Lee Valley Regional Park Authority

Lee Valley Regional Park Authority
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To:

John Bevan (Chairman)
Ken Ayling
Mike Garnett
Christine Hamilton
Gordon Nicholson
Mary Sartin
Claudia Webbe
2 x vacancies

A meeting of the **SCRUTINY COMMITTEE** will be held at Myddelton House on:

THURSDAY, 20 JUNE 2019 AT 13:00

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 25 April 2019 (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 SCRUTINY SCORECARD 2018/19 Q4 Paper S/49/19

Presented by Dan Buck, Head of Sport & Leisure

6 COMMUNITY ACCESS FUND UPDATE

Presentation by Paul Coates, Sports Development Manager

7 HOLYFIELD HALL FARM UPDATE Paper S/50/19

Presented by Jon Carney, Head of Parklands

8 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.

9 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.)

12 June 2019

Shaun Dawson
Chief Executive

LEE VALLEY REGIONAL PARK AUTHORITY

SCRUTINY COMMITTEE MINUTES
25 APRIL 2019

To:		
	John Bevan (Chairman)	Graham McAndrew (Deputy for Keith Warnell)
	Ken Ayling	Mary Sartin
	Mike Garnett	Paul Seeby (Deputy for Gordon Nicholson)
	Derek Levy (Deputy for Christine Hamilton)	Claudia Webbe

Apologies Received From: Christine Hamilton, Gordon Nicholson, Keith Warnell

Officers Present:		
	Beryl Foster	- Director of Corporate Services
	Dan Buck	- Head of Sport & Leisure
	Simon Sheldon	- Director of Finance & Resources
	Vince Donaldson	- Senior Contracts & Quality Manager
	Lindsey Johnson	- Committee Services Officer

Also Present:		
	Nigel Foxall	- Lee Valley Leisure Trust Ltd
	Michael Sterry	- Lee Valley Leisure Trust Ltd

Part I

160 DECLARATIONS OF INTEREST

There were no declarations of interest.

161 MINUTES OF LAST MEETING

Regarding Minute 157, the Chairman informed Members that he had recently visited Tottenham Marshes and was pleased to report that it was much cleaner.

The Chairman asked officers to update Members on what was being done regarding converting the redundant buildings and the vacant Farmhouse at Holyfield Hall Farm. Officers replied stating that the Farmhouse was currently being marketed for a tenant. The farm is currently undergoing a review, where officers will look at the site as a whole including the redundant buildings.

The Chairman informed officers that he had recently visited Holyfield Hall Farm and was pleased to note that the milk machines were very popular, however, the machine rejected a customer's money without the customer realising and suggested that a sign be put on the machine notifying customers to check the rejected coins box if they don't get their milk.

THAT the minutes of the meeting held on 22 November 2018 be approved and signed.

162 PUBLIC SPEAKING

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

The report was introduced by the Head of Sport & Leisure who informed Members major events have been attributed to increased usage at the Lee Valley Hockey & Tennis Centre and Lee Valley VeloPark; the customer satisfaction score on page 6 should be 86%; new visitor counters have been fitted with the data from these coming directly to the Authority; Traveller problems remain a problem in the Park; and complaints in open spaces have been attributed to car parking charges.

A Member asked if the reduction in visitors to open spaces was due to car parking charges. The Head of Sport & Leisure responded that it was, but we would need more time to see the real impact and hoped that parking permits would alleviate this.

Members were interested to know if the Traveller problems were due to Travellers living nearby or incursions and how long they cause inconvenience for. Officers responded that it was both and that fly-tipping was one of the main problems. Travellers often travel into the area for events such as funerals and so don't stay long. The Authority employs a team of bailiffs to help move them and we have not had many incursions recently. Members were also informed that high barriers at Lee Valley Hockey & Tennis Centre had helped with reducing incursions. Regarding fly-tipping, Members were informed that our grounds maintenance contractor is vigilant and quick to address this issue. Local authorities have the power to take out injunctions to protect their land against fly-tippers, we try to get local authorities to include our land, but many do not which makes our land a target.

A Member asked how we are addressing Green Flag failings at Gunpowder Park and Rye House. Officers explained that we had raised the issue but been informed that the judge's decision was final. At Rye House we failed because we did not submit to their website a Heritage Management Plan, you are only able to upload one document to their website and we had three documents. The other two documents including the Heritage Management Plan were sent separately, but the judge would not accept them. There are no improvements to be made to these sites and many people are now calling for more robust judging criteria.

The Chairman asked if we could have a future report on wild camping, detailing its costs and success to date and plans for the future. The Director of Corporate Services replied that this would be done.

The Chairman noted that a second cycle operator had pulled out of Gunpowder Park, he recalled that Lee Valley Leisure Trust Ltd had bid for this and wondered if officers had gone back to them to see if they were still interested. Officers replied stating that they were still marketing it.

The Chairman pointed out that on Page 49, the current level of the levy at 48% was out of date, he also pointed out that he thought the purpose of the Levy Working Group was to look at the 'direction' of the levy, not 'reduction'. The Director of Finance & Resources responded that the Executive Committee reviewed the terms of reference for this working group in October to 'reducing the burden on the tax payer'.

A Member asked how the customer satisfaction scores were collected. Officers responded stating that it was done by an independent company asking questionnaires on site.

(1) the report was noted.

_____
Chairman

_____
Date

The meeting started at 12.35pm and ended at 1.00pm.

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Lee Valley Regional Park Authority	Agenda Item No:
LEE VALLEY REGIONAL PARK AUTHORITY	5
SCRUTINY COMMITTEE	Report No:
20 JUNE 2019 AT 13:00	**S/49/19**

SCRUTINY SCORECARD 2018/19 Q4

Presented by Head of Sport and Leisure

SUMMARY

This report provides Members with a breakdown of the Authority's performance against its Key Performance Indicators, Corporate Performance Indicators and site/venue performance for the final quarter of 2018/19, reporting actual performance from 1 April 2018 to 31 March 2019. This report incorporates financial, customer, internal process and sustainability measures that have been approved by Members and incorporates all venues and parklands operated both in-house by the Authority and those contracted out to Lee Valley Leisure Trust Ltd. Lee Valley Leisure Trust Ltd's venue report and scorecard were reported to Executive Committee on 20 June 2019 (Paper E/626/19) and these are attached at Appendices C and D for information.

A summary of the Authority's key achievements in the final quarter of 2018/19:

- KPI's hit the majority of targets and were as expected;
- 7.3 million visits by the end of the year to the Park and Lee Valley Leisure Trust Ltd venues, with a year-end target of 7.1 million. This exceeded the target by 0.2 million;
- the levy reduction to 38.8% of the maximum chargeable has been achieved and is a reduction from 42.9% in 2017/18;
- the average combined customer satisfaction score was above target at 86%, with the Authority score alone at 86%;
- Quest Accreditations have met their target with Lee Valley VeloPark, Lee Valley White Water Centre and Lee Valley Athletics Centre retaining their 'Excellent' banding and Lee Valley Hockey & Tennis Centre retained its banding of 'Very Good' after unannounced Directional Reviews. Lee Valley Riding Centre will have a Directional Review in April next year as will Lee Valley Ice Centre.

Major factors impacting performance:

- the age and operational function of the visitor counters resulted in a decision to replace them in their entirety. A new supplier commenced replacing the counters in March 2019 and the full installation will be completed before the end of the first quarter of 2019/20;
- the continuing traveller incursions to sites requiring various vehicle mitigation options continues to impact on visitors to sites where these are in place. Alternative options are still under consideration;
- formal complaints are still higher than would be expected due to the charge for

car parking which has commenced at sites within the Park, though it does appear that this is now tailing off.

RECOMMENDATION

Members Note: (1) the report

BACKGROUND

1 At the Scrutiny Committee on 15 October 2009 (Paper S/02/09) it was agreed that a performance scorecard should be developed for the Authority and that this should act as a starting point for discussion that may initiate scrutiny reviews to investigate areas of concern or future development.

2 At the Scrutiny Committee on 27 January 2010 a scorecard for the whole Authority was presented and discussed. This resulted in a revised scorecard, incorporating Members' comments and was agreed at the Scrutiny Committee on 7 April 2010. It was agreed that officers would provide an update of the scorecard each quarter to Scrutiny Committee.

3 The balanced scorecard for the Authority is shown in detail at Appendix A to this report and contains data up to the end of December 2017. The following paragraphs summarise the key messages from the data with further explanation.

KEY PERFORMANCE INDICATORS (KPI)

4 **KPI 1: Levy Contribution**

The levy for 2018/19 was reduced by 6% in January 2018 and this has reduced the levy to 38.8% of the maximum chargeable and has met target. The future levy strategy is being considered by a specific Member led group in line with new Business Plan objectives 2020-22.

5 **KPI 2: 2016-19 Business Plan Objectives**

Members agreed a 2016-19 Business Plan and Work Plan which commenced in April 2016 and of 23 objectives due for completion in 2018/19, 21 are currently on target with 2 continuing from previous years (8.6%). 91.3% of the objectives for this year have been achieved at year end. The revised Business Plan Objective spreadsheet is attached as Appendix E to this report.

6 **KPI 3: Customer Satisfaction**

The average Lee Valley Leisure Trust Ltd (the Trust) and Authority combined customer satisfaction score for the final quarter 2018/19 is 86% which is above target of 85%. The Authority alone is showing an average customer satisfaction score of 86%.

This score was generated from a sample of surveys carried out between April 2018 and March 2019 with visitors to the Park, either through face to face interviews (via an independent research agency) or through self-completion surveys. Up to the final quarter of the year our research agency has been undertaking interviews with customers at parkland locations. The score achieved is above the overall UK customer satisfaction index (UKCSI) of 78%

and the individual scores for the UK leisure (80%) and tourism (81%) sectors.

7 **KPI 4: Stakeholder Perception**

The overall perception score is generated by asking a range of stakeholders a set of standard questions. This is to assess their overall perception of the Authority. 60 Councillors from 27 of the London Boroughs present at the London Council Summit in Q3 for 2018/19 took part. Based on results the score of 74% is below the target of 75% but is an increase of 1% from last year's score of 73%. This, combined with feedback from sports development stakeholders, has given an overall score of 74%, which is a slight decrease on the previous year. The next survey will be in Q3 of the 2019/20 year (London Councils event).

8 **KPI 5: CO2 Reductions from Authority Operations**

Carbon emissions up to the end of the final quarter have dropped slightly in comparison to the same period last year – 5,508 tonnes, showing a decrease of 167 tonnes (-2.94%). Carbon emissions across venues have reduced by 5% from last year. This is mainly due to reduced energy consumption during the closure of Lee Valley Ice Centre for refurbishment and there have been less major events in comparison to last year.

9 **KPI 6: Usage**

In total there have been 7.3 million visits to date to the Park and Trust venues, exceeding the year-end target of 7.1 million visits.

4.45 million visits were made to the Authority sites, facilities and services up to the end of the final quarter of 2018/19. This is 9,783 (0.22%) less visits than by the same period last year, with a proportionate increase in visits to Trust venues.

Weather can have an impact on visitor numbers. The weather across the year has been 9% warmer with 12% less rainfall and 15% more sunshine than last year. However, April 2018 was wetter than 2017 having a negative impact on Easter business especially for the Trust, in line with the wider attractions and accommodation sector. The very hot and dry summer, although beneficial to outdoor attractions, did impact where there was limited shelter, particularly during the hottest periods. The winter was warmer but wetter, with early Spring warmer and drier than last year (see table below).

	2018/19	2017/18		
	Q4	Q4	Change	%
Mean Temp.	6.4	4.8	1.6	33.3
Ave Rainfall	52.0	75.1	-23.1	-30.8
Ave Sunshine	104.7	83.5	21.2	25.4

AUTHORITY PARKLANDS SCORECARD

10 **Overall**

Performance across Authority sites is achieving or exceeding target for budget variance, customer satisfaction, net promoter score, compliments, complaints and utility consumption. The following paragraphs explain the main outlying

scores.

11 **Income and Budget Variance**

Car Parking Charges – (£82,000 reduced income)

The gross income generated in 2018/19 was £97,750 but on-costs (excluding any staff time) have reduced the net benefit to the Authority. This end of year position is based on the actual income generated to date at the 10 operational car parks, with the main reason for the anticipated shortfall attributed to visitors managing their time within the first hour of free parking and an overall reduction in visitor numbers.

Car parking charges were part of the full Fees & Charges review considered in November (Paper E/596/18) where approved charges from 2019/20 have resulted in a removal of the first free hour alongside a reduction in charges of £0.50p after this first hour. It is anticipated that this will generate a potential additional £70,000 and bring the income received in line with the approved budget in 2019/20.

Broxbourne Borough Council have installed machines and signage at the 3 additional car parks (Broxbourne Mill & Meadows and Cheshunt and Pindar) so charging started 22 October 2018. Officers are still scoping the investment of electricity supply to Tottenham, as without this implementing charges would not be financially viable.

In year operational savings and additional income within River Lee Country Park, Gunpowder Park, the Countryside areas (North and South) and Abbey Gardens, as well as improved income returns from Wild Camping have contributed £33,000 to reduce the overall impact of these cost centres to a projection of £49,000 over budget.

East India Dock Basin and Gunpowder Park Rentals – (£40,000 reduced income)

Two specific sites were identified to achieve commercial rental income and are included within the budget:

East India Dock Basin (£20,000 reduced income)

Planning permission was granted in November 2017 for the location of builders cabins required to support Ballymore's construction of their Leamouth south development. Ballymore wanted the Authority to grant them an Option on the land to place a site compound should they wish, but also claimed they had alternatives that they were pursuing and would not increase the rent they originally offered of £27,500pa. As the Option they requested was to be for no consideration and at a rent that had already been rejected by Members officers have not pursued this matter further.

Gunpowder Park (£20,000 reduced income)

Member approval to lease to a cycle operator was granted in 2017 and subsequently planning permission was granted in September 2017 to proceed. However, the operator pulled out in December 2017 deciding to focus on the online and international sales.

Officers were in discussion and finalising terms with another cycle operator for the lease of the Field Station on a 3 year lease term at a rental of £20,000 pa with the view to commence in Spring 2019, however this interest has also fallen away and the property will be re-marketed due to lack of progress from the current interest.

Lee Valley Farm – Holyfield Hall (£21,000 reduced income)

Changes that have been implemented at the Farm are starting to make positive impacts, for example the cow's milk yields are up on average by 2 litres per cow, more young heifers are due in Q4 of this year to increase herd numbers, unfortunately they will have little impact of increasing the milk income by the required amount, but their introduction will deliver higher yields for 2019/20. The 2018/19 budget was set at a production of 950,000 litres at 29 pence per litre (ppl) and in year we delivered 910,000 litres at an average price of 27.5ppl.

Arable has suffered with the spring drillings as the drought has caused the crop to perform worse than expected, this weather has affected the grain quality across the UK. Approved staffing restructures have made minimal difference in 2018/19 as additional costs (12 weeks paid notice and 70 days paid annual leave) which were not known when the Q1 projection was forecast, these are now included and savings in the staffing budget are forecast at £30,000 in 2019/20.

Officers were confident if prices remained the same (or improved) and the new ways of working proved successful that further inroads into reducing the £35,000 shortfall as forecasted in Q1, Q2 and Q3 were achievable. This has proved possible with a final outturn of £21,000 and place the Farm in a positive position for 2019/20.

Savings Targets 2018/19 (£136,000 unachieved savings)

As part of the budget setting process and budget savings targets for 2018/19 two items identified for on-going savings are unlikely to yield up the anticipated savings budgeted for 2018/19. These are "Service Review" savings (£100,000) and savings from operational costs due to the Abbey Gardens lease (£36,000).

In relation to service reviews, planned restructuring of the Active Communities team is underway, the Parkland service is complete and agreed by Members in September (Paper E/579/18). These are unlikely to be fully delivered and yield full year savings before the end of this financial year. In addition Members have agreed (Paper E/584/18) to transfer the catering/reception service at Myddelton House to the Trust and this was implemented from the new calendar year which has provided some savings in 2018/19 (£25,000) and going forward.

In relation to Abbey Gardens the lease with the church is currently being held over. Medium to longer term savings may still be realisable as part of the wider service review of services operated from this site and the ongoing maintenance provision set aside for areas under the lease and Members will be kept updated as part of monitoring reports.

12 **Usage**

Usage has decreased by 9,783 (0.22%) across parklands and sites compared to

the previous year.

- Open spaces usage has shown increase usage in some areas, though a drop continues in others, noticeably those where car park charging has been introduced – Waltham Abbey Gardens, Gunpowder Park and River Lee Country Park.

