

FEES & CHARGES REVIEW 2016/17

Presented by the Director of Finance & Resources

EXECUTIVE SUMMARY

This report sets out the proposed charges for 2016/17 for the sites/venues that remain under the direct control of the Authority. These are:

- Fisheries;
- Myddelton House & Gardens;
- Youth and Schools;
- Allotments; and
- Access to Information fees.

The Authority currently collects approximately £225,000 annually from these specific fees and charges. The fees and charges are reviewed annually as part of the budget process. The report also seeks to confirm the recommendation made (at the Service Planning/Fees & Charges Workshop on 26 November 2015) to accept the Trust's proposals for fees and charges for 2016/17 at the venues it manages.

RECOMMENDATIONS

- Members Approve:
- (1) proposals for the Authority's 2016/17 fees and charges as summarised in paragraph 3 and set out in detail in Appendix A to this report; and
 - (2) the Trust's fees and charges as set out in Appendix B to this report.

BACKGROUND

- 1 Fees and Charges generate £219,000.
- 2 The Authority reviews its fees and charges annually and the impact of any proposals are fed into the annual budget process. These have a direct impact on the levy and the management fee to the Trust.
- 3 Appendix A to this report sets out proposed charges for the financial year 2016/17 for sites, facilities, accommodation and heritage attractions operated by

the Authority. In summary:

	Proposed average increase %	Estimated additional Income
Lee Valley Fisheries	2.0	£3,000.00
Myddelton House Gardens	1.8	£1,000.00
Lee Valley Youth & Schools	1.4	£1,000.00
Allotments	1.6	£100.00
Access to Information	0.0	£0
Total		£5,100.00

- 4 Proposed charges would generate an additional income of up to approximately £5,100 per annum, which is an overall increase of 1.7%. The Retail Price Index (RPI) for September stood at 0.8% and the Consumer Price Index (CPI) stood at -0.1%.
- 5 The overriding principles in setting charges are set out in the fees and charges policy and are:
- i. venues should aim to break even (excluding overheads);
 - ii. sustainably improve market share/usage;
 - iii. equality through concessionary pricing.

EXCEPTIONAL CHARGES / AREAS

- 6 Fisheries – Proposed price freezes exist where particular fisheries have not reached capacity. All other areas are expected to increase.
- 7 Myddelton House Gardens - Proposed price freeze across certain charges to try and grow visitor numbers and increase income through more people booking on walks and courses.
- 8 Youth & Schools service – It is more expensive for a day visit than the majority of competitors. Recommend inflationary increases only to maintain strong customer base and ensure accessibility to youth groups and schools from across the region.
- 9 East Hale Allotments – Proposed increase in line with RPI for 2016.
- 10 Members agreed the 'Access to Information Fees and Information Security Policy' in October 2013 (paper E/298/13), which included the related fees. Since setting these fees they have not yet been applied to a relevant request, and as an inflationary increase would be rounded down it is recommended that these charges are kept at the same level for 2016/17.
- 11 The approved fees and charges will generally come into effect from 1 April 2016, but will be dependent on seasonal opening and operating periods.
- 12 The impact of the approved fees and charges will be incorporated into the 2016/17 Budget and Levy proposals.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 14 The proposed fees and charges will provide total additional income of £222,150 (£217,050 via the Trust and £5,100 through the Authority). A proposal to increase income through new car parking charges will be discussed as part of the 2016/17 budget paper and discussed at the Budget Workshop later today.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 17 A significant part of the Authority's and Trust's budget depends on income generated from fees and charges. Income can be adversely or favourably affected by weather, market demand factors and pricing in the wider economy as a whole. To mitigate this risk it is important that reserves are set aside at a prudent level (the current minimum reserve policy is £4m), and that business interruption insurance is in place.

EQUALITY IMPLICATIONS

- 18 At the Service Planning/Fees & Charges Workshop Members requested an update to the concessionary policy identifying target groups, those people targeted within these groups and examples of the type of evidence they would need to provide to receive a concession.

The updated table is shown below:

Target Group	People Targeted	Examples of Evidence
Group 1: People outside the normal working age	Senior Citizens (men and women) who are entitled to receive the state pension in line with Government policy	Proof of age, Bus pass, entitlement letter, driving licence, passport or proof of date of birth
	Under 16's (Children under 5's are sometimes allowed in for free, but some of our venues do not do this)	Proof of age card
Group 2: People with disabilities, and their carers	Groups of people with special needs who require assistance	Applications must be made in writing to the manager of the venue. The letter must be on

		official headed paper from group, organisation, school, club, society etc
	People with a disability who receive Disability Living Allowance (DLA) or Personal Independence Payment (PIP) and require assistance from a carer	Award letter within the last 12 months from the Department of Works and Pensions (DWP)
	Carers visiting with people from the groups above	Visiting with person who has evidence of above
Group 3: People who are on a low income and in receipt of one of the benefits identified in column 2	People on Income Support (IS) Employment and Support Allowance (ESA formerly Incapacity Benefit) Jobseekers Allowance (JSA) Carers Credit (CC)	Award letter within the last 12 months from the Department of Works and Pensions (IS, JSA, ESA, CC)
		An entitlement notice from Local Authority/ Council within the last 12 months clearly highlighting a reduced charge owing to any of the above benefit entitlements

