstone
Lee Valley Caravan Park, Dobbs Weir
Lee Valley Marina Stanstead Abbotts
Lee Valley Marina Springfield
WaterWorks Centre

<u>Open Spaces</u>
Holyfieldhall Farm

2 Capital expenditure is the money the Authority spends on assets, such as equipment, property and vehicles, which are 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.

3 Along with the major development projects and the ongoing asset maintenance plan, officers have developed a number of smaller scale projects for investment in the venues that are designed to generate additional income, reduce costs, and enhance the service provision available.

DEVELOPMENT OF A DRAFT PROJECT LIST

4 Officers have produced a list of possible venue investment projects that are designed to identify areas where it will be possible to generate additional income, reduce costs of service delivery, and maintain, or improve, services to remain current and meet current guidelines and regulations.

5 A number of these projects have been identified as giving a quick return on investment and will help improve the Authority's overall budget position in the short term. These projects will enhance the venues in question and improve the delivery of services. These are highlighted in blue in the attached Appendix A.

PROPOSED VENUES INVESTMENT PROJECTS

6 **Campsites – Sewardstone and Dobbs Weir**

Kelvin Glamping Units
It is proposed that three new Kelvin glamping units are procured for each campsite, which can be utilised as hotel type accommodation for the early part of the week, and as glamping units over the weekend. The total cost of procuring and siting these units is **£84,000**, and it is predicted that they would generate in excess of £160,000 pa. Delivery and manufacture timelines mean that the units can be installed and ready for the 2022 season.

Coffee Machines and WiFi upgrade
To further enhance the offer at the two campsites, it is proposed that self-service coffee shops are introduced at an initial project cost of **£4,000**. The annual return is estimated at £6,000.

The WiFi network at both venues should also be upgraded to allow holiday home-owners to take up a dedicated broadband supply to their units. In addition, revenue would be generated from touring guests upgrading to a premium supply during their stay. **Project cost is £30,000 with annual returns of £20,000.**

7 **Marinas – Stanstead and Springfield**

Welding Tents
Both sites require additional areas protected from the weather to undertake work throughout the year, therefore the purchase of mobile welding tents will enable works to continue outside throughout the year, thus increasing income generation and the turnover of works. Estimated at **£5,000** each achieving additional income in the region of £6,000 pa at each site.

Stanstead Pump out
This vital service provided by an aging machine requires replacing to ensure the income currently generated is protected, circa £7,000 at a cost of **£11,000** for the new equipment.

8 **Holyfieldhall Farm**

The proposed works at Holyfieldhall Farm focus on maintaining and improving services, rather than direct income generation. They also look to reduce long terms costs associated with ageing farm equipment.

Holyfieldhall Farmhouse
The Farmhouse is in need of renovation works which will enable the farm to house its operational staff within a single building, rather than across two venues and will help to attract and retain staff. Work has started on identifying renovation works required at the property, and it is expected to cost in the region of **£250,000**. Whilst there will not be an immediate realisable financial return on investment, the proposed conversion works will provide two dwellings, thereby enhancing the current building and is expected to significantly improve the asset value.

Calf Nursery
There is a requirement to improve calf rearing facilities. This has recently been highlighted as a potential audit failure next year. **Project cost £22,000**.

Milk storage tank
The current milk storage tank is an aged unit in need of urgent replacement. **Project cost £40,000.**

Slurry store
There is a requirement to increase the storage capacity, and to cover, in order to comply with pending legislation. This is not required until 2026/27 when a more detailed report will be submitted to Members. The estimated cost of this will be circa **£200,000.**

9 **Open Spaces**

Further investment opportunities are currently being worked on within the Open Spaces, for example East India Dock, Middlesex Filter Beds and the opening and creation of connecting links at St Pauls Field.

Apart from the latter, which has funding from the sale of a section of the same site (St Pauls Field), the other projects will come in front of Members as individual reports seeking approval in future years. Further projects are also being delivered by various third party funding streams, such as River Lynch improvements, Riverside development at Cheshunt and further S106 funds at Britannia Meadows.

Open Spaces are currently working with various parties on opportunities for third party funding and Members will be updated as these progress.

10 **Venues and offices**

Air cleansing units
To facilitate safer working conditions in high density spaces, and venue areas, with the onset of winter months and colder conditions, precluding the opening of doors and windows to allow full circulation of fresh air, a proposal for air cleansing units to be installed has been developed. This will allow sites to function in a safer Covid working arrangement. Officers concluded that introducing these units in the higher density areas would be sufficient for Health and Safety requirements, with a total project cost of £65,000. The units, if ordered during November, can be installed in venues during December.