- Fisheries - Last season 2018-19 was the worst on record for Anti-Social Behaviour (ASB), which was due to the heatwave and the sheer number of visitors to the Park. The outcome for anglers is that many of the fishery venues are becoming too busy and disturbed to fish, particularly with the amount of swimming and people occupying the anglers swims (Platforms), BBQ's, picnics, sunbathing, etc. The heatwave: a) did not make perfect conditions for angling as fish become lethargic in extreme heat; and b) there was a requirement to temporarily close some gravel pits due to extreme low water levels, this was initiated by the Fisheries Manager before the Environment Agency requested this. One venue, Railway Pit at Slipe Lane, was closed to anglers for a full 6 months (end June to November). Finally car parking is problematic. Unfortunately many of the fishery car parks are at a considerable distance from each fishery which is at odds with the current benchmark of competing fisheries. This is a regular complaint with Ashley Pit and the Day-Ticket venue Banjo Lake. Furthermore we have a few venues which have no car parks whatsoever which is at odds with the expectation from anglers for close, secure car parking.

13 **Customer Satisfaction**

Overall satisfaction across parklands up to the end of the final quarter is 86%, which is slightly lower than last year's score of 87%, though above target. Education (Youth and Schools) scored 96%.

14 **Net Promoter Score**

The Net Promoter Score (NPS) up to the end of the final quarter has dropped slightly to 60%, with Bow Creek and WaterWorks Nature Reserve seeing drops. Due to the number of respondents that would be quantified as passives, i.e. people that have scored these sites as 1-6 on the Liked scale of 1-10, these are not taken into consideration when calculating NPS, as noted in the Q3 report.

When calculating NPS customers are surveyed to ask them how likely they are to recommend to friends and colleagues on a scale of 0-10. Their responses are organised into Detractors (0-6), Passives (7-8), and Promoters (9-10). The total percentage of Detractors is subtracted from the percentage of Promoters to determine the overall NPS. This number can range from -100 to +100. As an example, if 100 customers are surveyed, and the result is made up of 70 promoters, 10 passives and 20 detractors, the NPS would be 50.

% Promoters - % Detractors = NPS score. As Passives are not included in the NPS equation, which include a higher proportion of the visitors to these sites, this skews the result for these sites.

15 **Regionality**

Regionality scores at Abbey Gardens, Bow Creek and Myddelton House

Gardens have shown a drop, with all sites having had a higher percentage of local visitors this year, but no other obvious reasons have been evidenced from the market research surveys undertaken.

16 **Utility Consumption**

Utility consumption shows a decrease of 55kwh (13%) compared to last year. Myddelton House saw a decrease in both gas and electric use, due to the warm summer and winter period, but Holyfield Farm showed a slight increase in consumption which was also weather related due to the need to increase refrigeration capacity during the summer months.

17 **Cleanliness**

The average cleanliness score of 82% has improved slightly on the last quarter though lower than last year, and is below the target of 90%. Unfortunately, graffiti continues to be a problem and unseasonal weather during the February half term resulted in a proliferation of picnic litter at many sites. All areas of unacceptable cleanliness are reported to the grounds maintenance contractor and are monitored using ParkTracker to ensure any concerns are acted upon.

18 **Formal Complaints**

The number of formal complaints received up to the end of the final quarter has decreased from 274 last year to 112 this year. Although there had been concerns by users on car park charges in the north of the Park and River Lee Country Park these have reduced, as more customers understand the reason behind the charge.

19 **Formal Compliments**

The number of formal compliments received up to the end of the final quarter has increased from 264 last year to 274 this year. The notable decreases in compliments are at River Lee Country Park, Myddelton House Gardens and Youth & Schools, but these have no particular reason aligned to them.

CORPORATE SCORECARD

20 The Authority's Corporate Scorecard performance shows that a large proportion of measures are achieving or exceeding target. Explanation is given below for the measures where the target has not been met.

21 Website hits continue to be down as there are less referrals from the Queen Elizabeth Olympic Park site - with traffic down over 12% affecting the number of visits to the Authority's site. In addition, last year there were a large number of sessions and referrals from Facebook from the 50th Anniversary campaign paid for activity carried out by the Authority. There has been no similar campaign this year so there has been an overall decline in referrals and sessions.

22 The reduction in the number of articles is, in part, due to less mentions of the Park in relation third parties and partner activities occurring in the Park, and the natural fluctuation in major events. In 2017/18 items on the news agenda which mentioned the Park and our venues included; The Indoor Rowing Championships where Sir Bradley Wiggins competed, The Investec Hockey Internationals, the five year anniversary of London 2012 and Prince William

making a helicopter rescue attempt in the Park. It was also the Park's 50th Anniversary year which generated an increased amount of media coverage. While 2018/19 saw other major events including two world cups, there was an overall drop in this type of coverage. Proactive work was also impacted by a reorganisation of the communications and marketing functions in both the Trust and the Authority and a decline in the amount of resource dedicated to PR with the number of articles from proactive work also declining.

23 The number of Green Flags attained dropped from 11 to 8 this year. Waltham Abbey Gardens was removed from the scheme due to uncertainties with the lease situation. Gunpowder Park failed Green Flag and Rye House lost the Heritage award, Gunpowder Park due to personal interpretation of the management plan and Rye House not having the Conservation Management Plan assessed due to technical problems with the website, both by the same judge. Both decisions were challenged with Keep Britain Tidy but not overturned. 6 sites attained Gold for London in Bloom, with 2 sites being awarded park of the year (Gunpowder Park was awarded Country Park of the Year despite failing Green Flag and the WaterWorks Nature Reserve was awarded Large Conservation Area of the Year). Waltham Abbey Gardens has been re-entered for Green Flag and London in Bloom for the 2019/20 year.

24 **External Capital Funding**

External capital funding for the whole capital programme was estimated at 45% by the year end due to the first full year of the implementation of the Land & Property Strategy. This strategy seeks to utilise capital receipts from the land sales programme (for sites identified as potentially no longer required for Park purposes) to support future investment and the capital programme.

Five of the seven sites identified as potentially no longer required for Park purposes were approved for sale by Members and are actively progressing. It was originally anticipated that 3 sales would have been completed by 31 March 2019 to a value of £1.13m. There was however slippage into 2019/20 although two transactions were completed early in the new financial year. On 1 April 2019 £120,000 was received for the easement at Three Mills. On 3 May 2019 £451,000 balance was received for the sale of land and buildings on the south-west side of Old Nazeing Road, Broxbourne, with £50,000 deposit received in 2018/19. The third major sale from 2018/19 at St Pauls Field is yet to be exchanged but completion is anticipated before the end of the year (2019). These sales and capital income will now be measured against the 2019/20 target accordingly and therefore may result in an overachievement of target in the current year subject to other sales progressing.

The capital programme also delivered the final phase of development of Dobbs Weir campsite and small business investment schemes. These schemes do not have the potential for external capital funding although the business plan for Dobbs Weir investment from Authority funds (£3.9m), will generate an annual ongoing revenue surplus of £400,000 a year, as well as providing one- off receipts from caravan sales of circa £1m over the period 2017-2019. Small business investment schemes target increased usage, improving the customer experience and therefore income at specific sites.

Specific schemes (involving partner organisations) such as events infrastructure work at Lee Valley Hockey & Tennis Centre are also generated over 40% external funding over the period 2017-2019 with funding from Sport England and

England Hockey.

25 Up to the end of the final quarter of the year there was an average of 4.5 days sickness per FTE against a target of 3 days, some of which is the result of long term sickness carried over from 2017/18 that has now been resolved. The annual sickness monitoring report was presented to Executive Committee in May (Paper E/621/19). This paper set out that the Authority average sickness levels are comparable to the private sector and lower than other comparable public bodies. Sickness levels have been consistently low over the last three years.

26 Staff turnover has increased from 21% to 25% this quarter in comparison to the same period last year. This equates to 11 leavers for Q4 only (January 2019 to March 2019) as follows:

5 resignations
3 TUPE transfers (tea rooms)
2 redundancies
1 end of apprenticeship

From April 2018 to March 2019 (full year) there were 21 leavers as follows:

4 TUPE transfers
2 redundancies
1 apprenticeship completed
1 ill health retirement
12 resignations
1 end of fixed term

27 The response time for complaints has increased from 5.1 days up to the end of the final quarter last year to 10.7 days this year, higher than the 4 day target. Many complaints received are now requiring more depth in response to satisfy the complainant and increased numbers of FOI/EIR requests are being received which are time intensive.

FINANCIAL IMPLICATIONS

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

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

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PREVIOUS COMMITTEE REPORTS

Scrutiny	S/48/19	Scrutiny Scorecard 2018/19 Q3	25/04/19
Scrutiny	S/47/18	Scrutiny Scorecard 2018/19 Q2	22/11/18
Scrutiny	S/46/18	Holyfield Hall Farm Update	22/11/18
Scrutiny	S/44/18	Scrutiny Scorecard 2017/18 Q4	21/06/18
Scrutiny	S/45/18	Holyfield Hall Farm – Business Review	21/06/18

APPENDICES ATTACHED

Appendix A	Authority Scrutiny Scorecard
Appendix B	Revenue Monitoring Report
Appendix C	Leisure Service Contract - 2018/19 Q4 Performance Report
Appendix D	Trust Report and Scorecard
Appendix E	Business Plan Objectives 2016-19

LIST OF ABBREVIATIONS

KPI	Key Performance Indicator
LVWWC	Lee Valley White Water Centre
LVVP	Lee Valley VeloPark
LVHTC	Lee Valley Hockey & Tennis Centre
the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)

Reporting Period		2018/19 Q4			
Key Performance Indicators	**17/18 Q4 Actual**	**Annual Target**	**Performance**	**Q4 Actual**	**Comments**
Levy contribution	42.9%	38.8%	↑	38.8%	Target Achieved
Customer satisfaction	86%	85%	↑	86%	Trust & Authority combined
Stakeholder perception	77%	75%	↓	74%	
CO2 reductions from Authority Operations	5,675	5,675	↑	5,508	Trust & Authority
2016-19 Business Plan Objectives	85%	80%	↑	91%	Authority Report A/4234/16
Usage	7.1m	7.1m	↑	7.3m	Trust & Authority combined

Direction of travel	
↑	Performance has improved
↓	Performance has worsened
⇔	Performance has remained the same
	N/A

Performance against target	
	Achieving or exceeding target
	Just missed target
	Below target

Financial Measure
Customer Measure
Internal Process Measure
Sustainability Measure

Reporting Period	2018/19 Q4																							
Authority	Performance Indicators																							
	Income (£000's)		Budget Variance		Usage		Customer Satisfaction		Net Promoter Score		Regionality		Formal Complaints		Formal Compliments		Quality Score		H&S Audit		Utility Consumption (000 kwh)		Cleanliness	
	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19
Overall Target				+/-5%		4,461,882		85%		62%		37%		273		265		80%		95%		420		90%
Abbey Gardens	5	22	-17%	-13%	214,974	191,938	90%	88%	71%	72%	43%	21%	10	2	11	10							92%	85%
Bow Creek / EIDB	3	2	47%	38%	148,515	155853	83%	77%	32%	10%	34%	19%	0	1	0	0							85%	78%
Gunpowder Park	1	9	-13%	7%	282,797	257,660	87%	86%	60%	60%	14%	13%	17	11	2	0							89%	91%
River Lee Country Park	37	37	4%	11%	1,563,891	1,461,271	88%	87%	75%	73%	61%	60%	106	81	70	55							84%	88%
Rye House Gatehouse	0	0	13%	-2%	37,621	46,124	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0							93%	85%
Three Mills	17	4	-41%	-28%	21,864	30,137	n/a	n/a	n/a	n/a	n/a	n/a	0	2	0	0	N/A	N/A	98%	96%			77%	71%
Tottenham Marshes	n/a	n/a	n/a	n/a	393,228	432,834	84%	83%	61%	63%	25%	25%	0	0	2	0							72%	77%
Waterworks Nature Reserve	n/a	n/a	n/a	n/a	362,785	374,609	82%	85%	52%	44%	24%	48%	8	6	2	0							83%	80%
North Sites	59	63	0%	9%	654,281	733,475	86%	85%	74%	69%	60%	53%	125	17	2	4							89%	90%
South Sites	23	5	0%	-3%	691,577	657,168	89%	88%	83%	82%	18%	21%	5	7	2	0							84%	79%
Myd Hse Gardens & Vis Cntr	175	140	-4%	-9%	42,268	63,859	90%	88%	84%	84%	66%	54%	1	3	44	36	N/A	N/A	97%	97%	401	337		
Holyfield Farm	487	534	43%	17%									0	0	0	0	N/A	N/A	91%	88%	19	28		
Fisheries	165	161	-35%	-25%	4,175	3,586	82%	82%	11%	11%			2	1	0	0	N/A	N/A	95%	98%				
Education	56	52	-2%	-2%	*20,341*	20,486	95%	96%	79%	80%	40%	37%	0	0	127	117	N/A	N/A	94%	96%				
Volunteers	2	3	-2%	1%	*23,565*	23,699					23%	25%	0	1	2	52								
ALL PARKLANDS	1,031	1,031		3%	4,461,882	4,452,099	87%	86%	62%	60%	37%	34%	274	112	264	274	N/A	N/A	95%	Q4	420	365	85%	82%

Performance against target	Tolerance
Achieving or exceeding target	<5%
Just missed target	5-10%
Below target	>10%
N/A for site	

Fisheries: permits sold plus day tickets
Education: no. children on programmes
Volunteers: volunteer hours worked

Education & Volunteers report non-riparian usage

Financial Measure
Customer Measure
Internal Process Measure
Sustainability Measure

North Sites
Amwell
Dobbs Weir
Glen Faba
Nazeing Meads / Nazeing Marsh / Green Lane
Spitelbrook
Stanstead Riverside / Innings

South Sites
Rammey Marsh
Sewardstone Marshes / Paddocks
Swan & Pike Pool
Walthamstow Marshes

	CORPORATE PERFORMANCE INDICATORS	17/18 Q4 Actual	Annual Target	2018/19 Q4 Performance	Q4 Actual	Comments
Performance Indicators	Website hits (distinct visits to the site)	2,624,266	2.7m	↓	2,297,812	See Main Report (para 21)
	No. articles	3,867	3,000	↓	2,971	See Main Report (para 22)
	% articles that are positive	95%	95%	↑	97%	Target Excceded
	Green Flags achieved (Number / Score)	11	11	↓	8	See Main Report (para 23)
	NI 197 Improved local biodiversity – active management of local sites	60%	60%	↔	60%	On Target
	Quest accreditations (Number / Score)	6	6	↔	6	On Target
	External Capital Funding	8%	50%	↓	7%	See Main Report (para 24)
	Total Income Generation	£3.2m	£3.2m	↓	£3.0m	See Main Report (para 11)
	Staff Satisfaction	75%	75%	↔	75%	On Target
	No. Days Sickness	6.2	3	↑	4.5	See Main Report (para 25)
	Visitor Profiling					
	- from the most deprived socio-economic groups	12%	12%	↔	12%	On Target
	- from black & minority ethnic groups	31%	33%	↑	34%	Target Excceded
	- aged over 60yrs	25%	23%	↑	30%	Target Excceded
	- disabled	5%	5%	↑	6%	Target Excceded
	% Regional Users	33%	35%	↔	34%	On Target
	Waste per head	0.01	0.01	↔	0.01	On Target
	% Waste recycled	58%	58%	↔	58%	On Target
	% staff turnover	21%	10-20%	↓	25%	See Main Report (para 26)
	Average response time to complaints, enquiries and suggestions (days)	5.1	4.0	↓	10.7	See Main Report (para 27)

Direction of travel	
↑	Performance has improved
↓	Performance has worsened
↔	Performance has remained the same
	N/A

Tolerance	Performance against target
<5%	Achieving or exceeding target
5-10%	Just missed target
>10%	Below target

Financial Measure
Customer Measure
Internal Process Measure
Sustainability Measure

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Lee Valley Regional Park Authority	**Agenda Item No:**
LEE VALLEY REGIONAL PARK AUTHORITY **EXECUTIVE COMMITTEE** **23 MAY 2019 AT 10:30**	**Report No:** **E/624/19**

Q4 REVENUE BUDGET MONITORING 2018/19 PROVISIONAL OUTTURN

Presented by the Director of Finance & Resources

EXECUTIVE SUMMARY

This report summarises service spending for 2018/19 compared to the budget. Figures are 'near final' and are only likely to be the subject of minor changes during the remainder of the closure of accounts process.

Overall net service spending is £115,000 (1.2%) below the net budget for 2018/19.

The majority of reasons for variance were mostly anticipated and reported to Members during the year as part of the quarterly monitoring reports to Executive Committee. Final figures will be incorporated into the audited accounts which are to be reported to the Audit Committee on 4 July 2019.