Author: Jon Carney, 01992 709 804, jcarney@leevalleypark.org.uk

PREVIOUS COMMITTEE REPORTS

Executive Committee	E/378/14	Fees & Charges Review 2015/16	18 December 2014
Authority	A/4161/13	Fees and Charges Policy	24 January 2013

APPENDICES ATTACHED

Appendix A	Proposed Authority Fees and Charges 2016/17
Appendix B	Trust Service Delivery Plan 2016/17

LIST OF ABBREVIATIONS

the Authority	Lee Valley Regional Park Authority
the Trust	Lee Valley Leisure Trust Limited

LEE VALLEY FISHERIES

1. Market Dynamics

- The current portfolio of angling venues includes 27 gravel pits and 21 stretches of River/Flood Channel that facilitate coarse angling comprising of 30 different venues of which 15 are directly managed by the Fisheries department, 14 are licensed to Angling Clubs, Societies and Consortia and one which is jointly managed.
- Our fisheries offer a very high standard and wide variety of species of fish.
- However, all our fisheries are 'multi-use' – anglers have to share the Park with a range of other leisure users including: boat clubs, dog walkers, runners, cyclists
- In contrast, many competing fisheries can offer exclusive, non-public access to fisheries, additional parking and catering facilities – factors that are important to anglers, which affects our ability to increase prices too much.
- Our pricing in comparison to the wider market reflects the positives, and negatives our fisheries have – we're more expensive than similar, mixed use venues but cheaper than exclusive fisheries.

2. Venue visitor and financial information

Year	Visitor numbers	Customer satisfaction	Operational Income	Net operational (income) / expenditure	Net cost/ income per visitor
2012/13	2,662	8.5	(£134,337)	(£12,649)	(£4.94)
2013/14	2,906	7.9	(£144,256)	(£14,777)	(£5.08)
2014/15	3,216	8.5	(£157,865)	(£25,124)	(£7.81)
2015/16 Budget			(£151,900)	(£21,600)	n/a

3. Impact of Last year's charges/ customer comments

- Very few comments regarding last year's charges.
- Our fisheries are unique – good quality fish and venues but multi use. Anglers are aware of what they are getting for the price at our fisheries.
- Season starts mid-June – very early to be discussing prices/ current year performance.
- Some fishing lakes still struggling from the economic down turn - people with permits for a number of lakes cutting back to 1 or 2.

4. Proposed charges for 2016/17: Variance from inflation

- **Mill Stream**
 - Historically, has always been, and remains a very little used venue and extremely small in terms of bank side/area. Propose freeze to increase number of anglers and help management.
- **Ashley**
 - Seen a decline in usage at Ashley due to issues surrounding the distance the car park is from the venue. Recommend price freeze to promote usage and not alienate customers.
- There is scope for above inflationary increase at remaining sites as Season Permits and Day Tickets are selling out ahead of schedule.
 - Proposed changes bring all charges into line with each other.

5. Proposed charges for 2016/17: Estimated additional income*

- 2015/16 Budgeted Income: £152k
- 2016/17 Estimated income: £155k
- **% Increase in income from change in charges only: 2.0%**

(*Data for illustrative purposes only and derived from applying proposed % increase to 2015/16 budget, assuming the same level of usage.)

6. Actions from Member Workshop Last Year

None

LEE VALLEY FISHERIES

			2015/16 Fee	Proposed Fee 2016/17	% Increase	
Day Tickets	Banjo Lake	(12 Hour) Adult	£15.00	£15.50	3.3	
		(12 Hour) Concession	£11.00	£11.50	4.5	
		(24 Hour) Adult	£20.00	£20.50	2.5	
		(24 Hour) Concession	£14.00	£14.50	3.6	
	Stock Pit	(12 Hour) Adult	£15.00	£15.50	3.3	
		(12 Hour) Concession	£11.00	£11.50	4.5	
		(24 Hour) Adult	£20.00	£20.50	2.5	
		(24 Hour) Concession	£14.00	£14.50	3.6	
	Mill Stream	(12 Hour) Adult	£6.00	£6.00	0.0	
		(12 Hour) Concession	£5.00	£5.00	0.0	
Season Permits	Walton's Walk	(Day & Night) Adult	£55.00	£57.00	3.6	
		(Day & Night) Concession	£45.00	£47.00	4.4	
	Admirals Walk	(Day Only) Adult	£60.00	£62.00	3.3	
		(Day Only) Concession	£50.00	£52.00	4.0	
	Bowyers Water	(Day & Night) Adult	£220.00	£230.00	4.5	
		(Day & Night) Concession	£190.00	£200.00	5.3	
	Slipe Lane Pits	(Day Only) Adult	£40.00	£42.00	5.0	
		(Day only) Concession	£30.00	£32.00	6.7	
		(Day & Night) Adult	£58.00	£60.00	3.4	
		(Day & Night) Concession	£38.00	£40.00	5.3	
	Nazeing Meads	(Day Only) Adult	£98.00	£99.00	1.0	
		(Day only) Concession	£83.00	£84.00	1.2	
		(Day & Night) Adult	£150.00	£152.00	1.3	
		(Day & Night) Concession	£103.00	£105.00	1.9	
	North Met Pit	(Day Only) Adult	£110.00	£115.00	4.5	
		(Day only) Concession	£98.00	£103.00	5.1	
		(Day & Night) Adult	£170.00	£175.00	2.9	
		(Day & Night) Concession	£115.00	£120.00	4.3	
	Ashley	(Day & Night) Adult	£175.00	£175.00	0.0	
		(Day & Night) Concession	£140.00	£140.00	0.0	
	Glen Faba	Adult	£170.00	£175.00	2.9	
		Concession	£135.00	£140.00	3.7	
	Abbott's Lake	Adult	£295.00	£300.00	1.7	
		Concession	£265.00	£270.00	1.9	
	Anglers with Disabilities – 8 sites permit			£20.00	£21.00	5.0
	Key purchase; required to gain access to certain Fisheries			£15.00	£15.50	3.3