11 **Sports Venues**

Lee Valley White Water Centre (LVWWC)
Officers have worked up a fully detailed and costed proposal for internal alterations to the current meeting rooms to provide an enlarged, more fit for purpose offering with dedicated reception/welcome area and break-out facilities which will provide a much more attractive rental proposition to both existing and potential hirers. It is also vital that the venue is handed over to GLL in a fit for purpose condition and that the management fee is not negatively affected by any operational constraints.

This scheme will be coupled with a new external arrangement to the current portacabin offices at the southern end of the building incorporating an outside covered courtyard for training together with the relocation of one cabin which will become a dedicated wet room/classroom on the lake edge. The current arrangement of offices, which was a temporary arrangement following the redevelopment of the café and kitchen, was the subject of a temporary planning permission granted back in 2017 that expires in 2022. Without these, the venue has very little office provision and without a solution being implemented would directly affect the venue's operations for 2022. We intend to use this opportunity to create a more useable and attractive area for both staff and customers using the facilities.

The cost of both schemes total £450,000. This project is anticipated to generate an additional £50,000 net income that will mature in stages £75,000, £80,000 to £100,000 over a 3-year period. The pace of maturity will be determined by industry trends and restrictions imposed on the venue that continue to relate to the global pandemic. The suggested income potential is further supported by circa £20,000 of unsuccessful enquiries during the last six months due to the meeting rooms being too small.

A further project for a new Kayak Slalom Ramp, at a cost of £45,000 is in advanced design stage in partnership with British Canoeing (BC), International Canoeing Federation (ICF) and UK Sport. The funding will be a tripartite agreement between Lee Valley/BC/ICF/UK Sport of which the Lee Valley contribution is estimated to be £15,000. Extreme Canoe is a new Olympic event and will form part of the 2023 ICF World Championships that come to the LVWWC in September 2023, and from 2024 will create a new revenue stream for the venue which the value of cannot be determined at this stage. The scheme also provides a pedestrian bridge link to the infield area at the top of the course which will connect this area to the main building and increases the ability for private hire marquees and corporate events to take place, hence increased revenue generation, again undetermined at this stage.

12 **Lee Valley Velopark**

The Velodrome is now approaching 10 years old and some of the equipment needs updating and/or replacing. In particular, the Metal Halide light fittings to the main Arena, whilst still fully functional, have exceeded their original expected 7 year life expectancy and are now beginning to show signs of potential failure.

The Authority needs to replace the current fittings and the recommendation is to do this with an alternative modern LED system. This will not only bring the venue into line with new modern technology but will also reduce energy consumption by as much as 35-50%. The savings based on current day electricity costs could be in the region of £17,000 pa on lighting costs and the C02 reduction will help towards the Authority's goal of reducing its own carbon footprint. **The project cost is in the region of £700,000** and is necessary to keep the building fully operational and compliant with current legislation. The project should enable the venue to increase its revenue streams as the lighting system can offer show/event enhancements and flexibility the previously very limited system could not. A new LED lighting system will also attract more frequent major competition usage and have a much longer lifespan than the previous system.

An alternative would be to replace on a like for like basis, but not using the modern LED lights is estimated as costing around £500,000.

13 The total cost of these projects is estimated at £2,300,000, with current costed annual return of £319,000. The delivery of these projects will be phased over the current and next financial year, with the requirement for the modifications to the slurry store deferred until the change in legislation in 2027.

Expenditure in the current financial year is £1.5m, and is estimated to provide additional income/savings in the 2022/23 financial year of £280,000. Expenditure in 2022/23 is estimated as £0.6m, with future return on investment of £39,000 pa. Expenditure of circa £200,000 on the Slurry Store at Holyfieldhall Farm will not be required until 2025/26.

14 The full Capital Budget 2021/22 to 2026/27, incorporating investment projects will be presented to Members for approval in January 2022, along with the Capital Strategy.

FUNDING THE INVESTMENT PROGRAMME

15 As with any capital expenditure, it is a challenge to fund the investment. Capital expenditure can be financed from either existing capital receipts, specific or general grants, contributions from revenue, or borrowing. Expenditure that is not funded from receipts or grants will result in a charge against revenue, and thus a potential increase in the Levy.

The challenge then it to weigh up the best source of funding for the project(s).

16 Members need to decide the best approach to adopt with regards to financing capital expenditure, with a view on the associated risks of using receipts against charging to revenue.

17 The Authority is in a fortunate position of having existing capital receipts that are available to use to fund its capital expenditure, along with a number of additional receipts already received in year, or expected over the next year.