Service Description	**Variance 2018/19**	**Impact on budget in 2019/20**
	£	**£**
Improved investment returns	**(15,000)**	**0**
Sponsorship Income	**50,000**	**25,000**
Legal Service	**149,000**	**0**
Property Management	**(93,000)**	**0**
Finance & Support Services (Net Cost)	**76,000**	**0**
Reduction in LSC Management Fee	**(110,000)**	**0**
Business Rates Rebate at Lee Valley VeloPark	**(180,000)**	**(100,000)**
Events Income & reduced costs	**(46,000)**	**10,000**
Car Parking Charges	**82,000**	**0**
In Year Operational Savings	**(33,000)**	**0**
East India Dock Rental/Gunpowder Park rental	**40,000**	**40,000**
Biodiversity Scheme at Glen Faba	**(57,000)**	**57,000**
Lee Valley Holyfield Hall Farm	**21,000**	**0**
Dobbs Weir Commission Income	**(290,000)**	**0**
Lee Valley Ice Centre – LSC Clause 14 Adjustment	**176,000**	**0**
Savings Targets 2018/19	**136,000**	**0**
Myddelton House Visitor Centre	**(25,000)**	**0**
Other	**4,000**	**0**
Total Estimated Under Spend:	**(115,000)**	**32,000**

RECOMMENDATIONS

Members Approve	(1)	a carry forward of £10,000 as described in paragraph 18 of this report; and
Members note	(2)	the report.

BACKGROUND

1 The Executive Committee recommended a budget for 2018/19 at its meeting in January 2018 (Paper E/540/18). This was approved by Members at the Authority meeting on 18 January 2018 (Paper A/4252/18). This report compares actual income and expenditure to 30 December 2018 with the approved budget.

2 The summary financial position of each Authority service or facility is shown in Appendix A to this report.

3 Currently the year-end position shows a net underspend of £115,000 against net expenditure budget of £133,000.

4 Where significant over/under spends are projected at the year-end for particular facilities/services a brief explanation is provided below.

GENERAL ECONOMIC FACTORS

5 Certain financial and economic factors have continued to impact on the budget during 2018/19 and will continue to do so into 2019/20 and future financial years and these are summarised in the following paragraphs. Overall uncertainty exists in financial markets as negotiations to leave the European Union continue and officers will monitor closely developments that may have a direct impact on the Authority's budget, for example inflation and interest rates.

6 Members received a paper in June 2016 (Paper E/452/16) which set out that agreement had been reached by employers and the relevant unions in respect of the pay award for National Joint Council (NJC) for local government services.

The budget has a built-in 2% uplift in line with the National Employers for Local Government Services offer dated 5 December 2017. On 10 April 2018 the Authority received confirmation that the new pay scales and allowances, applicable from 1 April 2018 and 1 April 2019, had been accepted. UNISON and GMB voted to accept whilst Unite voted to reject. However, in line with the Constitution of the NJC, Unite accepted the collective majority decision of the other unions that the pay award should now be implemented.

Members approved in May (Paper E/561/18) that Senior Officers on a pay grade above scale point 49 would also receive the 2% pay increase in line with NJC award for officers up to scale point 49.

7 Continued uncertainty in the banking sector has had an impact on investment returns and certainty around where investments are deposited. The Authority has significantly adjusted its base level of investment income downwards and this formed part of the budget setting process for 2018/19. The 2018/19 target rate of return agreed by Members as part of the Annual Report on Treasury Management was approved at 0.75% (Paper E/564/18). Actual returns on investment in 2018/19 were £77,155, (0.68%) and have exceeded the budget by

£15,000.

The Director of Finance & Resources continues to monitor Authority investments and the institutions that they are invested and will keep Members updated on any variances in this position through quarterly monitoring reports in 2019/20.

8 The Authority has received the outcome of the 2010/17 rating appeal for Lee Valley VeloPark and Lee Valley Hockey & Tennis Centre. A tribunal appeal hearing was heard at the end of March 2019. A more favourable valuation has been achieved and this has yielded a one-off benefit for the Authority estimated at circa £180,000. The reduction in Rateable Value from £2.04m to £1.87m is still subject to another appeal and further savings may accrue for the 2010/17 period and the new rating period from 2017/18.

All eligible centres that transferred to Lee Valley Leisure Trust Ltd (the Trust) received 80% mandatory relief for 2018/19. This amounted to a saving of £1.7million and this was again built into the 2019/20 budget and the Trust management fee.

Rates at the Waterworks have not been charged since 2015/16 at a potential total cost of £47,500. Although the Trust do occupy the building the lease currently identifies the landlord (LVRPA) as still in occupation and therefore still liable for the business rates. The London Borough of Waltham Forest is unwilling to change the billing to the Trust unless the rating valuation is formally split between the Authority and Trust - meaning the Trust could claim 80% charitable rate relief on their share of the occupation. Splitting the rates liability would probably reduce the bill to a cost in the region of £28,000. The Authority's rates consultant believes that the building was brought into rating when Local Authorities took full responsibility of business rates and back-dated this to the legally first applicable date of April 2015, the cost has impacted in 2018/19. Officers have ensured the bill is paid to avoid additional costs re court action for non-payment but will seek to resolve this matter with the London Borough of Waltham Forest and the Valuation Office over the next financial year. In year salary savings within the Property team have broadly off-set this cost in 2018/19. Future years liability has been included as part of the 2019/20 budget.

9 There is a strong possibility that a VAT reduction will 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 and they believe there is merit in seeking a repayment of the VAT on the basis that this is non-business income (this is a reclaim of VAT for the Authority business pre 2015 with no implications or impact on the Trust activity/VAT. The value of the potential VAT repayment could result in a significant windfall in 2019/20. Officers have submitted calculations to KPMG for review and they have submitted a claim and appeal to HMRC. It is anticipated that this matter will be concluded in 2019/20, although no firm date has yet been established for the lead case to be heard.

10 March's inflation for the Retail Price Index stood at 2.8% and Consumer Price Index at 1.8%.

11 The main variances against this year's budget are described below.

CHIEF EXECUTIVE

12 **Sponsorship Income (£25,000 reduced income, £25,000 expenditure)**

The Authority has been working in partnership with British Canoeing since 2018 to secure commercial partners for a package of assets across British Canoeing's and the Authority's interests.

13 The initiative has secured a range of commercial partner deals, in particular Jaffa as the Principal Partner for the 2019 ICF Canoe Slalom World Cup and 2020 ECA Canoe Slalom European Championships – the first ever commercial rights partner for British Canoeing events. While not securing income, or direct benefits, for the Authority immediately – the process has created relationships with a number of potential partners for Lee Valley White Water Centre itself. These are currently being pursued and officers will update Members as and when opportunities reach a firm negotiation point.

14 Naming rights and sponsorship are areas reserved for the Authority under the new Leisure Services Contract (LSC) and following recent meetings with the London Legacy Development Corporation (LLDC) the Authority is also exploring opportunities for joint working with LLDC in this area.

CORPORATE SERVICES

15 **Legal Services (£149,000 over spend)**

There has been and will continue to be additional legal costs in relation to external legal support required on a number of matters. There are a number of matters which require external support and in one matter in particular which is complex this is quite specialist legal advice. The Authority is currently receiving external legal advice on both of the potential Picketts Lock developments and the litigation claims relating to Abercrombie Lodge. During the 2018/19 financial year the Authority also received external advice relating to some employment matters in connection with the current LSC.

16 **Property Management (£93,000 net savings)**

Overall net savings in property management are reflected through the in-year savings generated by the vacant Head of Property post after the existing post-holder retired in 2017 and additional rental and way-leave income. Some of the savings have been offset by additional use of consultants and the absorption of the backdated rates at the Waterworks described in paragraph 8. The establishment of a permanent Property Manager going forward alongside resolution of the rates issue will ensure sufficient resources are available in this business critical area going forward without adversely affecting the budget.

FINANCE & SUPPORT SERVICES

17 **Finance & Support Services (Reduction in LSC management fee £102,000 net increase in costs £76,000)**

The return of the seconded posts, previously employed by the Trust, alongside the return of specific posts within Finance, Performance and IT as part of the "decoupling process" have increased costs in this area. These increased costs are offset by reductions in the management fee and in support service recharges to the Trust. Marketing and HR are now also decoupled and as such

further adjustments were made for the last two months of 2018/19 – increased costs to the Authority in these areas are mirrored by equivalent reductions in the management fee with the objective to continue to maintain support costs within the overall budget envelope of the two organisations.

SPORT & LEISURE

18 Events (Increased Income £28,000 & underspend £16,000 event costs)

As part of the medium term financial plan Authority events have had an increased stretch income target year on year with 2019/20 being the final stretch target of £120,000. The events team have successfully increased income from events and looked to minimise costs. Events can be relatively large, for example, the Shell Eco camping at the Waterworks or the music festivals at Three Mills; or small such as 10k or half marathons at the Country Parks. Different uses and scale of events have generated from £250 for small community activities to £35,000 for larger scale events.

To maintain the ability to attract site hires constant improvements in infrastructure is required and with this in mind Members are requested to carry forward £10,000 from the event cost code to provide upgrade works at Three Mills for the coming year.

PARKLANDS & OPEN SPACES

19 Car Parking Charges – (£82,000 reduced income)

The gross income generated in 2018/19 was £97,750 but on-costs (excluding any staff time) have reduced the net benefit to the Authority This end of year position is based on the actual income generated to date at the 10 operational car parks, with the main reason for the anticipated shortfall attributed to visitors managing their time within the first hour of free parking and an overall reduction in visitor numbers.

Car parking charges were part of the full Fees and Charges review considered by this Committee in November (Paper E/596/18) where approved charges from 2019/20 have resulted in a removal of the first free hour alongside a reduction in charges of £0.50p after this first hour. It is anticipated that this will generate a potential additional £70,000 and bring the income received in line with the approved budget in 2019/20.

Broxbourne Borough Council have installed the machines and signage at the 3 additional car parks (Broxbourne Mill & Meadows and Cheshunt and Pindar) so charging started 22 October 2018. Officers are still scoping the investment of electricity supply to Tottenham as without this implementing charges would not be financially viable.

In year operational savings and additional income within River Lee Country Park, Gunpowder Park, the Countryside areas (North and South) and Abbey Gardens, as well as improved income returns from Wild Camping have contributed £33,000 to reduce the overall impact of these cost centres to a projection of £49,000 over budget.

20 **East India Dock Basin and Gunpowder Park Rentals – (£40,000 reduced income)**

Two specific sites were identified to achieve commercial rental income and are included within the budget:

East India Dock (£20,000 reduced income)

Planning permission was granted in November 2017 for the location of builders cabins required to support Ballymore's construction of their Leamouth south development. Ballymore wanted the Authority to grant them an Option on the land to place a site compound should they wish, but also claimed they had alternatives that they were pursuing and would not increase the rent they originally offered of £27,500pa. As the Option they requested was to be for no consideration and at a rent that had already been rejected by Members officers have not pursued this matter further.

Gunpowder Park (£20,000 reduced income)

Member approval to lease to a cycle operator was granted in 2017 and subsequently planning permission was granted in September 2017 to proceed. However, the operator pulled out in December 2017 deciding to focus on the online and international sales.

Officers were in discussion and finalising terms with another cycle operator for the lease of the Field Station on a 3 year lease term at a rental of £20,000 pa with the view to commence in Spring 2019, however this interest has also fallen away and the property will be re-marketed due to lack of progress from the current interest.

21 **Biodiversity (£57,000 under spend)**

Paper E/454/16 set out the receipt of monies on completion of a S106 agreement to complete the environmental improvements to land adjacent to Glen Faba. The agreement was signed and the £77,148 transferred from Hertfordshire County Council to fund these works. Project development and planning was completed in 2017/18 and implementation will now span the next two financial years with ground works completed in 2018/19 and planting out in early 2019/20.

The scheme does not (as originally thought) require Environment Agency Permits and planning permission prior to commencement of on-site works. Therefore some spending did commence in 2018/19 for tree works and preparation for the ground works. It is anticipated that the scheme will be fully completed in the Spring of 2019.

Members approved in July (Paper E/574/18) a carry forward of any under spent funds in 2018/19 to conclude these works in 2019/20.

22 **Lee Valley Farm – Holyfield Hall (£21,000 reduced income)**

Changes that have been implemented at the Farm are starting to make positive impacts, for example the cows milk yields are up on average by 2 litres per cow, more young heifers are due in the Q4 of this year to increase herd numbers, unfortunately they will have little impact of increasing the milk income by the required amount, but their introduction will deliver higher yields for 2019/20.

The 2018/19 budget was set at a production of 950,000 litres at 29 pence per litre (ppl) and in year we delivered 910,000 litres at an average price of 27.5ppl.

Arable has suffered with the spring drillings as the drought has caused the crop to perform worse than expected, this weather has affected the grain quality across the UK. Approved staffing restructures have made minimal difference in 2018/19 as additional costs (12 weeks paid notice and 70 days paid annual leave) which were not known when the Q1 projection was forecast, these are now included and savings in the staffing budget are forecast at £30,000 in 2019/20.

Officers were confident if prices remained the same (or improved) and the new ways of working proved successful that further inroads into reducing the £35,000 shortfall as forecasted in Q1, Q2 and Q3 were achievable. This has proved possible with a final outturn of £21,000 and place the Farm in a positive position for 2019/20.

23 **Caravan Sales Dobbs Weir (£290,000 increased income)**

As part of the decision to progress the final phase development at Dobbs Weir campsite (Paper E/476/16) Members were made aware that commission relating to sale of holiday homes could generate an estimated additional income of between £630K and £1m. In 2017/18 the Authority received £804K and now has received a further £290K in 2018/19 as the remaining 17 sales have been completed.

As part of the decision to develop the final phase Members noted that the additional required £1m investment to complete the scheme was coming from existing capital funds, but that in essence that this would be largely offset by the one-off sales commission and Members approved the £804K as an additional one-off contribution to capital in May 2018 (paper E/565/18). The commission received in 2018/19 will be used to off-set the projected revenue budget variance with any surplus resources being used as a one-off contribution to capital.

24 **Lee Valley Ice Centre – LSC Clause 14 Adjustment (£176,000 increased expenditure)**

Members will be aware that Lee Valley Ice Centre was closed for 8 weeks during the summer of 2017 for replacement of the Ice Pad and the barrier. At the time of decision to refurbish the centre Members recognised that the income lost during that period would impact the Trust and potentially require a management fee adjustment in line with clause 14 of the contract. Officers of the Authority and Trust have calculated the net loss to the Trust to be £176,000 accounting for improved efficiency in utility costs in the new year. Members agreed to the clause 14 adjustment at its meeting in September 2018 (Paper E/576/18) and this will have a one-off impact in 2018/19. This sum has now been transferred to the Trust.

Clause 14 adjustments relating to 2018/19 (£105,800) and approved by Members in March (Paper E/612/19) will be paid in 2019/20 alongside the contract management fee.

25 **Savings Targets 2018/19 (£136,000 unachieved savings)**

As part of the budget setting process and budget savings targets for 2018/19

two items identified for on-going savings are unlikely to yield up the anticipated savings budgeted for 2018/19. These are "Service Review" savings (£100,000) and savings from operational costs due to the Abbey Gardens lease (£36,000).

In relation to service reviews, planned restructuring of the Active Communities team are underway, the Parkland service is complete and agreed by Members in September (Paper E/579/18). These are unlikely to be fully delivered and yield full year savings before the end of this financial year. In addition Members have agreed (Paper E/584/18) to transfer the catering/reception service at Myddelton House to the Trust and this was implemented from the new calendar year which has provided some savings in 2018/19 (£25,000) and going forward.

In relation to Abbey Gardens the lease with the church is currently being held over. Medium to longer term savings may still be realisable as part of the wider service review of services operated from this site and the ongoing maintenance provision set aside for areas under the lease and Members will be kept updated as part of the monitoring reports.

ENVIRONMENTAL IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

28 These are dealt with in the body of the report. The overall outturn position leaves general reserves broadly at £4.2m (the approved level of £4m was agreed as part of the 2018/19 budget).

The projected variance in Quarter 1 2018/19 was an over spend of £364,000. In Quarter 2 this reduced to £187,000 and at Quarter 3 projected at £125,000. A one-off refund from Lee Valley VeloPark rate appeal has significantly contributed in reducing the in-year bottom line deficit to a favourable variance and was highlighted to Members throughout the year as potentially having that impact.

HUMAN RESOURCE IMPLICATIONS

29 These are dealt with in the body of the report.

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

31 Spending of the budget is important in achieving the Authority's corporate objectives. The currently projected net spend to the end of this financial year will impact on the Authority's budget in future years and was incorporated into the Medium Term Financial Plan going forward.