MYDDELTON HOUSE GARDENS

1. Market Dynamics

- As part of the funding agreement the Gardens must be free to access for the public for at least 10 years.
- Officers feel this model suits the operation well as it encourages secondary spend in the visitor centre and repeat visits.
- Forty Hall recently received £5m lottery funding to renovate its facilities, and must be considered a very strong direct competitor to Myddelton House Gardens.

2. Venue visitor and financial information

Heritage Visitor Centre

Year	Visitor numbers	Customer satisfaction	Operational Income*	Net operational (income) / expenditure*	Net cost per visitor*
2012/13	n/a	n/a	(£99,600)	£60,461	n/a
2013/14	n/a	n/a	(£137,891)	£50,423	n/a
2014/15	n/a	n/a	(£138,976)	£52,064	n/a
2015/16 Budget			(£118,900)	£73,500	n/a

* Figures include operational income and operational cost for catering

Myddelton House Gardens

Year	Visitor numbers	Customer satisfaction	Operational Income*	Net operational (income) / expenditure*	Net cost per visitor*
2012/13	50,093	8.8	(£19,061)	£210,202	£4.20
2013/14	53,927	9.1	(£13,901)	£209,344	£3.88
2014/15	49,735	9.2	(£32,217)	£181,237	£3.64
2015/16 Budget			(£30,500)	£190,100	-

* Figures do not include operational income and operational cost for catering

3. Impact of Last year's charges/ customer comments

- Have received very few complaints over last year, however, this is due to price freezes following significant increase in Fees in Charges over last 2 years.
 - Visitor numbers still at much lower level than in 2012/13 and 2013/14.
- Complaints regarding car park charges have decreased, however, still receiving a few complaints regarding the car park.

4. Proposed charges for 2016/17: Variance from inflation

- **Private Guided Walks**
 - Propose price freeze on during open hours to promote uptake.
 - Recommend above inflationary increase for walks outside opening hours as this is a premium service.
- **Gardener's Coffee Morning**
 - Since changing head gardener, uptake of Gardener's Coffee Morning has been relatively poor. Additionally, price increases have been significant in recent years which have been detrimental to usage.
 - Recommend price freeze to promote uptake.
- **Car Park Charges**
 - Recommend freeze for all parking machine charges with view to increase next year.
 - Customers are still getting used to car parking charges and MHG is in line with competitors.

5. Proposed charges for 2016/17: Estimated additional income*

- 2015/16 Budgeted Income: £30k
- 2016/17 Estimated income: £31k
- **% Increase in income from change in charges only: 1.8%**

(*Data for illustrative purposes only and derived from applying proposed % increase to 2015/16 budget, assuming the same level of usage.)

6. Notes from Members Last Year

None

MYDDELTON HOUSE GARDENS				
		2015-16 Fee	Proposed Fee 2016-17	% Increase
Garden Entry	Entrance to the gardens at all times	Free	Free	n/a
Private Guided Walks (Price per person, min. 16 people)	1 Hour - during opening hours	£3.00	£3.00	0.0
	2 Hours - during opening hours	£4.00	£4.00	0.0
	1 Hour - outside opening hours	£5.00	£5.50	10.0
	2 Hours - outside opening hours	£6.00	£6.50	8.3
Events (Basket weaving, Living Willow Sculptures, Digital Photography)	Half day (minimum price)	£15.00	£15.50	3.3
	Full day (minimum price)	£25.00	£25.50	2.0
Gardener's coffee morning (2 hours)		£10.00	£10.00	0.0
Music in the Gardens	Adult	£9.00	£9.50	5.6
	Concession	£7.00	£7.50	7.1
Car Park charges	Up to 2 hours	£2.00	£2.00	0.0
	Over 2 hours	£3.00	£3.00	0.0
	Minibuses (under 16 seats)	£5.00	£5.00	0.0
	Coaches	£10.00	£10.00	0.0
	EA Bowles Society Annual Pass	£18.00	£18.50	2.8
	Annual Pass	£24.00	£24.50	2.1

LEE VALLEY YOUTH AND SCHOOLS SERVICE

1. Market Dynamics

- The Youth & Schools Service provide environmental and heritage education programmes and outdoor learning activities to over 20,000 people of all ages and abilities annually from across the region.
- Youth and Schools usage comes from our education programmes and interacting with schools, youth and family groups at the Park and external regional events.
- The Service has a strong customer base however subsidised education providers exist in the wider educational market, some offering free programmes. In addition competitors offering lower price programmes such as Secret Island are promoted by the Park.