CAPITAL RECEIPTS

18 **Existing Capital Receipts**

The Authority held capital receipts of £11.8m at the start of the 2021/22 financial year, made up of the balance remaining from the Chobham Manor site, which has fluctuated with financing of expenditure on the Capital Programme since 2012, and capital receipts in 2019/20 for disposals of St Pauls Field and Nazebourne Poultry Farm.

19 **Harbet Road and Leaside Kennels**

As reported to Members in October 2021 (paper E/740/21) the Authority has received capital receipts in respect of the disposals of land at Meridian Water, Harbet Road, to London Borough of Enfield, and the former Leaside Kennels site. Disposal of these two sites generated receipts of £250,000 and £50,000 respectively.

20 **Langley and Mile Nursery**

The Langley and Mile Nurseries site, located in the north of the Park, which Members have previously considered is a site that could potentially be disposed of, as a site that could be declared no longer required for Park purposes.

Following a successful planning appeal the Authority has secured outline planning permission for a residential development comprising 52 dwellings (including 40% affordable housing) with vehicular access from the Crooked

Mile, associated open space, children's play area and ancillary works.

The Authority had the site appraised on the basis of the 52 unit residential scheme. The appraisal results in an estimated land value in the region of £4,500,000 - £5,000,000. Since the site was last appraised in 2018, residential sales values have increased, however, build costs have also increased fairly substantially and continue to do so. The next step is to prepare to market the site to seek developer interest for a freehold disposal with the benefit of the outline planning permission. Any offer received would then be subject to Member approval and a final consideration as to whether the land can be declared no longer required for Park purposes under section 21 of the Lee Valley Regional Park Act 1966.

FINANCING OPTIONS

21 Appendix B to this report sets out the capital resources available over the current and next five years based on the current capital programme, plus future investment projects. It demonstrates that the capital expenditure on this minor capital works is affordable, and within the Authority's resource-capacity.

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Opening Available Resources	(12.42)	(10.72)	(14.14)	(13.88)	(13.78)	(13.61)
Contributions/Borrowing	(17.66)	(19.25)	(1.25)	(1.25)	(1.25)	(1.25)
Capital Expenditure	19.37	15.83	1.51	1.35	1.43	0.95
Closing Net Capital Resource Available	(10.72)	(14.14)	(13.88)	(13.78)	(13.61)	(13.91)

It also sets out the available cash, as based on the current Medium Term Financial Plan, and demonstrates affordability in the medium term.

22 In line with the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities, we are required to set out indicators as to whether our capital investment plans are affordable, prudent, and sustainable. These form part of the overall Capital Strategy, and will be presented to Members for approval in January.

23 Regulations state that Capital Expenditure should be financed from a combination of capital receipts, revenue contributions, specific or general grants, or from prudential borrowing. Prudential borrowing can come from either external borrowing, from Public Works Loan Board (PWLB) or other approved institutions, or from internal borrowing, or use of the Authority's own cash reserves. External borrowing will incur loan repayment interest charges, whilst internal borrowing will result in the loss of potential investment income.

24 Expenditure that is financed from prudential borrowing is referred to as debt, and the Authority has a statutory requirement to set aside each year part of its revenues as a provision for the repayment of debt, which is referred to as the Minimum Revenue Provision (MRP). The provision is in respect of capital expenditure incurred in previous years and financed by borrowing.

25 It is recommended that current capital receipts are utilised to finance these

venue capital investment projects, rather than utilising borrowing. The use of capital receipts for capital financing avoids the need to charge MRP against the levy that financing by borrowing would.

The expected capital receipt for Langley and Mile Nursery site, estimated in excess £5m, will bolster the Authority's capital and cash reserves as demonstrated in Appendix B to this report, although through the Land and Property Strategy, the Authority should continue to explore other commercial opportunities that may become available.

26 Income generated from these investment projects in subsequent years can be used as revenue contributions for funding future capital investment, asset management and landscape & open spaces projects.

ENVIRONMENTAL IMPLICATIONS

27 The introduction of new LED lighting and the CO2 reduction will help towards the Authority's goal of reducing its emissions and becoming carbon footprint neutral.

FINANCIAL IMPLICATIONS

28 Any prudential borrowing would result in a charge to revenue for MRP, and external borrowing will incur interest charges. This would have a direct impact on the Revenue Budget, and consequently the Levy each year.

29 Capital expenditure financed from existing capital receipts will reduce the Authority's cash holding in the short term.