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ABBREVIATIONS

the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)
LSC	Leisure Services Contract
NJC	National Joint Council
LLDC	London Legacy Development Corporation
LVRPA	Lee Valley Regional Park Authority

PREVIOUS COMMITTEE REPORTS

Executive Committee	E/613/19	Leisure Services Contract – 2018/19 Clause 14 Adjustment	21 March 2019
Executive Committee	E/609/19	Q3 Revenue Budget 2018/19 Performance Monitoring	14 February 2019
Executive Committee	E/594/18	Q2 Revenue Budget 2018/19 Performance Monitoring	22 November 2018
Executive Committee	E/584/18	Myddelton House Café, Visitor and Information Centre Concession	20 September 2018
Executive Committee	E/579/18	Proposed Ranger Restructure	20 September 2018
Executive Committee	E/574/18	Q1 Revenue Budget 2018/19 Performance Monitoring	26 July 2018
Executive Committee	E/565/18	Q4 Revenue Budget Monitoring 2017/18 – Provisional Outturn	24 May 2018
Executive Committee	E/564/18	Annual Report on Treasury Management Activity 2017/18 and Annual Investment Strategy 2018/19	24 May 2018
Authority	A/4252/18	2018/19 Revenue Budget & Levy	18 January 2018
Executive Committee	E/540/118	2018/19 Revenue Budget & Levy	18 January 2018

APPENDIX ATTACHED

Appendix A	Details of the financial position of each Authority service or facility

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OPERATIONAL OUTTURN SUMMARY **LEE VALLEY REGIONAL PARK AUTHORITY** 43627.560253

YEAR 2018/19

PERIOD: 13 (March 2019)

	Actual To Date			Annual	Proposed	Variance	
	Income	Expenditure	Net	Net Budget	Net Outturn	£000s	%
OPERATIONAL SERVICES							
Chief Executive	0	555	555	488	**555**	67	14%
Corporate Services	-1,332	1,879	547	463	**547**	84	18%
Finance and Support Services	-437	1,280	843	946	**842**	-104	(11%)
Sport and Leisure	-165	1,230	1,065	1,116	**1,063**	-53	(5%)
Parklands and Open Spaces	-1,387	3,933	2,546	2,830	**2,549**	-281	(10%)
Leisure Trust Contract	0	2,393	2,393	2,319	**2,393**	74	3%
Service Reviews	0	0	0	-136	**0**	136	100%
FINANCING							
Interest Receivable	-78	0	-78	-63	**-78**	-15	(24%)
Bank Charges	0	5	5	6	**5**	-1	(17%)
Contributions to Earmarked Reserves	0	364	364	787	**787**	0	0%
Financing of Capital Expenditure	0	0	0	953	**931**	-22	(2%)
Levies on Local Authorities	-9,576	0	-9,576	-9,576	**-9,576**	0	0%
Movement in General Fund				133	**18**	-115	(86%)
General Fund Balance Brought Forward					**-4,199**		
General Fund Balance Carried Forward					**-4,181**		

OPERATIONAL OUTTURN SUMMARY **LEE VALLEY REGIONAL PARK AUTHORITY** 43627.560253

YEAR 2018/19

PERIOD: 13 (March 2019)

	Actual To Date			Annual	Proposed	Variance	
	Income	Expenditure	Net	Net Budget	Net Outturn	£000s	%
CHIEF EXECUTIVE							
Chief Executive	0	300	300	247	**300**	53	21%
PR / Communications	0	255	255	241	**255**	14	6%
TOTAL CHIEF EXECUTIVE	0	555	555	488	**555**	67	14%
CORPORATE SERVICES							
Legal Service	-8	510	502	353	**502**	149	42%
Property Management	-1,323	453	-870	-777	**-870**	-93	(12%)
Planning and Strategic Partnerships	-1	345	344	377	**377**	0	0%
Asset Protection, Maintenance & Development	0	463	463	404	**430**	26	6%
Committee Service	0	108	108	106	**108**	2	2%
TOTAL CORPORATE SERVICES	**-1,332**	**1,879**	**547**	**463**	**547**	**84**	**18%**
FINANCE AND SUPPORT SERVICES							
Finance Management	-2	368	366	287	**366**	79	28%
Audit / Health & Safety	0	69	69	80	**69**	-11	(14%)
Non Distributed Costs	0	70	70	69	**70**	1	1%
Corporate Training / Apprenticeships	0	9	9	20	**9**	-11	(55%)
Leisure Trust Employee Secondments	-300	414	114	0	**113**	113	0%
Business Support (Trust)	-135	384	249	343	**249**	-94	(27%)
Leisure Contract Venues Insurance	0	146	146	147	**146**	-1	(1%)
Business Rate Refund	0	-180	-180	0	**-180**	-180	0%
TOTAL FINANCIAL SERVICES	-437	1,280	843	946	**842**	-104	(11%)
SPORT AND LEISURE							
Events	-107	348	241	286	**240**	-46	(16%)
Sports Development	-5	56	51	70	**51**	-19	(27%)
Policy and Performance	0	497	497	481	**497**	16	3%
Youth & Schools Service	-52	248	196	199	**196**	-3	(2%)
Community Access	-1	78	77	80	**76**	-4	(5%)
Lee Valley Ice Centre - Feasibility Study	0	3	3	0	**3**	3	0%
TOTAL SPORT AND LEISURE	-165	1,230	1,065	1,116	**1,063**	-53	(5%)

OPERATIONAL OUTTURN SUMMARY **LEE VALLEY REGIONAL PARK AUTHORITY** 43627.560253

YEAR 2018/19

PERIOD: 13 (March 2019)

	Actual To Date			Annual	Proposed	Variance	
	Income	Expenditure	Net	Net Budget	Net Outturn	£000s	%
PARKLANDS AND OPEN SPACES							
Management							
Operational Management	0	155	155	153	**155**	2	1%
Myddelton House Management	-12	305	293	295	**293**	-2	(1%)
Parklands							
River Lee Country Park	-37	853	816	738	**817**	79	11%
Gunpowder Park	-9	166	157	147	**157**	10	7%
Countryside Areas	-68	819	751	743	**751**	8	1%
Abbey Gardens	-22	104	82	94	**82**	-12	(13%)
Three Mills	-4	31	27	37	**27**	-10	(27%)
East India Dock and Bow Creek	-2	47	45	33	**45**	12	36%
Leyton Marsh	0	0	0	0	**0**	0	0%
Broxbourne Riverside	-44	18	-26	-17	**-26**	-9	(53%)
Fisheries	-161	136	-25	-20	**-25**	-5	(25%)
Visitor Attractions							
Myddelton House	-140	384	244	270	**245**	-25	(9%)
Rye House Gatehouse	0	8	8	8	**8**	0	0%
Park Projects							
Volunteers	-3	101	98	97	**98**	1	1%
Biodiversity	0	111	111	168	**111**	-57	(34%)
Farms							
Lee Valley Farm, Holyfieldhall	-534	679	145	124	**145**	21	17%
Initiatives and Partnerships							
Caravan Sales, Dobbs Weir	-290	0	-290	0	**-290**	-290	0%
King George Reservoir South	-8	9	1	0	**1**	1	0%
Lee Valley Boat Centre	-40	4	-36	-33	**-35**	-2	(6%)
Broxbourne Chalets	-13	3	-10	-7	**-10**	-3	(43%)
TOTAL PARKLAND AND OPEN SPACES	-1,387	3,933	2,546	2,830	**2,549**	-281	(10%)
TOTAL AUTHORITY	-3,321	8,877	5,556	5,843	**5,556**	-287	(5%)

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Lee Valley Regional Park Authority	**Agenda Item No:**
LEE VALLEY REGIONAL PARK AUTHORITY **EXECUTIVE COMMITTEE** **20 JUNE 2019 AT 12:00noon**	**Report No:** **E/626/19**

LEISURE SERVICES CONTRACT MONITORING REPORT – Q4 2018/19

Presented by the Director of Finance & Resources

EXECUTIVE SUMMARY

The purpose of this report is to provide Members of the Executive Committee with a breakdown of Lee Valley Leisure Trust Ltd performance against its Key Performance Indicators during the final quarter of the fourth year of the Leisure Services Contract. This incorporates financial, customer, internal process and sustainability measures that have been agreed with Lee Valley Leisure Trust Ltd as part of the Leisure Services Contract.

The scorecard provides an overview of performance across all facilities within Lee Valley Leisure Trust Ltd; analysing all operational venues with their related performance indicators. Appendix A to this report contains Lee Valley Leisure Trust Ltd's report and scorecard for Q4 2018/19 – reporting actual performance from April 2018 to March 2019.

A summary of the key achievements (reported by Lee Valley Leisure Trust Ltd, see Appendix A to this report) against the Key Performance Indicators (KPIs) following the fourth quarter of 2018/19:

- A reported shortfall of £514,000 against the Trusts operational budget.

- A high level of customer satisfaction has been maintained across the venues (86%), which is above last year's score (85%) and the overall UK customer satisfaction index (UKCSI) of 78% and the individual scores for the UK leisure (80%) and tourism (81%) sectors.

- The net promoter score (NPS) gives an indication of the relationship that customers have with the venues, asking customers how likely they would be to recommend the venue they visited to friends or colleagues. The score can range from -100% to +100%, with a leisure industry average of 24%. Across all venues the average score for 2018/19 was 50% - up from 46% in 2017/18 and this falls within the KPI target of 45%-55%.

- 28% of all visits were calculated as regional. This percentage is slightly behind last year but as overall usage has increased (as described below) this equates to an

estimated 788,000 regional visits compared to 780,000 last year.

- There were 2,813,000 visits to the venues – a 7% increase from the same period last year. The main reasons include an increase in usage at Lee Valley Hockey & Tennis Centre due to the Women's Hockey World Cup which attracted over 120,000 visits and an increase at Lee Valley VeloPark due to hosting the UCI Track Cycling World Cup in December. This in part has been offset by fewer visits at Lee Valley Riding Centre because of reduced programmed activities and Lee Valley Park Farm, impacted by the poor Easter weather, and during the very hot weather a lack of cover from the sun made the venue a less attractive offer for families than other activities.

  Visit England's latest findings show that both the attractions and accommodation markets had a bad start to the year, but recovered during the summer. When asked about the summer heatwave a third of accommodation businesses said that the warm summer wasn't enough to balance the poor start to the year, and over a quarter of attractions reported that visitor numbers decreased due to the heatwave.

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

1 As part of the Leisure Services Contract (LSC) between the Authority and Lee Valley Leisure Trust Ltd (the Trust) it was agreed that a range of (Key Performance Indicators (KPIs) should be used for the Authority to monitor the Trust's performance and that this should act as a method by which the Authority can ensure that the broad standards within the contract are achieved.

2 Commencing on 1 April 2015, the LSC included KPIs based on the KPIs originally set and agreed by the Scrutiny Committee as part of the balanced scorecard which provided an overview of performance across the Authority. It was agreed that officers from the Trust would provide an update of the KPIs to the Authority to report to the Executive Committee on a quarterly basis.

3 The KPI and venue scorecard attached to the Trust report contains data for Q4 from April 2018 to March 2019.

FINANCIAL IMPLICATIONS

4 Performance across the venues is set out in the Trust's report at Appendix A to this report. As a result of the very wet start to the year and the extreme heat during the summer, the decline in rafting and track taster experience and voucher sales, the current year end projection is showing a shortfall against the the Trusts operational budgets of £514,000.

Clause 14 events for 2018/19 were agreed by both organisations and approved by Members in March (Paper E/613/19) allowing for an additional fee of £105,800 in relation to the impact on the Beach & Play Park, the crane at Stanstead and the delay in the lodges at Dobbs Weir. This sum has been added to the 2019/20 management fee.

Clause 14 events for 2017/18 in relation to the closure of Lee Valley Ice Centre and approved by Members in September (Paper E/576/18) allowed for an

additional fee of £176,962 which was paid as part of the 2018/19 Management Fee.

The adjustment to the Management Fee for the ending of secondment arrangements had no impact on the variation reported as the reduction in fee was matched by an equivalent reduction in costs which were borne by the Authority.

5 The performance report confirms that expenditure variations will be covered from the Trust's accumulated reserves.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

7 Clause 14 of the LSC enables adjustments to the approved Management Fee subject to certain conditions, which include the following:

14.1.1 (a)	The specification may require variation due to elements of the services not being set out accurately in the specification;
14.1.1 (b)	The Trust may identify that the Management Fee is insufficient to allow the Trust to provide elements of the Services and/or perform elements of its obligations pursuant to the Agreement;
14.1.2	The matters in clause 1 (Utilities) may arise;
14.1.3	An Adverse Right may arise; and or
14.1.4	The circumstances set out in clause 27.7.11 arise. Clause 27.7.1 relates to the Trust's obligation under the agreement to carry out any measure recommended by the Authority's auditor or (as and when relevant) the Charity Commission deemed properly necessary to achieve value for money.

14.2 Upon the occurrence of an Adjustment Event the Trust shall issue to the Authority an Adjustment Notice setting out:

14.2.1	the proposed amendments required to the Agreement (including but not limited to the Specification);
14.2.2	any proposed amendment to the Management Fee
14.2.3	any interim amendment to the Management Fee to address the unexpected cost of the Adjustment Event;
14.2.4	the steps the Trust can take to mitigate any costs or other consequences of an Adjustment Event which may include(but not limited to) proposals to reprioritise the Services in order to resolve and/or any insufficiency in the Management Fee; and
14.2.5	evidence that the Adjustment Event cannot be accommodated on a temporary basis using the Management Fee payments previously received by the Trust.

14.3 As soon as reasonably practicable after submission of the Adjustment Notice the Authority and the Trust shall meet and in good faith seek to

agree:

14.3.1 the extent of the Adjustment Event;
14.3.2 which mitigation steps set out in the Adjustment Notice need to be undertaken by the Trust; and
14.3.3 the extent of the amendments required to the Agreement and Management Fee (if any) as set out in the Adjustment Notice (including any steps required to be undertaken by the Authority to comply with its own financial regulations prior to any increase in the Management Fee);

The Lee Valley Ice Centre refurbishment did fall under Clause 14.1.1(b) in the case that the loss of income and increased costs, resulting from the refurbishment works, could not be accommodated on a temporary basis within the currently approved Management Fee.

EQUALITY IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

9 Failure to deliver the contract in all aspects is a major risk for both the Authority and the Trust. As well as Executive Committee, contract compliance and performance is checked regularly and scrutinised through the Chairs/Chief Officers meeting; the Senior Officers Joint Contract Monitoring Team; the Authority's own performance monitoring team and through planned audits as part of the internal audit contract.

10 Financial performance is a key performance indicator and risk as variations from the agreed Management Fee can result in a negative financial impact on the Authority in the current and future financial years.

11 Clause14 which allows for adjustment in the Management Fee requires the Trust to clearly set out not only the specific "event" that is likely to cause a negative impact on the Management Fee but also those measures it has taken to mitigate the impact of the adjustment event.

12 It is therefore important for the Trust to set out clearly at the earliest opportunity how it intends to manage in-year variations within the existing Management Fee and/or evidence that any future adjustment event cannot be accommodated on a temporary basis using the Management Fee payments previously received by the Trust as a pre-requisite of any approved Clause 14 adjustment.

Author: Simon Sheldon, 01992 709 859, ssheldon@leevalleypark.org.uk

APPENDIX ATTACHED

Appendix A Trust Report and Key Performance Indicators Q4 2018/19

LIST OF ABBREVIATIONS

KPI	Key Performance Indicator
LSC	Leisure Services Contract
NPS	Net Promoter Score
the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)

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VIBRANT PARTNERSHIPS **BOARD MEETING** **24 JUNE 2019**	**Agenda Item No:** **4b** **Report No:** **B/117/19**

LVRPA CONTRACT - 2018/19 Q4 PERFORMANCE REPORT

Presentation by the Director of Business Services

SUMMARY

This report presents the full year performance for 2018/19 across the 14 venues the Trust manages on behalf of the Lee Valley Regional Park Authority (LVRPA).

2018/19 has been a challenging year, particularly with the very wet and cold start and the very wet spells during the summer. The year end positon is a shortfall against the budget of £514,000, funded from Trust reserves, with the main variances due to:

- No Beach and Play Park event at the Lee Valley White Water Centre due to the ground conditions in area 4;
- The broken crane impacting rechargeable works at Stanstead Marina. A new crane has been purchased and has been operational since November;
- Delay in the installation of the luxury lodges at Dobbs Weir and the late delivery of holiday homes;
- Relaying of the hockey pitches resulting in lost income at Lee Valley Hockey and Tennis Centre;
- Decline in rafting sales at Lee Valley White Water Centre;
- Decline in sales of track taster sessions and vouchers at Lee Valley VeloPark;
- Early release of Cycle Surgery from the retail pod at the VeloPark;
- Loss of rental income from the CrossFit operators and delay in UKA renting the East Wing at Lee Valley Athletics Centre;
- Poor Easter weather and 7 days of closures at Lee Valley Park Farms due to mains water issues in the surrounding area; and
- Shortage of qualified riding instructors at Lee Valley Riding Centre impacting on the programme that can be delivered. Work is underway to create a pipeline of future instructors by working with colleges.