2. Venue visitor and financial information

Year	Visitor Numbers	Customer Satisfaction	Operational Income	Net operational (income) / expenditure	Net cost per visitor
2012/13	25,200*	9.5	(£34,424)	£136,024	£5.40
2013/14	20,632	9.3	(£33,617)	£196,454**	£9.52
2014/15	20,719	9.5	(£37,349)	£151,885	£7.33
2015/16 Budget			(£37,200)	£171,800	n/a

*Visitor numbers higher due to one off events

**Includes £49k consultants review cost

3. Impact of Last year's charges/customer comments

- Price increases may have contributed to small yearly reductions in school bookings of standard programmes these have been compensated for by income from large school bookings and other projects with youth and community groups. While the majority of schools accept the costs a growing minority are citing affordability as a barrier to booking.
 - The key issue is the cost of external coach hire (which needs to be added on to the schools session cost).
 - Youth and Schools service still has a strong customer base and high number of repeat visitors; however, are wary about pricing out certain schools from the regional community.
- Impact on specific programmes:
 - Farm educational session uptake reduced over recent years due to additional charge for visiting Hayes Hill Farm.
 - Boat prices increased in previous years to cover boat hire cost, option now predominately only taken up by private schools.

4. Proposed charges for 2016/17: Variance from inflation

- Youth and Schools services is more expensive for a day visit than majority of competitors.
 - Recommend inflationary increases only to maintain strong customer base and ensure accessibility to schools across the region.
- Received comments from schools about complicated price structures.
 - Simplified charges to improve ease of use.

5. Proposed charges for 2016/17: Estimated additional income*

2015/16 Additional Income (assuming same visitor number levels)

- 2015/16 Budgeted Income: £37k
- 2016/17 Estimated income: £38k
- % Increase in income from change in charges only: 1.4%

(*Data for illustrative purposes only and derived from applying proposed % increase to 2015/16 budget, assuming the same level of usage.)

6. Actions from Member workshop last year

None

YOUTH AND SCHOOLS SERVICE

			2015/16 Fee	Proposed Fee 2016/17	% Change
Schools Programme		Half Day per pupil	£5.00	£5.10	2.0
		Full Day per pupil	£7.80	£7.90	1.3
		Boat trip per pupil	£11.50	£11.60	0.9
Boat Trips	Families outside school time	Per individual (under 2's free)	£9.50	£9.60	1.1
Walks	Guided Walks	1 hour	£65.00	£66.00	1.5

ALLOTMENTS

1. Market Dynamics

Description of Charges

- East Hale Allotments: Rent - per 10 pole plot (250 sq. m):
 - Income last year of £7k.
 - Allotment prices do not include £20 water charge and £3.50 insurance which the Authority does not set.

Competitor Prices

- Our allotments are highly priced compared with other local Borough allotments.
 - East Hale Allotments provide a better quality of security and common area maintenance.

2. Venue visitor and financial information: Corporate Volunteering and Activity Days

Year	Visitor Numbers	Operational Income	Net operational (income) / expenditure*	Net cost per visitor*
2012/13	n/a	£6,685	n/a	n/a
2013/14	n/a	£6,867	n/a	n/a
2014/15	n/a	£6,959	n/a	n/a
2015/16 Budget		£6,000	n/a	n/a

3. Impact of Last year's charges/ customer comments

None made.

4. Proposed charges for 2016/17: Variance from inflation

None – inflationary increase only.

5. Proposed charges for 2016/17: Estimated additional income*

- 2015/16 Budgeted Income: £6k
- 2016/17 Estimated income: £6k
- % Increase in income from change in charges only: 1.6%

(*Data for illustrative purposes only and derived from applying proposed % increase to 2015/16 budget, assuming the same level of usage.)

6. Actions from Member workshop last year

None

ALLOTMENTS				
		2015/16 Fee	Proposed Fee 2016/17	% Increase
Allotments	*Rent - per 10 pole plot (250m ²)	£63.50	£64.50	1.6

*Prices do not include £20 water charge and £3.50 insurance

ACCESS TO INFORMATION

Description of Charges

Members agreed the 'Access to Information Fees and Information Security Policy' in October 2013 (E/298/13).

- The policy sets out the conditions that must be met for charging to apply to information requests and the charges that may be made.
- Recommend price freeze as there has been no uptake of these services.

ACCESS TO INFORMATION				
		2015/16 Fee	Proposed Fee 2016/17	% Increase
A4/A3 Sheet or smaller	Black & white (per copy)	£0.10	£0.10	0.0
A4/A3 Sheet or smaller	Colour (per copy)	£0.50	£0.50	0.0
A2 Sheet	Black & white or colour (per copy)	£0.50	£0.50	0.0
A1 and A0 Sheet	Black & white or colour (per copy)	£0.50	£0.50	0.0
CD/DVD	Per disk	£2.00	£2.00	0.0
Postage costs	Variable (weight and size).	Costs based on Royal Mail Standard 2 nd Class	Costs based on Royal Mail Standard 2 ^{nc} Class	0.0

SERVICE DELIVERY PLAN



Lee Valley Regional Park Authority Leisure Services Contract

2016/17

1. The Vision and Values

The Lee Valley Leisure Trust Limited (Trust) will deliver “Vibrant Visitor Destinations”.