30 With the commencement of the Leisure Service Contract in April 2022, the financial risk profile of the Authority will change, with the income risk moving over to GLL. This will mean the Authority should review its own reserves requirements going forward, and set a level that is prudent with its requirements. The Authority's Revenue and Capital Budgets will be discussed by Members at the Budget Workshop, with budgets subsequently approved in January 2022.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY IMPLICATIONS

34 There are no equality implications arising directly from the recommendations in

this report.

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BACKGROUND REPORTS

None

APPENDICES ATTACHED

Appendix A	Investment Projects
Appendix B	Capital Resources

LIST OF ABBREVIATIONS

CIPFA	Chartered Institute of Public Finance & Accountancy
MRP	Minimum Revenue Provision
LSC	Leisure Services Contract
MTFP	Medium Term Financial Plan
GLL	Greenwich Leisure Limited

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Lee Valley Regional Park Authority
Venues Capital Investment Projects

Location	Project Name	Description	Type	Project Cost	Annual Income	2021/22	2022/23	Future	Comments
Campsites									
Sewardstone	Kelvin Glamping Units	Introduce three new Kelvin glamping units to be used Mon-Thu as hotel accommodation and Friday to Sunday as glamping units	Income Generation	£42,000	£80,000	X			Only £7,500 needed for deposit to secure order, this is a priority if we are to secure dates in manufacturing process
Dobbs Weir	Kelvin Glamping Units	Introduce three new Kelvin glamping units to be used Mon-Thu as hotel accommodation and Friday to Sunday as glamping units	Income Generation	£42,000	£80,000	X			Only £7,500 needed for deposit to secure order, this is a priority if we are to secure dates in manufacturing process
Sewardstone Dobbs Weir	Coffee machines	Introduction of self-service coffee shops in both Dobbs Weir and Sewardstone	Income Generation	£4,000	£6,000	X			
Sewardstone Dobbs Weir	Playgrounds	Sewardstone & Dobbs, one closed as unusable, other wont pass ROSPA next year	Maintain Services	£75,000	£0	X			This doesn't generate income but is vital for brand compliance and customer satisfaction
Sewardstone Dobbs Weir	WIFI	WIFI upgrade to both sites	Income Generation	£30,000	£20,000	X			Income based on 50% of holiday home owners taking up dedicated broadband supply at £275 pa. Additional revenue will be generated from touring guests updating to premium supply during their stay
Marinas									
Springfield	Feeder Pillars	Electrical improvements in line with Stansted	Maintain Services	£75,000	£0		X		Negates the need for manual reading of meters as smart cards will be issued to berth holders/hirers
Springfield	Welding Tent	Create a weatherproof environment for H&S	Maintain Services Income Generation	£5,000	£6,000	X			Will enable welding repairs to be undertaken on a year round basis as currently cannot be done in wet weather unless workshop has space.
Springfield	Canoe Racks		Income Generation	£2,500	£1,000		X		
Springfield	Extension to Workshop (dry dock)		Maintain Services Income Generation	£100,000	£10,000		X		This would be the only dry dock in the vicinity and serving the River Lea, it would increase repair capacity and income potential.
Springfield	Re use the old scout hut area for boat works and storage		Maintain Services Income Generation	£50,000	£7,000		X		
Springfield	Extension of Laundry Room, new machines		Maintain Services Income Generation	£45,000	£3,000		X		Current machines always in use and not enough numbers to cope with demand, existing machines are nearing end of life and requirement at a cost of £20k
Stanstead	Laundry Facility	Create a laundry area within a portacabin type unit on site	Maintain Services Income Generation	£70,000	£15,000		X		The stanstead marina site requires some investment to try and compete with the Roydon Marina complex which has significantly better and modern facilities.
Stanstead	Replace pump out	Existing pump out is antiquated and continually breaks down	Maintain Services	£11,000	£7,000	X			Will this generate additional income
Stanstead	Welding Tent	Create a weatherproof environment for H&S	Maintain Services Income Generation	£5,000	£6,000	X			Will enable welding repairs to be undertaken on a year round basis as currently cannot be done in wet weather unless workshop has space.
Stanstead	Extension of Craning Pad	The new crane requires a larger concrete footprint to enable it to be closer to the waters edge to lift boats for repair	Maintain Services Income Generation	£3,000	£3,000		X		
Stanstead	Chandlery Click & Collect	Setting up of an online website by marina staff with IT help	Income Generation	£0	£ tbc		X		This will enable online ordering which is a new revenue stream and will enable prior ordering online for collection, revenue is TBC