A number of events have been held that attracted visitors, generated income and opened the venues to a wider audience:

- The Vitality Women's Hockey World Cup was held from 21 July to 5 August 2018 at the Lee Valley Hockey and Tennis Centre, attracting over 120,000 visits.
- The Lee Valley VeloPark hosted the TISSOT UCI Track Cycling World Cup series between 14-16 December. The event was delivered successfully, with 17,000

spectators and great feedback from customers via social media.

- The Lee Valley White Water Centre Christmas event ran from 1st December to 6th January, hosting an ice rink with skating and curling, funfair, a Christmas market weekend and Santa's grotto delivered by Lee Valley Park Farms. It was delivered successfully with 36,000 visitors attending.
- Over 3,500 visitors attended Lee Valley White Water Centre's Summer Splash family fun event.
- Lee Valley VeloPark ran events and promotions during national Bike week including a successful first Bikes and Bakes event.
- The Great British Tennis Weekend event returned to Lee Valley Hockey and Tennis Centre, running a number of different sessions for visitors to participate in.
- We gained national media coverage for our April Fool's Day 'Great White' Water Rafting Experience to kick off its spring/summer rafting campaign.
- The WaterWorks centre hosted a temporary campsite for the third year running as part of the Shell eco-marathon event on Queen Elizabeth Olympic Park that attracted 3,000 students from across Europe.

There were 2,813,000 visits to the venues – a 7% increase from the same period last year. Customer satisfaction across the venues has increased from 85% to 86%, which is above the overall UK customer satisfaction index (UKCSI) of 78% and the individual scores for the UK leisure (80%) and tourism (81%) sectors.

RECOMMENDATIONS		
Trustees note:	(1)	the report.

BACKGROUND

1	Performance of the Lee Valley Regional Park Authority venues has been reported quarterly to its Scrutiny Committee since 2010.
2	This report was based on the Authority's performance framework, which included key performance indicators (KPIs) and a venue scorecard.
3	As part of the Lee Valley Leisure Services Contract, performance of the LVRPA venues managed by the LVLT is to be reported quarterly to Authority Members.
4	The scorecard in Appendix A to this report contains data for the full year of 2018/19 (April 2018 – March 2019). The following paragraphs summarise the key messages from the data.

LV LEISURE SERVICES CONTRACT KEY PERFORMANCE INDICATORS (KPIs)

6	**KPI 1: Management Fee** The management fee set for 2018/19 was £2.3 million, a reduction from the 2017/18 fee of £2.8m and the 2016/17 fee of £3.2m. As a result of the termination of the secondment agreement between the Authority and Trust there was a management fee adjustment during 2018 of £110,000.The year end positon is a shortfall of £514,000 against budget which will be funded from Trust Reserves. The main variances are detailed below.

7	The key headlines for the venues are set out below: **Lee Valley VeloPark** • The majority of income is derived from track taster experiences and vouchers; corporate hires; and events. • A decline in demand for track taster experiences and vouchers has been seen, following a similar pattern to Glasgow and Derby velodromes. • Less vouchers having been carried forward as pre-payments from 2017/18 as more customers are redeeming vouchers closer to their purchase. • Marketing campaigns were put in place to generate sales of vouchers and corporate hires from the interest created by the Track World Cup in December, however this didn't recover the budget deficit. • Cycle Surgery were released from their agreement early with rent reduction – provided the Authority agree the assignment of the rooms back to Vibrant this shortfall will be partially covered for 2018/19 by securing a rental from Bikeworks and hire of retail unit to Six Day during their event. Work is underway with third parties to look at recovering the remainder of this. This has been partially mitigated by growth in VeloStudio and 'pedal up' income along with some one-off savings through staff vacancies. **Lee Valley Hockey and Tennis Centre** • The hockey pitches were relayed which resulted in lost income. • Catering income has increased due to better than expected visitor numbers to the Women's Hockey World Cup and increased sales of corporate packages by England Hockey partners. This offset the negative impact of the England Hockey fanzone on spectator spend per head. **Lee Valley White Water Centre** • Following the decision by the Authority to rest Area 4 during 2018/19 the Beach and Play Park could not go ahead in its proposed format. To mitigate the impact on budget and continue to offer family activities, water based inflatables, beach sports and use of some inflatables in other areas have been introduced. • There has been a decline in demand for rafting experiences and vouchers. • Marketing campaigns have been planned to generate sales of vouchers and corporate hires and a review of the business is underway to better understand the reasons for the decline. • Catering is performing well following the kitchen extension however as rafting experience sales are down and the Beach and Play Park didn't go ahead there is has been a shortfall in budget. **Lee Valley Athletics Centre** • There is a continuing focus on the non-athletics areas to generate extra income, particularly cultural and social events, as well as the venue's first boxing events successfully held during the year. • We have filled the vacated CrossFit box with a new fitness product in partnership with Challenge Central. This has been successfully launched with membership numbers increasing. • The new coffee shop opened during October and contributed to the improved bottom line. This has offset lost income due to the CrossFit operators ending their lease, UKA's rental of the East Wing being delayed and stretch targets not being

achieved for the holiday programme.

Lee Valley Ice Centre

- Following the closure of LVIC due to the refurbishment works the majority of income streams have been re-established with the exception of pubic skating that has taken longer to recover.
- Public skating income has been further impacted by the re-opening of Romford Ice Rink, and their ice hockey club has returned impacting hire income.
- The retail unit was vacant during 2018, a new occupant has been in place from January.
- The spend per head for catering has fallen, this area is under review to improve performance.

  Some efficiencies have been made through reductions in casual staffing, along with a small saving following the retirement of the Venue Manager.

Lee Valley Riding Centre

- There is ongoing difficulty with recruiting qualified riding instructors, which is being felt across the industry. Due to maternity leave and being unable to fill vacancies there has been a reduction in instruction time of 40 hours per week, reducing the activity programme that can be offered. The programme is constantly being reviewed to ensure courses are filled and that the focus is on more profitable instruction, but this has had a significant impact on income.
- The number of working pupils has been increased, and we have been working with educational establishments offering equine courses to improve the pipeline of future instructors. A working pupil has successfully passed exams and is now working as a riding instructor, which has improved the situation.
- Costs have been reviewed; however, most are fixed due to the requirement to care for the horses. A small ongoing saving has been made due to a restructure following the departure of the Venue Manager.

  Due to land management, lack of space and conflict with ponies there is no other feasible activity to generate additional income without qualified instructors.

Lee Valley Golf Course

- The new structure introduced last year is having a positive impact with cost savings from new rotas.
- The Trust is working in partnership with the Authority to assess the impact of the development of the Picketts Lock site on this venue.

Lee Valley Camping and Caravan Park, Edmonton

- Income targets for camping have not been achieved with touring visitor numbers falling, in line with the findings from Visit England's research into the accommodation market.
- The new staffing structure introduced last year is having a positive impact, with the introduction of new rotas to cut back on costs as well as improvements to the glamping cocoons and subsequent promotions.
- All income streams are being reviewed with new retail lines already in place, and staff costs continue to be reviewed.
- The Trust is working in partnership with the Authority to assess the impact of the development of the Picketts Lock site on this venue.

	Lee Valley Caravan Park, Dobbs Weir • The installation of the luxury lodges has been delayed and will now not have a positive impact on the budget until 2019/20. • There were also delays on the delivery of 14 holiday homes which has had a negative impact on rents. **Lee Valley Park Farms** • The Farm improved its year end position compared to last year, which is below this year's budget. The poor weather at Easter had a negative impact on the start of the season. • The Farm has been forced to close for 7 days during the 2018 season due to issues with the water mains in the surrounding area, affecting income. • The animal stock holding strategy is being reviewed to manage expenditure as the majority of costs are fixed based on the number of animals (feed, staffing veterinary bills etc). **Lee Valley Marina, Springfield** • Lee Valley Marina, Springfield achieved an increase in income as boat values have increased leading to a rise in commission. • There has been significant continued growth in income from rechargeable works since the management restructure of the Marinas in 2018. • The new chandlery opened in January and is expected to drive further growth. **Lee Valley Marina, Stanstead Abbots** • As reported previously, the old crane at Stanstead was beyond repair. A crane was hired to continue offering services, however this has incurred additional expenditure, and loss of income where some services aren't currently available. The Authority have agreed to fund the replacement of the crane and although it has taken longer than hoped to source a suitable replacement a replacement has been purchased and has been operational since November.
8	**KPI 2: Customer Satisfaction** Throughout the year our research agency has been undertaking interviews with customers at venues. Feedback has been good and generally improved from with last year. Across all venues the average customer satisfaction score is 86%. This has increased from 85% last year and is above target. This is above the overall UK customer satisfaction index (UKCSI) of 78% and the individual scores for the UK leisure (80%) and tourism (81%) sectors.
9	**KPI 3: Net Promoter Score** The net promoter score gives an indication of the relationship that customers have with our venues, with a higher score potentially indicating positive future business through repeat visits and recommendations. It is generated by asking customers how likely they would be to recommend the venue they visited to friends or colleagues. This categorises customers into 'promoters', 'neutrals' and 'detractors'. The score can range from 100% to -100%, with a leisure industry average of 24%. Across all venues the average net promoter score is 50%. This has increased from 46%

	last year and is within the target range. Scores at Edmonton Campsite, Lee Valley Golf Course, Springfield Marina and Stanstead Marina are all outside of the target range, but are close to the leisure industry average and are generally showing a positive trend.
10	**KPI 4: Regionality** The regionality of the venues is measured by capturing postcodes across bookings, memberships and surveys. Throughout the year 788,000 of all visits were defined as regional – where the visitor lives within the London, Hertfordshire and Essex region, but lives outside of the riparian boroughs whose boundaries cross into the Lee Valley Regional Park. This equates to 28% which is slightly behind last year (29%) but due to increased usage (described below) this equates to 788,000 visits, which is an increase from 780,000 last year.
11	**KPI 5: Usage** There were 2,813,000 visits to the venues – a 7% increase from the same period last year and above the target of 2.7m. Usage has increased at Lee Valley VeloPark, boosted by hosting the UCI Track Cycling World Cup in December. The Hockey Women's World Cup at Lee Valley Hockey and Tennis Centre attracted over 120,000 visits. Visits at Lee Valley Riding Centre have decreased from last year due to the reduced programme of activities. This is due to the issues with recruiting riding instructors and reduction in instruction time of 40 hours per week, as detailed earlier in the report. Visits to all three campsites have fallen, which is in line with the findings from Visit England's research into the accommodation market. This has impacted the touring market, glamping products have generally seen increases in visitors during the year. Visits to the Farms have fallen from last year, impacted by the poor Easter weather, and during the very hot weather a lack of cover from the sun made the venue a less attractive offer for families than other activities. Visit England's latest findings show that both the attractions and accommodation markets had a bad start to the year, but recovered during the summer. When asked about the summer heatwave a third of accommodation businesses said that it wasn't enough to balance the poor start to the year, and over a quarter of attractions reported that visitor numbers decreased due to the heatwave.

OTHER VENUE PERFORMANCE

12	**Compliments and Complaints** There has been an increase in compliments and complaints compared to last year, with both increasing by 6% maintaining a similar ratio.

	Lee Valley Hockey & Tennis Centre received a significant increase in both positive and negative feedback related to the Women's Hockey World Cup, in line with the increased visitor numbers.
13	**Health and Safety Audit** Audit scores across the venues averaged 86%, slightly down on last year's score of 88% but exceeding the target of 85%. Scores at the Ice Centre and WaterWorks fell slightly below the target – as part of the new regional structure additional health and safety expertise is now supporting these venues to improve. At Picketts Lock the scores for Edmonton Campsite and Lee Valley Golf Course fell below the target. This has been impacted by the work undertaken as part of the development of the Picketts Lock site.
14	**Quality Score** Quality scores across the venues averaged 82%, an improvement on last year's score of 79% and exceeding the target of 80%. Scores at Lee Valley park Farms, Edmonton Campsite, Lee Valley Golf Course and the WaterWorks fell below the target. The newly appointed Quality Officer is working closely with these venues to improve the areas where they require improvement.
15	**Utility Consumption** Utility consumption has decreased by 5% compared with last year. This is mainly due to reduced use of the pumps at Lee Valley White Water Centre and the increased efficiency of the plant at Lee Valley Ice Centre. This is following the installation of a new cooling system and the servicing and re-commission of the existing chillers during the closure last summer.

ENVIRONMENTAL IMPLICATIONS

16	Increased visits and activity across venues increases utility consumption. Consumption has decreased so far this year, but this can be expected to increase in the future if visits and activity continue to increase.

EQUALITY IMPLICATIONS

17	The impact of attracting a wider audience to venues is that visitors from across all groups are more likely to visit.

FINANCIAL IMPLICATIONS

18	The report explains the financial performance to date of the venues. Any projected budget variance at year end (excluding clause 14) will be managed by the Trust.

HUMAN RESOURCE IMPLICATIONS

19	There are no human resource implications arising directly out of the recommendations in this report.

LEGAL IMPLICATIONS

20	There are no legal implications arising directly out of the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

21	Management of the budget is important in achieving the Trust's corporate objectives and ensuring it does not spend outside of the agreed management fee. Venue and Section Managers closely monitor their budgets and Senior Leadership Team receive regular monthly updates and detailed breakdowns of budgets more regularly if there are issues identified. The year-end position for 2018/19 will be taken into account in setting the Trust's budget in future years and will be incorporated into future resource planning.

AUTHORITY IMPLICATIONS

22	The Authority implications arising out of this report are in relation to Clause 14 management fee adjustments that were submitted and agreed during the year. Any future Clause 14 claims will be submitted to the Authority following an agreed process, with updates included in reports to the Board

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Author: Michael Sterry, Performance & Information Manager

PREVIOUS TRUST BOARD REPORTS

TRUST BOARD	REPORT NO.	REPORT NAME	DATE
Board	Item 4	LVRPA Contract 2015/16 Q2 Performance	16-11-15
Board	B/4/16	Leisure Services Contract Performance Q3	9-2-16
Board	B/7/16	LVRPA Contract - 2015/16 Provisional Outturn	9-5-16
Board	B/16/16	LVRPA Contract -2015/16 Provisional Outturn	6-6-16
Board	B/29/17	LVRPA Contract – 2016/17 Q3 Performance	17-1-17
Circulated	B/43/17	LVRPA Contract – 2016/17 Q4 Performance	June 17
Board	B/48/17	LVRPA Contract – 2017/18 Q1 Performance	28-9-17
Board	B/56/17	LVRPA Contract – 2017/18 Q2 Performance	06-11-17
Board	B/65/18	LVRPA Contract – 2017/18 Q3 Performance	30-1-18
Board	B/70/18	LVRPA Contract – 2017/18 Q4 Performance	11-6-18
Board	B/86/18	LVRPA Contract – 2018/19 Q1 Performance	19-9-18
Board	B/96/18	LVRPA Contract – 2018/19 Q2 Performance	13-11-18
Board	B/103/19	LVRPA Contract – 2018/19 Q3 Performance	29-1-19

APPENDICES ATTACHED

Appendix A	Trust KPI and Venue Scorecard

LIST OF ABBREVIATIONS

ABBREVIATION	IN FULL
KPI	Key Performance Indicator
LVVP	Lee Valley VeloPark
LVHTC	Lee Valley Hockey and Tennis Centre
LVWWC	Lee Valley White Water Centre
LVAC	Lee Valley Athletics Centre
LVIC	Lee Valley Ice Centre
LVRC	Lee Valley Riding Centre
LVPF	Lee Valley Park Farms

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Reporting Period		2018/19 Q4			
Key Performance Indicators	**17/18 Q4 Actual**	**Annual Target**	**Performance**	**Q4 Actual**	**Comments**
Management Fee	£2.8m	£2.3m	↑	£2.2m	
Customer satisfaction	85%	80-85%	↑	86%	
Net promoter Score	46%	45-55%	↑	50%	
Regionality (non-riparian)	29%	30% (780,000)	↑	28% (788,000)	
Usage	2,631,739	2.5-2.7m	↑	2,812,949	

Direction of travel	
↑	Performance has improved
↓	Performance has worsened
⇔	Performance has remained the same
	N/A

Performance against target	
	Achieving or exceeding target
	Just missed target
	Below target

Financial Measure
Customer Measure
Internal Process Measure
Sustainability Measure