Trust Mission Statement

To be a learning organisation that invests in our staff and the venues that we manage, delivering quality services and vibrant destinations that delight our customers and are buzzing with life and activity

Trust’s Values

Professional, we deliver what we promise

Friendly, we recognise the values and importance of our customers and staff

Creative, we strive for innovation and creativity

Exceptional, we aspire to excellence in exceeding our customer expectations

Commercial, we will bring benefit to our communities through our commercial focus

Vibrant Partnerships (The Trust) is focused on delivering the sporting legacy, increasing participation, overall usage and increased income to enable the long term sustainability of the Lee Valley venues. We have been building on the work of the Authority to create world class leisure/sports destinations. During the first six months work has been undertaken to broaden the appeal of the venues, with the aim of creating Vibrant Visitor Destinations, which include:

- Enhancing the customer experience and improving secondary spend e.g. improvements to the food and beverage offer, café look and feel
- Days out for the whole family incorporating sporting activities e.g. Family Fun Day, Active August
- Conferencing and event hire (weddings, corporate packages, celebration packages)
- Entertainment e.g. live music, 6 day cycling event, Wiggins Hour Cycling Record
- Marketing and promotion e.g. developing microsites, Filled with Fun Campaign to promote Lee Valley as a destination

Vibrant Partnerships has been working closely with Authority colleagues, partners, governing bodies and community groups to deliver these aims.

In addition to the above, the venues have hosted a number of elite sporting events e.g. Canoe Slalom World Championships, Euro Hockey Championships, Revolution and schools festivals.

Looking ahead to 2016/17, Vibrant Partnerships will be looking to build on the work undertaken in the first six months. It is our belief that the best way forward is to support growth through

3. Service Development and Capital Investment Proposals

The Trust has developed a high level investment strategy to support the Authority's business objectives; and delivery of the requirements of the Leisure Services Contract and the Trust's vision and values. Investment in the venues is crucial to enable the continued delivery of the 2012 Games legacy and the long term sustainability of the venues, at least cost to the council tax payer (and levy paying authorities directly).

The Trust believes the creation of vibrant visitor destinations, building on the success and reputation of the venues, which provide "something for all" and have leisure at their core, will support the delivery of the 2012 Games legacy and the long term sustainability of the venues. It is proposed that four destination hubs are created:

- Lee Valley White Water Centre and River Lee Country Park
- Lee Valley Athletics Centre and Pickett's Lock
- Lea Bridge Road
- Queen Elizabeth Olympic Park

Each destination would have a number of themes/services on offer, which would complement the existing/proposed leisure offer e.g. food and beverage; cycling, rambling and boating hubs; accommodation; outdoor play; meeting and event space; and entertainment and events. The enhanced and extended offer is aimed at increasing dwell time, appealing to a wider audience and improving community engagement and participation across the levy paying boroughs.

Trust colleagues have been working closely with Authority colleagues and have identified a number of income generating projects which require investment in the short term. These are summarised in the table below:

Appendix B to Paper E/430/15

No.	Venue	Project	Capital cost £k	16/17 return	17/18 return	18/19 return
Investment 2015/16						
1	Stanstead Marina	Services to new Rye House moorings	10	10	10	10
2	LVAC	Cross fit area creation / improvement	15	7	7	7
3	VeloPark	Temporary bar and improved café displays	20	5	5	5
4	WWC	Bar fit out including portable bar	15	5	5	5
5	VeloPark	Pump Track and Pedal Up	40	5	10	10
6	VeloPark	MTB enhancements	20	5	5	5
7	H&TC	Conversion of prayer room to event concession space	50	10	10	10
8	WWC	Terrace bar improvements	30	10	10	10
9	Farm	Site investment to address current issues and look and feel	50	0	0	0
		Total Investment 2015/16	250	57	62	62
Investment 2016/17						
10	VeloPark	Café look and feel	40	0	5	10
11	Sewardstone	Hardstanding pitches created from current tent field	20	0	4	4
12	Dobbs Weir	Storage area expansion	24	0	6	6
13	Stanstead Marina	Laundry facilities	25	0	5	5
14	Sewardstone	Cabin extensions - 3 x 6 berth	60	0	10	10
15	WWC	Outdoor play area by pavilion	70	0	3	3
16	WWC	Storage compound by conveyor stairs	15	0	0	0
17	VeloPark	Cycle Surgery pod conversion to studio space if vacated by CS	20	0	0	0
		Total Investment 2016/17	274	0	33	38
Totals			524	57	95	100

4. Pricing 2016/17

All fees and charges have been reviewed and proposed for 2016/17. The proposed increases have been applied to the 2015/16 budgeted income figures to provide estimated income for 2016/17 - assuming usage and demand remains the same. The proposed increase in fees and charges could result in an estimated additional operational income of £217k in 2016/17 - assuming the same level of usage. This is one component of the budget process.