Lee Valley Regional Park Authority
Venues Capital Investment Projects

Location	Project Name	Description	Type	Project Cost	Annual Income	2021/22	2022/23	Future	Comments
Open spaces									
Farm House	Farm House Conversion	Increase is asset value £400K, retention and staff improvement	Maintain Services	£250,000	£0		X		This is required to enable the farm to house its operational staff on site rather than across two venues
Holyfieldhall Farm	Calf nursery	Improve calf rearing facilities. Highlighted as a potential audit failure next year.	Maintain Services	£22,000	£0	X			
Holyfieldhall Farm	Milk storage tank		Maintain Services	£40,000	£0	X			
Holyfieldhall Farm	Slurry store	Increase storage, and cover, to comply with pending legislation	Maintain Services	£200,000	£0			X	Project delivery not required until 2027
Sports Venues									
Velopark	LED Lighting	New LED fittings to replace metal Halide lights	Reduce Costs	£700,000	£17,000	X	-		Mid range scheme, more than sufficient to deliver requirments for venue, and sufficient for minimum 10 years
White Water	Office & Meeting Rooms	New office arrangement & alterations to meeting rooms	Maintain Services Income Generation	£450,000	£50,000	X	-		
White Water	New Kayal slalom ramp	New Kayal slalom ramp	Income Generation	£15,000	£8,000	X			Tri party funding BC/Sport England/LVRPA
All venues & offices	Air cleansing units	Allow for high density spaces and venue areas only	Maintain Services	£85,000	£0	X			

PROFILED SPEND	2021/22	£1,506,000	£280,000
	2022/23	£595,500	£39,000
	FUTURE	£200,000	£0
		£2,301,500	£319,000

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)	(10,715.5)	(14,139.5)	(13,882.5)	(13,781.5)	(13,604.5)	
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)	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(1,500.0)
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)	(19,250.0)	(1,250.0)	(1,250.0)	(1,250.0)	(1,250.0)	(54,332.5)
Total Available Resources	(12,424.5)	(30,082.5)	(29,965.5)	(15,389.5)	(15,132.5)	(15,031.5)	(14,854.5)	(54,332.5)
Proposed Net Capital Expenditure		16,612.0	13,827.0	550.0	550.0	550.0	550.0	32,639.0
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		75.0	0.0	0.0	0.0	0.0	0.0	75.0
Venues Investment Projects		1,506.0	595.0	0.0	0.0	200.0	0.0	2,301.0
Total Capital Expenditure		19,367.0	15,826.0	1,507.0	1,351.0	1,427.0	945.0	40,423.0
Closing Balance		(10,715.5)	(14,139.5)	(13,882.5)	(13,781.5)	(13,604.5)	(13,909.5)	(13,909.5)
Capital Related Fund Balances								
Usable Capital Receipts Reserve	(11,809.6)	(10,220.6)	(14,048.6)	(13,748.6)	(13,448.6)	(12,948.6)	(12,648.6)	
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)	(10,715.5)	(14,139.5)	(13,882.5)	(13,781.5)	(13,604.5)	(13,909.5)	

Lee Valley Regional Park Authority

Analysis of Reserves to Cash

	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s
Usable Reserves							
General Fund	(3,496.7)	(4,236.7)	(4,316.3)	(4,434.8)	(5,473.6)	(6,153.4)	(6,651.8)
Asset Maintenance (Major Repairs) Reserve	(614.9)	(494.9)	(90.9)	(133.9)	(332.9)	(655.9)	(1,260.9)
Insurance Fund	(450.2)	(440.2)	(430.2)	(420.2)	(410.2)	(400.2)	(390.2)
Repairs and Renewals Funds	(1,654.2)	(1,815.0)	(1,867.9)	(1,920.8)	(1,973.7)	(2,026.6)	(2,079.5)
Usable Capital Receipts	(11,809.6)	(10,220.6)	(14,048.6)	(13,748.6)	(13,448.6)	(12,948.6)	(12,648.6)
Total Usable Reserves	(18,025.6)	(17,207.4)	(20,753.9)	(20,658.3)	(21,639.0)	(22,184.7)	(23,031.0)
Capital Financing Requirement	11,673.7	11,207.2	39,740.7	38,549.2	37,357.7	36,166.2	34,974.7
External Borrowing	0.0	0.0	(29,000.0)	(28,275.0)	(27,550.0)	(26,825.0)	(26,100.0)
Net Internal Borrowing	11,673.7	11,207.2	10,740.7	10,274.2	9,807.7	9,341.2	8,874.7
Creditors/Debtors - General Liabilities	(1,723.0)	(1,623.0)	(1,523.0)	(1,423.0)	(1,300.0)	(1,200.0)	(1,200.0)
Closing Cash Balances	(8,074.9)	(7,623.2)	(11,536.2)	(11,807.1)	(13,131.3)	(14,043.5)	(15,356.3)