Reporting Period	2018/19 Q4																					
Venues	Income (£000's)		Usage		Customer Satisfaction		Net Promoter Score		Regionality		Formal Complaints		Formal Compliments		H&S Audit		Quality Score		Utility Consumption (000 kwh)		Asset Protection	
	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19
Overall Target		**15,485**		**2,631,739**		**80-85%**		**40-50%**		**31%**		**685**		**5022**		**85%**		**80%**		**11,973**		**95%**
Venues																						
Lee Valley VeloPark	3,309	3,038	846,924	982,245	91%	93%	78%	80%	43%	35%	228	223	1589	1652	98%	99%	96%	95%	1,834	1,762	n/a	Q4
Lee Valley Hockey & Tennis Centre	940	1,075	112,181	176,263	85%	87%	65%	72%	27%	28%	44	122	479	1075	94%	96%	88%	93%	1,090	1,027	n/a	Q4
Lee Valley White Water Centre	3,889	3,610	685,758	704,701	88%	88%	62%	79%	37%	38%	231	176	1420	1168	97%	96%	93%	94%	4,485	4,377	n/a	Q4
Lee Valley Athletics Centre	751	847	216,578	225,548	87%	87%	62%	65%	36%	31%	43	48	622	536	92%	94%	88%	79%	517	425	n/a	Q4
Lee Valley Ice Centre	1,108	1,220	275,084	278,938	84%	84%	58%	62%	39%	37%	30	14	193	130	92%	76%	77%	79%	1,917	1,801	n/a	Q4
Lee Valley Riding Centre	1,098	993	170,595	120,101	86%	88%	55%	61%	31%	37%	12	46	143	163	93%	90%	74%	82%	252	228	n/a	Q4
Lee Valley WaterWorks Centre	207	165	85,873	100,343							0	0	0	0	69%	77%	67%	67%	188	184	n/a	Q4
Lee Valley Golf Course	188	189	16,782	16,250	83%	83%	7%	14%	24%	28%	0	5	19	14	68%	61%	72%	72%	126	127	n/a	Q4
Lee Valley Camping & Caravan Park, Edmonton	519	508	40,012	38,757	83%	83%	16%	16%	12%	11%	6	20	60	64	83%	70%	72%	72%	646	547	n/a	Q4
Lee Valley Campsite, Sewardstone	422	432	27,671	22,886	87%	87%	50%	50%	14%	22%	5	4	68	71	94%	86%	77%	86%	115	119	n/a	Q4
Lee Valley Caravan Park, Dobbs Weir	540	686	22,256	18,009	87%	87%	56%	56%	36%	33%	3	1	17	26	94%	86%	70%	76%	55	55	n/a	Q4
Lee Valley Park Farms	709	658	132,025	125,908	86%	86%	45%	57%	31%	28%	75	57	350	374	84%	84%	65%	66%	124	135	n/a	Q4
Lee Valley Marina, Springfield	943	1,002			75%	78%	5%	16%	21%	13%	6	8	15	42	87%	91%	83%	87%	374	370	n/a	Q4
Lee Valley Marina, Stanstead	862	836			88%	86%	42%	22%	28%	22%	2	2	47	19	95%	94%	85%	92%	250	217	n/a	Q4
ALL VENUES	**15,485**	**15,259**	**2,631,739**	**2,812,949**	**85%**	**86%**	**46%**	**50%**	**29%**	**28%**	**685**	**724**	**5,022**	**5,334**	**88%**	**86%**	**79%**	**82%**	**11,973**	**11,374**	**n/a**	**Q4**

Performance against target		Tolerance
Achieving or exceeding target		<5%
Just missed target		5-10%
Below target		>10%

N/A for site	

Financial Measure
Customer Measure
Internal Process Measure
Sustainability Measure

Appendix E to Paper S/49/19

2016-19 Business Plan Objectives

Key: Business Priority from the 2016-19 Business Plan

Reporting Officer	ID No	Task	Baseline	Reporting	Resources	Lead Service	Partners	Performance Indicator	Measure	Target Q1	Target Q2	Target Q3	Target Q4	Completion Date	Priority	Comments
Objective 1: To improve the visitor offer and increase income through investment partnerships involving private and public sector bodies the Authority will:																
1a:Develop Lea Bridge Road; develop Broxbourne Riverside/Spitalbrook and develop Pickett's Lock																
Foster	1A.2	Assess the development potential for the 200 acre plus area adjacent to Broxbourne Riverside (Spitalbrook site) working closely with Broxbourne BC; If requested by the L&PWG, to test the market interest through a marketing exercise (Restrictive covenant with clawback provision expires in 2022); Put in place an investment project with delivery programme	N/A	Executive	Existing Budget	CE - Planning & Strategic Partnerships	All Depts.	Completion	Progress			Ongoing	Development plan completed and submitted	Q4 18/19		The development potential of this site will be informed by the Cross Rail 2 project. Announcements on feasibility and programme for Cross Rail2 are shortly awaited following the review of the outline business case. The site is designated as Green Belt and there are currently no proposal for housing included in the draft Local Plan.
1b:Progress Ice Centre Project																
Buck	1B.1	Confirm selection of the current site as the preferred site for a new twin pad; give approval to move to the next stage (RIBA stages 0-2); arrange allocation of £350,000 to the next stage of the project; confirm acceptance of £50,000 from the London Borough of Waltham Forest and arrange for payment to be made by LBWF towards the next stage of the project; procure a Project Management consultant to develop the capital funding mix, design of and pre planning for a temporary rink, get to 1st stage of new venue design to include relevant environmental / biodiversity studies; refine and develop business plan; carry out public consultation and progress to new facility being operational in 2019 / 2020.	N/A	SMT	Budget Approved by Members	CE	All Depts.	Completion	Progress	Stage 2 is almost completed, draft report has been circulated and sign off for stage 2 will be in August.	Stage 2 main design work completed. Working through temporary rink options to finalise the work.	Stage 2 for the twin pad completed. Work being prepared as to the feasibility of a two staged approach should the twin pad initial scheme not be feasible due to funding.		Q4 19/20		Stage 2 of a twin pad completed but funding for it not achievable. Members have approached funding for a redesign d a budget has been set of £30million. Work on RIBA stage 2 of the re designed approach has been completed and officer return to Member in April for a decision on the next step.
1c: Stonebridge Lock and mooring strategy																
Wilkinson	1C.2	Develop a Lee Valley wide mooring strategy to address the future mooring demands	N/A	SMT	Existing Budget	CE - Planning & Strategic Partnerships	Partners	Completion	Progress	Commencing in financial year 2017/18	Commencing in financial year 2017/18	Ongoing	100%	Q4 17/18		CRT adopted a mooring strategy in 2017 despite objections from the Authority. Work is underway on the Authority developing proposals in line with CRT strategy for Broxbourne. Ongoing.
Objective 2: To market the LVRP as a 'must visit' destination working with partner agencies at a regional and national level the Authority will:																
2a: Jointly market LVRP with other sport and leisure providers and visitor accommodation in the LV and maximise LV outputs from memberships of tourism bodies, plus relationships with other key partners with whom we will work jointly to promote the Lee Valley destination																
2b: Establish the LVRP as ' Centre for Outdoor Activity' and tailor new products to attract non riparian visitors																
2c: Use 50th anniversary to promote the LVRP destination to new audiences and in innovative ways																
2d: Develop a programme of outdoor events in the Park to attract a regional audience.																
Buck	2D.1	Review Countryside live to develop experience to make it relevant to regional visitors	N/A	SMT	Existing Budget	S & L	All Depts.	Completion	Progress	New format has been developed and the first stage of this process will be implemented this year. Planning on target.	2017 event included new and improved aspects including a 'market' area selling local produce, an emphasis on social media marketing to reach an audience within 10 miles rather than in the immediate vicinity, new workshops and shows. When the customer feedback is collated, plans for 2018 will commence	Weekend element of Countryside Live has been cancelled for 2018. Events Team and Y&S are working with Countryside Learning on the school element to try and make sure the school groups are from further afield	100%	Q4 16/17		New version of CSL delivered and seen a success, especially in the more targeted approach to schools. 2018 planning under way for a weekday event on site at Leyton Marsh. Officers are looking at a potential joint initiative with LLDC for 2020 being investigated and how the event can move to QEOP and link onto the sporting venues also.

Reporting Officer	ID No.	Task	Baseline	Reporting	Resources	Lead Service	Partners	Performance Indicator	Measure	Target Q1	Target Q2	Target Q3	Target Q4	Completion Date	Priority	Comments
2e: Achieve a target of 7 million visits to LVRP per annum by 2018/19																
Carney	2E.1	Review the Bittern Information Point by improving the current facilities; enhance the facilities around the area e.g. toilets and car parking and improve the whole visitor experience and broaden the area's appeal.	Existing biodiversity	SMT	Existing Budget	Parklands	Partners	Completion	Progress	Report in draft	HLF contacted and works progressing to populate the report.	Project progressing		Q4 16/17		Funding secured now on the delivery phase
2f: Improve the visibility of the LVRP in relation to the QEOP with trails, signage and information/interpretation.																
Bromberg	2F.1	Appropriate inclusion of LVRPA venues in upcoming road signage project and in all LLDC and partner published materials	N/A	SMT	Existing Budget	CE - Head of Communications	LLDC, TfL	Competition	Signage scheme delivered	Approval by TfL of LLDC signage scheme Start of installation	Start of installation	Completion		Q2 17/18		Bulk of signage on QEOP is in place, officers continue to work with LLDC on relative active travel signage issues. LLDC plan to have wider road signage on the approaches to QEOP completed mid 2019
Objective 3: To enhance the biodiversity of the LV, working with other agencies and landowners the Authority will:																
3a: Revision of the current LV Biodiversity Action Plan																
Carney	3A.1	Finalise the review of the Lee Valley BAP in partnership with key stakeholders; Re-launch the BAP in 2017 and provide direction for the site management plans; Priority habitats and species identified through the Plan to have an action plan and SMART targets for delivery within a 10-year timescale	Existing BAP	SMT	Existing Budget	Parklands	Partners	Completion	Plan reviewed	Commencing in September 2017/18	Report been drafted for members approval	At consultation stage	There were 34 responses from individuals and organisations on the BAP consultation. The responses are now being reviewed prior to finalising the document. Alongside this the SMART targets for the habitats and species are starting to be developed with partners	Q4 17/18		Completed
3b: Opening of the Walthamstow Wetlands																
3c:Enhancement of East India Dock Basin																
Wilkinson	3C.1	Complete feasibility exercise and technical studies for the site looking at options for an education hub or other development on the site and work with the Heritage Lottery and other partners to include local developer Ballymore to develop an investment scheme for the EIDB site	Existing biodiversity	SMT	Existing Budget/ Partnerships funding from Ballymore	CE - Planning & Strategic Partnerships	Partners	Completion	Progress	Commencing in financial year 2017/18	Commencing in financial year 2017/18	Commencing in financial year 2017/18	100%	Q4 17/18		Despite stakeholder interest scores of private funding to address still unlikely. Focus on 3S Robin to be located in April 2018. Following member decision in February 3S Robin not pursued. This is not a positive for the Authority and the EC decided not to pursue this area. Completed
Objective 4: To deliver Organisational and Service Development the Authority will:																
4a: Review Authority Services																
Dawson	4A.1	All Authority services are to be reviewed over the period of the Business Plan - 2016/19	N/A	Executive	Existing Budget	CE	All Depts.	Completion	Progress	Commencing in financial year 2018/19	Commencing in financial year 2018/19	Commencing in financial year 2018/19	100%	Q4 18/19		**Ranger Review – Review Complete** **MH Visitor Centre Review Complete** **Holyfield Hall Farm Review Complete In Progress** **PR/Comms - estimated Completion 31.03.19** **Active Communities - estimated Completion 31.03.19** **Property - estimated Completion 31.12.19** **Shared services - estimated Completion 31.03.2020**

Reporting Officer	ID No.	Task	Baseline	Reporting	Resources	Lead Service	Partners	Performance Indicator	Measure	Target Q1	Target Q2	Target Q3	Target Q4	Completion Date	Priority	Comments
4b: Look at further potential for shared services and partnership opportunities.																
4c: Review IT infrastructure along with office accommodation																
Sheldon	4C.1	Define the future IT infrastructure and software requirements of the Authority and the Trust; Provide a three year plan to move to a separation of systems/data that meets both organisations business requirements as independent organisations and review/complete IT Strategy/Action Plan	N/A	Executive	Existing Budget	F&R	All Depts.	Completion	Progress	Review of strategy & systems Audit completion	Sign-Off at Trust *& Authority SMTs	Draft Report Completed - Awaiting Sign-Off at Trust *& Authority SMTs as part of LSC review	Reviewed as part of LSC review of Support Services	Q4 2020/21		Decoupling of Support Services between Authority & Trust agreed. IT infrastructure project deferred until LSC procurement completed likely start date is 2020/2021. Usage counters and GIS projects in progress.
Sheldon	4C.2	Procure new IT suppliers	N/A	Executive	Existing Budget	F&R	All Depts.	Completion	Progress	Subject to 4C1 above	Subject to 4C1 above	Subject to 4C1 above	Subject to 4C1 above	Q4 2020/21		Starts when actions above completed
4d: Establish a Learning & Development strategy																
Sheldon	4D.1	Commission investigation into where the Authority is, in terms of pay structure and terms & conditions	N/A	Executive	Existing Budget	F&R	All Depts.	Completion	Progress	Benchmarking exercise	Benchmarking exercise complete .	Review by SMT	Review by SMT	Q4 18/19		Decoupling of Support Services between Authority & Trust agreed. L&D project deferred until LSC procurement completed likely start date is 2020/2021. e-learning and training installed on Compass future development to commence post contract award.
Sheldon	4D.2	Establish a Learning & Development strategy which supports the development of a more business-like and flexible workforce	N/A	Executive	Existing Budget	F&R	All Depts.	Completion	Progress	Work to commence following 4D1 above	Work to commence following 4D1 above	Work to commence following 4D1 above	Work to commence following 4D1 above	Q4 18/19		Completion 31 March 2020/21
Objective 5: To increase the value of the LVRP to its Regional Communities the Authority will:																
5a: Development of initiatives and programmes designed to enable schools and community groups to access the range of sport and leisure offers in the Park.																
5b: Explore visitor accommodation development opportunities in the south of the Park																
Wilkinson	5B.1	Assess the feasibility of new visitor accommodation at Eton Manor and other sites in the south of the Park. Develop an accommodation model in consultation with the local planning authorities, key stakeholders e.g. NGBs and the market.	N/A	SMT	Existing Budget	CE - Planning & Strategic Partnerships	Partners	Completion	Progress	Commencing in financial year 2017/18	Commencing in financial year 2017/18	Commencing in financial year 2017/18	100%	Q4 17/18		Marketing of the LVRTC site indicates some interest for accommodation on this plot. EC confirmed appointment of LDP with bid for gym, hotel and coffee shop
5c: Create new products which will appeal to visitors from further away																
Powell	5C.1	Develop a range of commercial investment opportunities across the Park	N/A	SMT	Existing Budget	CE - Planning & Strategic Partnerships	Partners	Completion	Progress	Commencing in financial year 2017/18	Commencing in financial year 2017/18	Commencing in financial year 2017/18	100%	Q4 17/18		The LVRPCC have agreed a portfolio of properties to be sold or leased for development to generate capital or create investments for income. This is mirrored by a range of properties to purchase as opportunities arise to improve the overall land holding. Ongoing.
Buck	5C.2	Develop enhancements to the hockey arena as a major event venue; Continue investigations with England Hockey into investment in event related infrastructure.	N/A	SMT	Existing Budget	S & L	Partners	Completion	Progress	Project on target with planning for the sports presentation platform now received and the PA system and the storage compound being the only items left to complete.	Planning now in for storage compound and final design work taking place on the PAVA system with EH and the designers.	All items now have planning and works starting - to complete all the works before March deadline.	100%	Q4 17/18		Project delivered.