	Fees 2016/17	
	Proposed average increase %	Estimated additional income*
Lee Valley Camping and Caravan Park, Edmonton	5.1	£30,125
Lee Valley Campsite, Sewardstone	3.2	£16,296
Lee Valley Caravan Park, Dobbs Weir	0.5	£4,164
Lee Valley Park Farms	0.9	£5,674
Lee Valley Golf Centre	3.8	£10,111
Lee Valley Athletics Centre	0.3	£1,992
Lee Valley Hockey and Tennis Centre	2.2	£9,085
Lee Valley Ice Centre	1.6	£21,637
Lee Valley Riding Centre	1.7	£16,257
Lee Valley Marina, Springfield	3.7	£24,487
Lee Valley Marina, Stanstead	4.5	£27,996
Lee Valley VeloPark	2.1	£49,226
Lee Valley White Water Centre	0.0	£0
OVERALL	2.3	£217,051

The fees and charges setting process has involved an assessment of the market in which each venue operates, with market testing having taken place for various products. Based on this information the proposed fees and charges are intended to increase usage across venues to generate increased business.

5. Overall Income and Expenditure Target/Projections

The table below shows the income and net operational income/expenditure budgets for each venue.

	2015/16			2016/17		Notes
	Operational Income	Net operational budget income / expenditure	Projected Outturn	Additional Operational Income	Net Budget	
Lee Valley VeloPark	£2,303,600	£641,000	£594,000	£64,226	TBA	Includes operational income & operational cost for catering
Lee Valley White Water Centre	£2,817,100	£457,000	£66,000	£15,000	TBA	Includes operational income & operational cost for catering
Lee Valley Hockey and Tennis Centre	£416,700	£368,000	£370,000	£19,085	TBA	Includes operational income & operational cost for catering
Lee Valley Athletics Centre	£619,100	£116,000	£119,000	£8,992	TBA	
Lee Valley Ice Centre	£1,339,300	£240,000	£243,000	£21,637	TBA	Includes operational income & operational cost for catering
Lee Valley Riding Centre	£981,900	£39,000	£40,000	£16,257	TBA	Includes operational income & operational cost for catering
Lee Valley Park Farms	£636,900	£4,000	£8,000	£5,674	TBA	Includes operational income & operational cost for catering
Lee Valley Golf Centre	£263,800	£4,000	£5,000	£10,111	TBA	
Lee Valley Camping and Caravan Park, Edmonton	£593,100	£124,000	£125,000	£30,125	TBA	
Lee Valley Campsite, Sewardstone	£455,100	£135,000	£146,000	£16,296	TBA	Does not include operational income & operational cost for Caravan Sales
Lee Valley Caravan Park, Dobbs Weir	£302,200	£6,000	£37,000	£4,164	TBA	Does not include operational income & operational cost for Caravan Sales
Lee Valley Marina, Springfield	£658,700	£189,000	£214,000	£24,487	TBA	Includes rechargeable works
Lee Valley Marina, Stanstead Abbotts	£628,800	£86,000	£87,000	£37,996	TBA	Includes rechargeable works
Lee Valley WaterWorks Centre	£61,600	£92,000	£68,000	0	TBA	Includes operational income & operational cost for catering
Venue Totals	£12,077,900	£47,000	£196,000	£274,050		

6. KPI Performance

KPI Description	2014/15 Actual	2015/16 Target	2016/17 Proposed Target
Management Fee	n/a	£3,539,400	TBA
Customer satisfaction	83%	83%	85%
Net Promoter Score	44%	44%	46%
Regionality	31%	31%	33%
Usage	1.9m	1.9m	2.0m

7. Marketing Strategy

Background

This marketing strategy sets out the direction that Vibrant Partnerships will take over the next 12 months to successfully market Lee Valley Regional Park Authority's 14 venues (and wider destination) and how they will deliver the leisure services contract.

Vibrant Partnerships (the trading name for Lee Valley Leisure Trust) is a charitable organisation which thrives on delivering community focused, accessible programmes through sport, leisure and entertainment thus creating vibrant visitor destinations.

The organisation was formed in 2014 to work in partnership with Lee Valley Regional Park Authority (LVRPA) to deliver their leisure services contract. The contract commenced on 1 April 2015 and runs until April 2020, with a review after year three.

VP's business philosophy is centred on working in partnership with its clients to deliver measurable benefits – from identifying and maximising commercial opportunities, to creating operational efficiencies and enhancing profitability and growth for future years.

This strategy will be delivered in conjunction with the marketing and communications activity as outlined in each venue's annual communications plan which runs from 1 April each year.

Situation analysis

Internal

LVRPA's vision is to be a world class leisure destination. VP will help to realise this vision through targeted B2C and B2B marketing campaigns to reach local residents, leisure seekers, tourists and the corporate market. These audiences are further segmented and can be found in each individual venue's communications plan.

According to YouGov research December 2014 (sample size 1,010 of London adults):

- 59% of people had heard of LVRPA venues (an increase of 7% since March 2014 and 19% since 2012)
- Venues with the highest awareness level:
 - LVWWC 30% (4% increase since March 2014)
 - LVIC 25% (2 % increase since March 2014)
- Venues which exhibited the largest increase in awareness were:
 - LVVP 16% (8% increase since March 2014)
 - LVAC 20% (6% increase since March 2014)
- The greatest increase in awareness was seen in central London which has risen by 13% (an increase of 19% since 2012)

In 2014/15 Lee Valley Regional Park welcomed over 6.2 million visitors, LVRPA sports venues accounted for circa 1.7 million of these visitors.