Reporting Officer	ID No	Task	Baseline	Reporting	Resources	Lead Service	Partners	Performance Indicator	Measure	Target Q1	Target Q2	Target Q3	Target Q4	Completion Date	Priority	Comments
Buck	5C.3	Complete feasibility study to look at the covering of the 6 outdoor tennis courts.	N/A	SMT	Existing Budget	S & L	Partners	Completion	Progress	Work has been underway since May and due to the time taken to meet with all the partners the project is running a month behind. All due to complete in September.	Work is running one month behind due to partners not being available for meetings. All on course to be completed by the end of October.	Completed and follow up sessions with all the partners and stakeholders taking place.	100%	Q4 17/18		Feasibility delivered
Objective 6: To maximise the return on the Authority's Estate the Authority will:																
6a: Review of any land acquisition policies																
Wilkinson	6A.1	Commission work on the development of strategic policies for the PDF and completion of detailed area proposals for Areas 6, 7 and 8	N/A	SMT	Existing Budget	CE - Planning & Strategic Partnerships	Partners	Completion	Progress	Commencing in financial year 2017/18	Commencing in financial year 2017/18	Commencing in financial year 2017/18	100%	Q4 17/18		Revised draft expected ready for consultation in April 2018 along with revised strategic policies and landscape strategy. Report recommending adoption of all PDF documents on Authority agenda for April 2019
Foster	6A.2	Current land acquisition policies to be reviewed and considered against current relevance and needs with criterion to be developed	N/A	Executive	Existing Budget	CE - Planning & Strategic Partnerships	Partners	Completion	Progress	Commencing in financial year 2017/18	Commencing in financial year 2017/18	Commencing in financial year 2017/18	100%	Q4 18/19		Ongoing
6b:Develop a scheme to make use of the barns at Holyfield Hall Farm																
Foster	6B.1	Review surveys which have been undertaken; complete outline business case with two possible options to present to members; review option of relocating the North Ranger team to the Holyfield Farm site, providing an additional staff accommodation unit including potential conversion of listed barn/fisheries barn to include the potential of holiday accommodation to produce an income stream	N/A	Executive	Existing Budget	CE - Planning & Strategic Partnerships	All Depts.	Completion	Progress	Commencing in financial year 2017/18	Commencing in financial year 2017/18	Commencing in financial year 2017/18	100%	Q4 17/18		As previously reported the tourism project will be considered further following a review of the current farm operation. Scrutiny Committee have agreed a 2 year period to collect data and review the farm operation. This does not though form part of this work which is now on hold.
6c: Develop a land and property acquisition and disposal strategy and release value from the disposal of assets no longer required for Park purposes																
Foster	6C.1	Develop a land and property acquisition/disposal strategy within the parameters of the Lee Valley Regional Park Act 1966	N/A	Executive	Existing Budget	CE - Planning & Strategic Partnerships	All Depts.	Completion	Progress	Commencing in financial year 2017/18	Commencing in financial year 2017/18	Commencing in financial year 2017/18	100%	Q4 17/18		The Authority adopted the Land and Property Strategy in January 2017. Officers have a five year delivery plan for the disposal of marginal areas of land. Work is on-going
Objective 7: Leisure Services Contract :																
7a: Develop the optimum contract structure for the LSC ahead of going to the market and review LV venues and benchmark against similar venues in the UK																
Foster	7A.1	Develop procurement options for the Leisure Services Contract; commission consultant to advise on long term objectives and commissioning strategy for Venues and complete research into Authority objectives for each venue including analysis of the current LSC, procurement/legal framework, analysis of trends and good practice in the LSC market; establish a commissioning strategy to determine what the Authority's long term objectives are for each of the 14 venues currently in the LSC and carry out benchmarking analysis of comparative venues within the UK	N/A	Executive	???	CE	All Depts.	Completion	Progress	Commencing in financial year 2017/18	Commencing in financial year 2017/18	Commencing in financial year 2017/18	100%	Q4 17/18		A Member working group continues to guide this process and meets to discuss the key issues prior to a decision being taken. A procurement timetable has been developed and the officer working group continue to work on the outstanding issues prior to the launch of procurement scheduled for November 2018.
Objective 8: To maximise stakeholder engagement the Authority will:																
8a: Increase overall perception of Lee Valley Regional Park from 59% to 70%																
8b: Prioritise stakeholders who have most impact on the Authority in all communications																
8c: Use 50th anniversary in 2017 to promote the value of the park to key stakeholders and to further raise the profile of the Authority																
Objective 9: To continue to reduce the cost of the LVRP to the taxpayers of London Essex and Herts the Authority will:																
9a: Continue to reduce the budget contribution from the levy from its current level, maximise the external capital funding leverage for all Authority capital schemes and secure new commercial income through Authority owned and run assets																
Sheldon	9A.1	Develop options for a reduction of the levy during the period 2017/18 to 2020/21; develop a medium term levy strategy and financial plan that delivers the statutory objectives of the LVRPA, whilst reducing the burden on the tax payer and recognising the impact of the economic climate; investigate investment proposals from the Trust to consider a credible business case and complete detailed investment appraisals and investigate the potential for the Authority's estate to deliver an improved financial return and to potentially support new capital investment and/or a revenue return	N/A	Executive	Director of Finance & SMT	F&R	All Depts.	Completion	Progress	0%	Review MTFP & discuss with SMT plus Chair/Vice Chair	Budget Methodology & Assumptions plus completion of Budget Workshop	Levy & Budget and MTFP approved by Members	17/1/2019 Authority Approval		Completed

Lee Valley Regional Park Authority	**Agenda Item No:**
LEE VALLEY REGIONAL PARK AUTHORITY	**7**
SCRUTINY COMMITTEE	**Report No:**
20 JUNE 2019 AT 13:00	**S/50/19**

HOLYFIELD HALL FARM UPDATE

Presented by the Head of Parklands

SUMMARY

This report updates Members on the progress that is being made to improve the financial performance at Holyfield Hall Farm. Officers have implemented all of the required changes and after just one year in these changes are showing that the performance can be improved and the changes are having a positive effect. Many of the changes that relate to animals will take time to be realised but again are initially showing that they are achieving the desired results. A very positive year.

RECOMMENDATION

Members to Note: (1) the report.

BACKGROUND

1 Holyfield Hall Farm (the Farm) has been owned and directly managed by the Authority since 1976. The Authority purchased the working farm together with the visitor farm (Hayes Hill). The Farm has 600 acres of land managed as a mixed farm supporting a milking herd, livestock and an arable operation. The Authority owns circa 4,500 acres of land including many areas of parkland which is open to the public. The Farm also then provides grazing animals, which are important in the on-going management of nature conservation sites within the Regional Park, and is part of the visitor attraction at Lee Valley Park Farm. The visitor attraction is currently managed on behalf of the Authority by Lee Valley Leisure Trust Ltd (the Trust).

2 The Scrutiny Committee recommended to Executive Committee the Business Review report on 21 June 2018 outlining the Farm's performance and set strategic targets to bring a turnaround in financial performance over the following two years.

3 One of the actions was for Officers to update the Scrutiny Committee throughout the two year process and this report is the second such report.

4 The report will focus on the main targets and outputs.

STAFFING

5 A full review of the staff structure has been undertaken and put into place. The Farm review document has been built into the staff appraisal process which has provided the whole team with targets to help achieve positive results.

6 The new structure will provide in 2019/20 a reduction of circa £30,000 and include a reduction of 1FTE.

7 Officers have employed agency staff in the dairy which offers savings on costs and currently greater flexibility than directly employed staff. The new Arable Operative has been employed on a more flexible contract, this is providing an increase in performance and flexibility that the Farm requires and all arable works have been undertaken at the optimum time.

ARABLE ENTERPRISE

8

Target/Weakness	Performance
Weakness that the yields and inputs have not been formally measured and benchmarked against others. It looks like yields are below other benchmarked farms but this is more anecdotal see above comment.	Better data recording has been implemented and closer liaison with the agronomist is proving positive. All the cereal drilling has been completed at least 3 weeks ahead of usual and condensed into a period of one week. This means that chemical applications can be applied in one operation and not staggered to reflect the long drilling period of previous years. This is due to the new staff structure, better planning, new equipment and beneficial weather conditions. New tractor based software and equipment has been purchased to track and collate this information negating the need to manually input data in the office. This reduces the time spent on office administration.
Good rotation of crops with the inclusion of maize and ryegrass is a strength (See Appendix A)	Crop rotation is a key management strategy going forwards. The key problems now centre around grass weed populations which will take several years and careful planning to elevate.

DAIRY ENTERPRISE

9

Target/Weakness	Performance
Below optimum number of cows at 111 should be 125 with 150 in the herd	The dairy herd underwent a full test regime to check the underlying health situation. Johnes disease is a national problem and can result in several health issues. In consultation with the Farm vet it was felt prudent

	to enrol the herd into a Johnes disease monitoring program which has highlighted several animals testing positive. This is extremely difficult to manage and the decision has been made to undertake a natural cull of the infected animals. The Farm has 14 heifers to calve through June and July with a further 12 to calve in September. Current herd size remains at 111 with the optimum still 125 with 150 in the herd.
Herd is aging with a low calving percentage equals a low replacement rate.	The Farm manager has employed the services of a breeding advisor to improve our herd genetics and target the animals with a higher genetic potential.
Long average lactation and lower milk yields are affecting profitability. Poor heat detection is compounding the above statement.	Calving interval down from 460 day to 396 with the target at 385. Heat detection has improved with prompt submission rates and good conception rates. The Farm ranks favourably against the national KPIs.
Feeding of concentrates to improve yields due to poor swards is not achieving the desired results.	Full diet review undertaken in November. Yields have improved from 7,800 Ltrs per cow to 9,000 Ltrs per cow per annum. This has also had a positive impact on herd fertility and general health. Continued progress with the reseeding of all the forage grass area. This year will see the final year of the grass rotation reseeded with an increase in silage yields observed with this year's crop.
Grazing the dairy herd replacements of the conservation areas is impacting negatively on the dairy herds performance.	Business case being looked at to create a beef suckler herd to provide grazing animals for environmental grazing. This would allow a reduction in dairy numbers which, in turn, would help to insulate the Farm from the milk price troughs experienced in the past.
Need to improve the early months of the replacement dairy heifers to improve the herds overall performance.	On target growth rates, heifers are being put to bull 14-15 months which is the optimum age. First calving lactation average up by 7%.

BEEF ENTERPRISE

10

Target/Weakness	**Performance**
The conservation grazing has a negative impact on this enterprise due to the lack of good grazing that	All stock has been weighed at turnout. When weighed at housing it will give a better understanding of the

impacts by reducing the increased weight of the beef herd.	poorer growth rates achieved due to sward quality and restrictive management options afforded by the environmental schemes. Timelier moving of cattle has ensured better grazing swards.
Positive move to using an Aberdeen Angus bull from a continental bull should see improvements of converting the poor grazing into better weight gains.	Performance improvement still to be realised as they will take time to be seen.
Need to treat the beef enterprise as a separate cost unit (see Appendix B).	Part of the budget element, but better management of the account is making the process simpler.

MACHINERY

11

Target/Weakness	**Performance**
Farm is well equipped albeit the cultivation equipment is generally old.	A second-hand press has been purchased to provide more flexible seedbed preparation. The use of this has negated the need to power harrow the ground to provide a good tilth providing fuel and labour savings as well as faster ground preparation.
The Farm is high on horsepower for the size of enterprise. Older tractors are in need of replacing and this opportunity to consolidate the tractors and reduce horsepower should be considered.	One tractor has already been replaced with a lower horsepower (HP) machine, a second tractor which has been due for replacement for a number of years will be replaced this year. This tractor is now 13 years old and is starting to incur higher maintenance costs. This will allow the purchase of a more modern machine with the obvious advantages of better fuel economy and cleaner emissions and review of HP required.
Combine harvester could be re-looked at comparing hire and use of contractors (this is done on an annual timescale but not mentioned in the report).	This will be reviewed in 2019/20. The advantages of undertaking the harvest in-house means we are not relying on outside contractors to harvest the crops. This resulted in considerable lost production when contracted out in previous years. The combine will be paid off in 2019 which will realise a cost saving of around £8-9K in the transport running budget in the 2020/21 financial year. This machine should last upwards of 5 years before we need to consider renewal. The large capacity of the machine ensures a swift harvest which is extremely beneficial in a wet year. This also means lower

	maintenance costs as the machine isn't being pushed hard.

MILK VENDING

12

Target/Weakness	Performance
The hours taken to manage the vending machine are more than anticipated and are impacting on other duties.	These are being logged and efficiencies are now being seen as the tasks become second nature. Sometimes proving a challenge during peak periods such as harvest.
Good monitoring of the time, costs and income generated are required to fully understand the value/profitability this enterprise is achieving, 2 years of data would enable this to be evaluated	Initial evaluation of the budget performance has put the enterprise breaking even at best. The popularity of the vending machine with the public however has proved extremely positive and the milk sales are slowly increasing.

BUILDING FACILITIES

13

Target/Weakness	Performance
Additional air circulation is all that is required in the calves shed to bring them to the same excellent standards.	Ventilation fans are being installed in time for summer 2019.
Investment will be required within the next 5 years on the milking parlour (the parlour will not require this work within the time frames outlined in this report, i.e. the next 2 years).	Quotes are being obtained to improve the feeding system in the parlour which will be covered by the operational budget.
Redundant buildings provide little benefits and no return to the business, in a poor state of repair and are not appropriate for today's farming needs. Authority should look into the potential of these providing workshop/office/storage space for the Authority or third parties to rent.	Strutt & Parker have been engaged to look at feasibility.
Provide yard space for both the Ranger and Fisheries teams and the storage and handling of large items. These bring no direct financial benefit to the Farm but would incur cost to the Authority if it needed to purchase similar.	These areas have a market value of circa £35,000 so this is an unaccounted saving for the Authority. (see Appendix C)

DATA RECORDING AND MONITORING ACROSS ALL AREAS OF THE BUSINESS

14

Target/Weakness	Performance
This has been the Farm's achillles heal, as improvement to performance	Better monitoring and collecting data is now becoming "part of the day job"

could not be monitored and measured but this vital work has started.	for all staff. Cloud based data recording programs for both the dairy and arable enterprises have been purchased. These can be accessed on smart phones which allow everyday operations to be input immediately with all data automatically updated to the Farm computer.
Benchmarking against other similar farms needs to start.	This has started via Strutt & Parker. New dairy costings using Kingshay will automatically benchmark our data. This has no extra cost implications as will be carried out as part of the veterinary contract.
Introduction of timesheets for staff to enable better time/cost analysis across all areas of the business to be undertaken.	Timesheets are now being used by all staff.
A more detailed budget needs to be created.	This is on-going. The budgets are being scrutinised by the Farm Manager with help from the Project Consultant. Once these have been accurately broken down to the respective farm enterprises then a more detailed budget can be implemented

FINANCIAL PERFORMANCE

15 The net cost of the Farm in 2018/19 was £145,200 against a budget of £123,800, a variance of £21,400 and this was reported to Executive Committee in May as part of the revenue outturn (Paper E/624/19).

16 The budget for 2019/20 is £74,500 a saving of £49,300 compared to 2018/19.

17 The budget of £74,500 includes internal rental transfers of £38,700 which reflect the opportunity cost/market value of not being able to let the property on the open market. Excluding internal rent the cash cost to the Authority is £35,800. The Authority benefits from an estimated £136,300 saving of costs that are not seen, due to the Farm being run in-house including: saved GM costs through natural grazing; Biodiversity benefits such as appropriate habitat management; saved equipment/office storage costs for Ranger/Fisheries and other services; and providing a unique visitor experience for Hayes Hill Farm in interaction with the dairy unit.

18 As a comparable officers have evaluated the cost of leasing the Farm to a third party and it is likely that this would not prove cost effective as this would cost the Authority £30,900 and potentially not deliver the savings and benefits described above.

POTENTIAL FUTURE INITIATIVES

19 A London Brewery approached officers with a potential project of building a brewery, visitor centre and bar. This unfortunately ended with no further contact from the brewery from early 2019. Officers have had positive appraisals of very bespoke visitor accommodation lodge options. This work stream is currently being explored, with potentially looking at the wider Park opportunities. Plus the conversion of redundant buildings as described in Appendix C to this report.

CONCLUSIONS

20 Officers are very positive that the Farm has achieved the targets that Members have set and are positive that further improvements can be made. As described in paragraph 15 the Farm is currently proving good value for money and if the unseen costs/savings were included, the budget would be showing a profit of £100,500.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

22 These are described in paragraph 15.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

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

BACKGROUND REPORTS

None

PREVIOUS COMMITTEE REPORTS

Scrutiny	S/45/18	Holyfield Hall Farm – Business Review	21 June 2018

APPENDICES ATTACHED

Appendix A	Arable Farm Report
Appendix B	Vets Report
Appendix C	Strutt & Parker Evaluation Report.

LIST OF ABBREVIATIONS

FTE	Full Time Employee
the Farm	Holyfield Hall Farm
the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)
ppl	Pence per litre

FARM REPORT

Lee Valley Park Farms

Holyfield Farm, Fishers Green, Waltham Abbey

Simon Clark Harlow Agricultural Merchants

Currently the farm is under a new management regime which has seen significant improvements in the day to day running of the farm, better planning and timeliness of operations.

The effect of this change is a positive progressive approach where the benefits are starting to show, although the full effects will not be seen for a further 3 - 5 years as the unit will have to resolve some of the previous problems from the past management regime.

Improvements have been seen in rotations adopting an approach to consider soil structure, workloads, field conditions and productivity.

Spring Wheat is being grown along with Maize to try and reduce the grassweed burden, much of these weeds have some resistance to herbicides so an integrated approach is required.

The farm has continually used minimal cultivation's which have reduced the soil structure and allowed the grass weeds to increase. The current plan is to rotational plough along with spring cropping to manage the grassweed and resistance problem.

The crops on certain fields suffer intense grazing from the geese, this is an ongoing problem where little can be done to manage this issue due to the legislation and constraints currently imposed on the farm.

The addition of an experience arable staff member has improved the ability to carry out spray operations in an efficient and conscientious manner.

The farm recording systems are being improved and used more efficiently to manage stock levels and field operation recording to meet compliance regulations.

Manure management is an ongoing issue as the fields further away from the main farm will benefit from the farm yard manure and plans are in place to ensure they are treated, over a period of time this will aid soil structure and productivity.

In summary the farms potential and productivity has definitely seen advances

Under the new management regime, these improvements will continue but will take time to see the full benefits of these changes.

Simon Clark

Agronomist

BASIS Advanced Dip Ag

Harlow Agricultural Merchants

Lee Valley Meeting Report May 2019

Summary

The change in the cow's diet in November has had a big overall positive impact on the herd's production however whilst the cows adjusted to the new diet and started producing more milk the recently very good fertility of the herd declined, which can be expected. Now the cows have been on the ration for a few months we can see that the fertility has begun to improve again. Mastitis treatment protocols seem to be working well on new cases but an area to focus on now should be reducing the number of cows calving down with increased somatic cells counts. We can do this by reviewing the protocol for which cows receive antibiotics at drying off and culling chronically high cell count cows, which act as a reservoir for infection. The farm's progress with regards to Johne's disease is a great achievement in such a short time from starting to test.

Milk Production

The current 3 month rolling average 305day lactation yield has continued to increase to approx. 9750kg which has raised your 12 month rolling average to 9005kg currently. However at the end of February the 305day lactation, fat and protein all declined but have now recovered and improved.

In April milk recording milk kg, protein and fat kg compared was lower than 'expected'. Milk (kg) was 110.9kg less than expected where in Jan, Feb and March it was 82kg, 71kg and 51kg higher than expected. Looking at which cows are contributing the most to this it appears to be late lactation cows and this is therefore likely due to dry cows now being out on pasture.

Compared to the same time last year the herd milk production lactation curve is higher than expected based on previous performance, especially for early lactation cows. The cows appear to be utilising the diet better now that they have settled into the new ration, increasing milk production. Now we need to work on increasing the fat % of the milk and try to maximise the dry cow production whilst at pasture.

Fertility

The change in diet in November seems to have had an initial negative impact on the cows fertility, reflected in prolonged intervals between services, reduced services (submission rate), conception rate and reduced % of cows in calf by 100 days as a knock on effect. This is to be expected, especially with the increase in production. However after settling onto the diet these parameters seem to have improved again with excellent conception rates at 53% in January and 61% in February. The % of service intervals at the ideal 18-24 days rapidly declined between December and February to a poor 24%, the bar chart representing service intervals indicates cows were more likely to have been served 37-48 days later, meaning that the first cycle had been missed. Again we could attribute this to the change in diet. The % service intervals 18-24 days has now recovered and is back up to an extremely good level of 58%, which is higher than the average of the top 25% of NMR recording herds, which sits at 55%.

Compared to the previous 12 month period, conception rate has increased from 27% to 36% which is good progress but there is still room for improvement. Compared to the previous year calving to 1st service interval has improved by 8 days. Calving interval has improved significantly from 426 to

399 for the 12 month average but with a currently better 3 month average of 389, so moving closer to the farm's target of 380.

Somatic Cell Count (SCC) & Mastitis

Average bulk somatic cell count levels and the percentage of cows with SCC over 200 and 500 have all decreased since December. Bulk tank SCC improved from 193 in December to 152 with a reduction from 23% of cows with high SCC down to 16%.

Recovery from new and repeat cases of clinical and subclinical mastitis has improved drastically over the last 3 months, meaning that treatment protocols appear to be working for these cows. However recovery of chronically high SCC cows has reduced, this is likely due to the confirmed presence of pathogens such as Staph. Aureus which are notoriously difficult to treat. These cows can act as reservoir of infection for other cows and therefore cows with difficult to treat, chronically high SCC cows or those confirmed with Staph. Aureus should be culled from the herd to reduce the risk of infecting other cows which can impact negatively on productivity and antibiotic usage.

An area to aim to improve over the next quarter should be to reduce the amount of cows calving in with a high SCC. In the last 4 months, 6 out of 23 cows have calved down with their first SCC recording as high which were low when they were dried off. 14 cows stayed low across the dry period, 2 improved from high to low and 113 (Johne's positive) stayed high across the dry period and is a chronic SCC cow. From this, is does appear that majority of the cows are being protected by the dry cow therapy but there is room for improvement. To do this we are going to review the criteria for drying cows off without an antibiotic tube, as it possible that some of these cows may have had mastitis or high SCC earlier in lactation predisposing the cow to problems during the dry period and early lactation and therefore would benefit from treatment at drying off. Another factor may be chronically infected cows in the calving area being a reservoir for infection for cows when their teats open just before calving. Therefore by removing cows with chronically high SCC we hope to prevent these infections in early lactation.

Johne's disease

The farm has made an excellent effort to develop and implement a Johne's disease management plan, with good progress over the last 9 months. The number of Johne's positive cows has been reduced from 18 to 7 in this time and those positive cows remaining in the herd are being managed to minimise the risk of spread to calves.

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11 June 2019

Dear Jason

Holyfield Hall Farm – Indicative Rental Values

Thank you very much for taking so much time to show Ed and I over the farmstead last week – it was good to meet you and to better understand the setup. As promised, I am writing to set out our thoughts and advice in respect of indicative rental values for the respective parts of the site.

The Property

The site is well known to you, and I do not propose to describe it in any great detail. Instead, I have broken it down into the constituent parts with the numbering below referring to the attached plan.

a) Residential

i) Manager's House (1)
A recently refurbished semi-detached and curtilage listed house with four bedrooms. You advised that Paul Wallace assessed the rental value at approximately £19,200 per annum. Considering the location within a working farmyard, having reviewed comparable lettings I am of the opinion that the rent on the full side but broadly appropriate for the character, location and amenity of the property.

ii) Listed Farmhouse (2)
A large, four-bedroom semi-detached listed property, adjoined to the above and the old farm office. The house is in basic, serviceable order, but requires considerable modernisation to reach its potential. You advised that the farm enterprise was not currently renting the property, and I note that is currently offered for letting at over £19,000 per annum. The fact that it has been listed for some considerable time suggests that the asking rent is quite full, but it does not look out of place in the current market. It is unlikely to be a property that would particularly appeal to farm workers, unless they had a family of a certain age and size.

The property would lend itself reasonably well to office use, and netting off circulation spaces (as is standard valuation practice for office uses) I consider the rental value for this use might

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be in excess of £20,000. The space might also accommodate the teams currently occupying the portable offices in the yard, freeing them up for market letting.

iii) Gate Cottage (not shown)
We did not inspect internally, but you advised that the house is currently let to a third party (not involved with the farm business). The rental value assessed by Paul Wallace is approximately £16,800 per annum, which appears broadly appropriate in the market.

b) Open Storage (Ground Rent)

There are a number of yard spaces across the property, and those which are or have the greatest potential be commercially viable are numbered 4 - 12 (in total extending to 16,900 sq ft). In some cases, these spaces are occupied by containers or structures belonging to the rangers and fisheries although it is difficult to say exactly how much space they occupy as vehicle usage would appear to be ad hoc. In our experience, spaces of this type make £0.50 to £0.75 per square foot, which would suggest a theoretical rental value of **£8,500 - £12,500** per annum.

The Ranger/Farm/Fisheries portable offices are included as a ground rent assessment in the above on the basis that the structure is not owned by the farm. However, if these functions were elsewhere accommodated then the farm could acquire and let the offices. They extend to approximately 1,250 sq ft, suggesting a rental value in excess of £12,500 per annum – this sum should return approximately 20-25% on the cost of acquiring the structures (or similar).

c) Enclosed Outdoor Storage

Numbered 3 and 4 on the plan are areas extending to about 8,400 sq ft that could easily (and with little cost) be enclosed to a secure compound. Our experience has shown such sites to be valued around £1.50 per square foot, which would equate to over **£12,500** per annum.

d) Buildings (surplus to farm requirements and commercially viable)

i) Boat Shed (13)
Approximately 365 sq ft of dry, secure workshop space which would be appealing to the market. We would expect to achieve a rent in excess of **£2,500** per annum.

ii) Workshop (14)
Secure covered store/workshop with washing facilities which would appeal to commercial and domestic users. Approximately 730 sq ft of space which should achieve in excess of **£5,000** per annum

iii) Cart Shed (15)
Open fronted, covered storage in a convenient position in the yard. Approximately 650 sq ft which we would expect to achieve approximately **£1,250** per annum as existing. Enclosing the building to create a secure workshop unit could increase the value threefold to around £3,750 per annum

iv) Lean-to behind workshop and cart shed (16)

Logically combined with a secure yard (valued in (c) above), this long, thin dry store would appeal to small domestic storage users. Approximately 730 sq ft of space which should achieve in excess of **£2,500** per annum

v) Northern timber frame building (excluding spray shed) (17)
Currently suited to secure covered storage, the space extends to about 2,100 sq ft. Cleared and cleaned, we would expect to achieve in excess of **£6,000** per annum for the space as existing. With some improvements to create workshop space, the rental value could exceed £10,000 per annum. The building would lend itself to an office conversion, subject to the necessary planning consents, with a potential rental value in excess of £20,000 per annum

vi) Spray Shed (18)
Currently used by the farm, but with potential to be let for dry, secure, storage. Approximately 275 sq ft of space which we would expect to let around **£1,000** per annum. With some improvements to create more of a workshop space, the rental value could be increased to around £2,000 per annum

vii) Old farm office (19)
Relatively basic but serviceable office space and meeting room which could be brought up to standard at modest cost. Approximately 356 sq ft with an estimated rental value in the region of **£3,750** per annum as existing

In terms of accounting policy, it does seem odd that some of the buildings in the farmstead currently have rental values attached to them and others do not – I would have thought a sensible approach would be to value all of the property or none of it, for the purposes of consistency across enterprises. In a tenancy situation, commercial lettings income is often shared between landlord and occupier.

The success of rural commercial farmstead lettings hinges on starting with small occupations and taking care to find the right users. Ideally they would require limited vehicle movements, and visit the space relatively infrequently. Good tenants often find good tenants, and the enterprise should be able to grow organically without too much advertising in the early days (which can attract unwanted attention – see below).

Fisheries Complex

Broadly, the fisheries complex has been considered above within the ground rent section on the basis that the structures occupied/sited are not owned by the far. Areas 10 and 11 on the plan, which refer, have an approximate ground rent value within the above of £1,250 to £1,750 per annum.

The fisheries also occupy the adjacent pond which will have quite considerable value to them. It is not easy to value for the market as it is a niche beyond our usual expertise, but I would expect demand from certain special user groups.

Whole Farm Rental Value

Strutt & Parker's Farm Business Review in 2018 considered the option of letting the farm in some detail. Since then, there is some greater clarity about the future of farm subsidies although the slow moving Agriculture Bill and Brexit uncertainties mean that much remains unknown about the future of rental values.

Based on current best information and comparables, I estimate the rental value for the land, yard, buildings and Manager's House & Gate Cottage to be in the region £80,000 – 90,000 per annum.

This figure assumes a single Farm Business Tenancy incorporating all of the above and divesting overall control to a farming operation. The land alone might be worth in the region of £50,000 – 55,000 per annum, with the possibility that a small premium could be achieved by letting the land separately and investigating commercial opportunity for the yard and any buildings not required for farming.

Planning and Business Rates

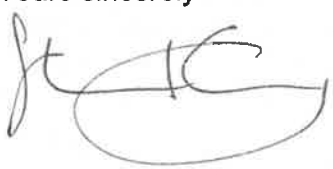
Naturally, some of the suggested alternative uses above may require planning consents. We can provide further detailed advice if required, but as discussed when we met there could be risks involved in inviting the planners to the site which may help to guide thinking on building uses.

There is a further risk (with or without formal planning permissions, but more likely on grant of consent(s)) that increasing commercial use of the site could attract the attention of the Local Authority's rating team. It is usual for occupiers to cover the costs of business rates, but this highlights the importance of having suitable leases in place to divest responsibility if it becomes an issue. Business rate assessments tend to negatively affect rental values in that they create additional cost burden for occupiers. The figures above assume no assessment for rates.

I trust the above is helpful and gives you the information you require. If anything requires further explanation or clarification please do not hesitate to contact me. Please note, this letter provides indicative rental values only. It is not intended to be a formal valuation in accordance with the Royal Institution of Chartered Surveyors Valuation – Global Standards 2017 (Red Book) and should not be relied upon as such.

Kind regards

Yours sincerely



Stuart Gray MRICS FAAV
Senior Associate Director

Enc: Farmstead Plan

Lee Valley Regional Park Authority	Agenda Item No:
LEE VALLEY REGIONAL PARK AUTHORITY	**8**
SCRUTINY COMMITTEE	**Report No:**
20 JUNE 2016 AT 13:00	**S/51/19**

COMMUNITY ACCESS FUND

Presented by Sports Development Manager and Youth and Schools Manager

SUMMARY

This report provides Members with a detailed evaluation of the delivery of the Community Access Fund (CAF) between July 2015 and March 2019.

The CAF has been used to engage with hard to reach community groups and schools across the region and provided financial support for access to Authority venues, open spaces and services. The CAF has enabled officers to work closer with boroughs, creating sustainable programmes and fully maximising the opportunity to raise awareness of the Authority's visitor offer and encourage longer-term repeat visits.

Members approved an initial budget of £113,000 (Paper E/389/15) for the CAF from 2015 to 2016 of which £101,700 has been specifically used by the Authority's Sports Development Team to engage with different community groups and to help them with access to Authority venues and services raising the profile and awareness of the Park. The remaining 10% (£11,300) has been used by the Authority's Youth and Schools Team to specifically support schools from across the region with transport costs and access to the Authority's Outdoor Learning programme.

After the initial CAF pilot, Members approved a yearly budget of £80,000 towards CAF delivery between 2017 and 2020, Members also recommended that the allocation of budget be split with 80% of the budget being used specifically by the Authority Sports Development Team and 20% by the Authority's Youth and Schools Team, this was based on the success of the Authority's Youth and Schools Team being able to attract schools from further afield.

Up until March 2019, CAF has supported 230 different community groups and 13,500 individuals accessing sporting and physical activity provision across the Park. The CAF access fund for outdoor learning has supported 78 schools/organisations from 41 different boroughs across the region, with 6592 young people benefitting from this programme.

RECOMMENDATIONS

Members Note: (1) the report.

around engaging with black and ethnic minority groups, people with disabilities and women and girls. Without CAF, these targets would have been very difficult to achieve. The CAF project also supported the profile of the Park's open spaces as a centre for outdoor activity and engaged with hard to reach schools enabling the Youth and Schools Team to expand the reach and impact of their work across the region.

8 96% of all Boroughs across the region have received some CAF engagement, only Merton and Kingston Upon Thames remain, both boroughs have proved to be difficult to engage with. The aim is to engage with these Boroughs during 2019/20 to get full regional coverage.

Participant Data

9 230 different community groups/organisations made use of the Community Access main fund, with:

- 13,500 individuals participating in sporting activity;
- 45% of participants were female; and
- 55% of participants were from black and minority ethnic groups.
-

20% of the 13500 individuals registered as having a disability.

10 The outdoor learning access fund engaged with:

- 6592 individuals participating in a variety of Outdoor Learning programmes;
- 78 different schools/organisations; and
- Engaged 41 different boroughs, 32 of which were non-riparian.

Of those surveyed 100% of teachers who had participated in the outdoor learning sessions said most or all of their students had made progress in general motivation and enthusiasm/ understanding of the subject. 85% of teachers said their awareness of Lee Valley Regional Park had increased.

11 Between July 2015 and March 2019, 20,092 individual people have benefited from CAF, with a total of 308 different community groups and schools engaged and 96% of the region covered.

12 The CAF has been used as a way of providing one-off visits to the Park for both community groups and for schools, in addition to this longer term relationships have developed with certain groups coming back to the Park either funded through CAF or via self-funding. Where community groups and schools engage in longer-term activity in the Park, participants have noted an even greater impact on their lives in terms of health benefits and mental wellbeing.

13 To fully capture and document the true impact of the CAF on people's lives, a video diary was commissioned which will be used to further promote the project to other groups and schools across the region.

Finance

PREVIOUS COMMITTEE REPORTS

Executive Committee	E/389/15	2015/16 Revenue Budget and Levy	22 January 2015

LIST OF ABBREVIATIONS

CAF	Community Access Fund