Sport Venue	Heads	Unique Visits %	Unique Visits
LVVP	607,996	30%	180,784
LVHTC	65,128	31%	20,298
LVWWC	299,260	60%	180,306
LVAC	194,649	28%	55,249
LVIC	342,220	24%	82,246
LVRC	153,610	20%	30,494
PL Golf	22,807	2%	545
TOTAL	1,685,670	30%	549,922

With the current trend of these visitor numbers increasing YoY, it is expected that LVRPA's aspiration of achieving over 7 million visitors in 2017-18 to the whole of the park is within reach.

Venue specific visitor analysis can be found in the annual research report / communications plans.

External

According to Visit England, tourism is the third largest employer in England, contributing £106 billion to the economy each year. 1.3 billion day trips were taken to English destinations in 2014, with spending of some £45bn. (Source: <https://www.visitengland.com/biz/tourism-england/value-tourism-england>)

From Visit Hertfordshire research (conducted by Go To Places) it shows that there were 400,000 day trip visits to Hertfordshire in 2014 and East of England valued the tourism market at £7.9 billion in 2014.

Visit England Day Visits Report 2014 shows that (Source: https://www.visitengland.com/sites/default/files/abdvs_annual_report_2014_200515_0.pdf): 37% of GB day visits taken by GB residents lasted between 3 and 4 hours (588 million visits), and in value terms also accounted for the highest expenditure (£18.993 billion or 35% of total expenditure).

These statistics are encouraging and show the potential for market growth. Government initiatives such as 'Moving More, Living More', 'Everybody Active, Every Day', 'Change4Life' and a focus on disability sport as part of the Legacy of the Olympic and Paralympic Games are all campaigns VP can support and use to promote participation at LVRPA venues.

Detailed analysis including a breakdown of competitors, target market/customer segmentation etc. can be found in venue specific communications plans.

Aims and objectives

Business aims

- To achieve both the corporate and venue specific KPI's as outlined in *section 6 (corporate)* and *section 7 (venue specific)* of the Service Delivery Plan.
- To work with LVRPA to realise their vision and corporate objectives from the 2015-2020 Business Strategy.

Marketing objectives

- To strengthen and increase awareness of the LV brand / venue brands. Success will be measured through:
 - 2016-17 YouGov research with the aim to achieve a YoY increase for awareness levels.
 - Winning or shortlisting of industry recognised awards
- To counter the perception of elitist sport venues.
 - This will be measured through new research via YouGov/Leisure Kicks.
- To increase dwell time across the portfolio.
 - To bring sports venues in line with VisitEngland's highest percentage of day visits dwell time of 3 – 4 hours.
- To increase net income per visitor on secondary spend activities (catering, retail etc).
- To establish a longer visitor season at seasonal attractions by introducing new products/event days.
- To deliver VP's commitment to exceptional customer service by providing an excellent customer journey from their initial point of contact through to delivery – this includes readily available information, ease of booking and delivery of the product/experience. This will be measured through:
 - Overall customer satisfaction score (target 85%)
 - Overall net promoter score (target 46%).
 - Number of complaints / compliments
- Increase B2B opportunities at select venues through corporate/major event hire.

Delivery

Our marketing approach reflects the vision of Vibrant Partnerships – "*Vibrant Visitor Destinations*" through developing destination and entertainment venues that focus on sport and leisure.

With this focus in mind VP will deliver a marketing strategy that also takes into considerations LVRPA's vision, brand and corporate objectives as well as the market position to date.

The development and activation of the following strategies and campaigns will play a fundamental role in achieving VP's objectives and success in delivering the LVRPA contract next year:

Positioning strategy

VP will position LVRPA's venues as visitor destinations that combine a sport and leisure offer with entertainment. This will be achieved through product and market development to reach a new, broader audience.

Based on research into the sport, leisure and entertainment sector VP are confident that repositioning the majority of LVRPA's venues to destinations that are buzzing with life and energy they will appeal to a much wider B2B and B2C audience and tackle the perception of our sports venues being seen as elitist.

This will be achieved through tactical promotional campaigns based around market segmentation, product differentiation and competitive pricing. In turn, an increase in dwell time and secondary spend should be seen. Season extensions should also further income potential.

Product and pricing

VP will streamline the product offer (currently in excess of 700 products) at each of the venues in line with customer segmentation and growth whilst achieving a target ROI.

Where the market shows potential, we will look to:

- Develop and introduce new products to encourage repeat visits and appeal to new customer markets.
- Increase dwell time through improved F&B, entertainment and other on-site activities.
- Attract a wider audience through events such as family fun days, celebrate Rio 2016.
- Develop the venues as a community destination e.g. meeting points for friends and families, community groups, business colleagues, informal business meetings.
- Establish venues as prime, unique locations for corporate hire and away days.

As part of the LVRPA's commitment to delivering inclusive and accessible venues VP will continue to promote:

- Disability sport
- Women's participation in sport
- Community access
- Concessionary pricing (where applicable)
- Other relevant local/national agendas/initiatives

Partnerships

Establishing and maintaining effective partnerships is an integral part of this strategy. VP are already maximising opportunities and forging new relationships with partners that are mutually beneficial to all parties.

- Tourism - working with tourism bodies like VisitEngland, Visit Essex and London & Partners that support national initiatives (e.g. English Tourism Week) to increase tourism to the region and new business to our venues.
- Sports arena – work alongside Sport England, local councils and NGB's to support the delivery of national agendas in sport, health and wellbeing (e.g. This Girl Can, National Bike Week, Change4Life).
- Neighbouring attractions – collaborate with neighbouring attractions to enhance and complement each other's offering rather than purely seeing them as competition. This typically will be through shared marketing initiatives; from contra advertising deals to day/activity passes e.g. 2015's Active August.
- Venue hire – develop relations with event organisers of major events at LVRPA venues to leverage access to their audience, promote key messages and raise awareness of LVRPA's offer to a wider geographic and demographic market which will contribute to delivering the regionality KPI.
Through the delivery of successful events, the will showcase the superior quality of the venues with a view to securing more major event hire.
- Sponsorship – in addition to looking to secure long-term sponsorship for LVRPA venues, VP will utilise this as another revenue stream (or VIK) through product placement and the sale of advertising space to respectable, complementary brands.

Investment

To achieve the vision of both organisations VP will invest in the development of LVRPA venues. This could be anything from enhancing the look and feel with site dressing, improving the F&B offer or to developing microsites for each venue.

In order to deliver leisure destinations that deliver sport, leisure and entertainment VP are investing in:

- a dedicated events/corporate campaign officer to coordinate an events programme in addition to the LVRPA current programme with a view to expand operational seasons and attract a new audience that otherwise may not visit the venue.
- Further develop the concepts and delivery of campaigns such as Active August Pass and Filled with Fun to increase loyalty, repeat visits and encourage visits to multi-venues.
- To address customer feedback and further improve the customer journey, investment has been planned for the longer term development of the ELMs online interface.
- With changing technology and a change in the way consumers research and purchase products further development of mobile optimised microsites has been planned.

Reporting and review

Throughout the contract, VP's communications team will continue to review venue communication plans and carry out strategic short and long-term marketing planning in addition to taking on new briefs in relation to marketing from LVRPA.

LVRPA's Head of Communications is the client and VP's Head of Marketing is the account manager for the marketing element of this contract. Monthly meetings between the two will be held and documented as part of a formal process to review the delivery and effectiveness of the service.

As part of the contract, a programme of external market research into customer satisfaction and net promoter score has been agreed and will be carried out throughout the year and compiled into an end of season report.

8. Activities undertaken by Trust's Trading Arm

Authority and Trust officers are finalising which activities are in the trading arm.

9. Overview of Maintenance Programme

In order to ensure that venues comply with their legal obligations, a list/file of routine checking, servicing and testing has been produced that details the action that the Venue Managers need to implement – the Maintenance Performance Guide (MPG). This is based on the advice contained in the various Approved Codes of Practice (ACoP) published by the Health and Safety Executive which give advice on how to comply with the law. By following the advice, the Venue Managers will be complying with the law and if an inspection were to be carried out by Health and Safety inspectors or Local Authority Environmental Health Officers, they will have documentary evidence to prove it.

10. Landlord/tenant repairs and maintenance

The Trust contract with LVRPA documents in detail the split in respect of landlord repairs and replacements / tenant repairs and replacements.

11. Service Improvement Plan 2016/17

Service Plan	
Corporate	
Description	
Financial	
Pursue sponsorship deals across a number of venues and programmes	
Dobbs Weir Camping and Caravanning Site phase 3 - additional 34 luxury holiday home pitches	
New product development – creating destinations (LVWWC / white water aqua park), Park Pass	
Picketts Lock moorings -creation of 40-50 non serviced moorings on LVRPA owned stretch of riverbank	
Stanstead Marina - Services to new Rye House moorings	
LVAC - Cross fit area creation / improvement	
VeloPark - Temporary bar and improved café displays	
WWC - Bar fit out including portable bar	
VeloPark - Pump Track and Pedal Up	
VeloPark - MTB enhancements	
H&TC - Conversion of prayer room to event concession space	
WWC - Terrace bar improvements	
Farm - Site investment to address current issues and look and feel	
VeloPark - Café look and feel	
Sewardstone - Hardstanding pitches created from current tent field	
Dobbs Weir - Storage area expansion	
Stanstead Marina - Laundry facilities	
Sewardstone - Cabin extensions - 3 x 6 berth	
WWC - Outdoor play area by pavilion	
WWC - Storage compound by conveyor stairs	
VeloPark - Cycle Surgery pod conversion to studio space if vacated by CS	
Quality Management review update etc in line with Quality of service	
Achieve QUEST accreditation at the Hockey & Tennis Centre	
Quality of Service	
Customer Experience	
Partnership	
Feasibility study for a twin pad Ice Centre in the LVRP	
ITF Wheelchair Tennis Masters 2014-16	
World Track Cycling Championships 2016 (bidding stage)	
Sustainable	
Working with communities to deliver a sporting legacy and enhance wellbeing – effectively engage with local communities, inspiring them to live healthy lifestyles by ensuring the Trust's services are accessible to all	
Viability	
Improve the efficiency of the organisation through an IT infrastructure review, in line with the IT strategy	
Develop and implement competences/behaviours that align with the Trust's service standards & Customer Promise and feed into the leadership & development programme	
Develop and implement an individual development review (IDR's) process that is based on the competencies	
Develop a coaching and mentoring programme	
Begin process for the Investors in People accreditation	
HR / L&D Strategy	
New Business - identifying, bidding for and winning appropriate new contracts	
Launch of the Trust - launching and developing the brand	

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