Lee Valley Regional Park Authority **LEE VALLEY REGIONAL PARK AUTHORITY** **EXECUTIVE COMMITTEE** **25 SEPTEMBER 2025 AT 10:30**	**Agenda Item No:** 6 **Report No:** **E/901/25**

Q1 CAPITAL PROGRAMME BUDGET MONITORING 2025/26

Presented by Head of Finance

EXECUTIVE SUMMARY

This report summarises capital spending in 2025/26 compared to the current capital programme.

Appendix A to this report provides a financial summary of current schemes within the capital programme and shows that overall capital and asset maintenance related expenditure for the year-end is currently projected to be £3.179 million, with £0.016 million of capital receipts.

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

1 Authority initially approved the capital programme for 2025/26 at its meeting on 23 January 2025 (Paper A/4362/25). Additional approvals for investment at Lee Valley VeloPark (Paper E/889/25) has updated the programme. This report compares the actual spend with the current programme.

2 Where there is a significant variance, resulting in a projected under or over spend for a particular project, a brief explanation for the variance is provided below by the Accountable Officer for that scheme.

3 Where slippage is projected and reported, those resources remain earmarked for the particular schemes in question in future years. Where an under spend is reported these savings are added back into capital funds.

4 The original annual budget for 2025/26 was **£2.605 million** net expenditure. However, reprofiling due to prior year slippage, along with the inclusion of other identified schemes, has meant the profiled capital budget for 2025/26 is now **£3.021 million.** The projected capital expenditure for the year is **£3.179 million**.

Project phasing and delivery profiling account for the majority of the movement against the original 2025/26 budget profile, with some projects along with completion of remaining works at Lee Valley Ice Centre scheduled for delivery in 2025/26.

There is also a budget provision for works at East India Dock Basin, which is discussed later in the paper, although as this is not a fully approved project it has not been included in the 2025/26 budget.

SPECIFIC SCHEMES

5 The review of major schemes in 2025/26 is detailed below.

6 **Lee Valley Ice Centre Redevelopment**

Following the practical completion of Lee Valley Ice Centre in May 2023, and subsequent administration of Buckingham Group Contracting Limited (BGCL) in September 2023, there remained a number of snagging/defects that needed to be remedied.

Members approved the recommendations within Paper E/820/23 to make a claim for the outstanding liquidated damages owed to the Authority, terminate the contract with BGCL and, following the termination, where possible to require BGCL's sub-contractors to remedy defects under collateral warranties and to employ third parties to undertake any remaining outstanding snagging and defect works.

Officers have undertaken all of the above and the process for rectification of the snagging and defects continues to be undertaken and is near completion. The final project cost is forecast to be under the approved budget of £30million, including all the operational fit out costs as well as capitalisation of development borrowing costs.

We haven't had any contact with the administrators since November 2023. A letter was previously sent to the administrators setting out the Authority's position with regard to BCGL's liability for sums due to the Authority in respect of rectification works and liquidated damages.

The administrator's appointment has recently been extended again by the Court until 4 September 2027, giving them a further two years to complete their work. Officers will update Members if/when any further progress with the administrators is made.

7 **Lee Valley Ice Centre Funding**

The redevelopment of Lee Valley Ice Centre has always been anticipated to be fully funded from external borrowing, with the original strategy one of short-term loans during the construction phase, to be converted to long-term loans on completion. This was subsequently amended to allow greater flexibility with borrowing due to the increase in lending rates.

Officers have continued to adopt the more cash and affordability efficient approach of short-term loans, rather than locking in long-term debt, and have to date borrowed £23 million on terms of up to two years.

Due to the current volatility in rates we have continued with this approach as it gives the Authority greater freedom and flexibility to respond should rates drop. Over the last few weeks we have seen Public Works Loans Board (PWLB) long term rates at around **6.00%.** Our Medium Term Financial Forecast is currently based on rates being around **5.00**%, and reducing in line with base rate forecasts.

The rates in the short-term market are around **4.45%,** although our current borrowing is between **4.66% and 5.23%.** It would therefore be prudent to wait for when it may be appropriate to take longer-term borrowing.

Having short-term borrowing also allows us to easily apply and repay loans should we benefit from future capital receipts, without charges that would be associated with repaying long-term loans.

We continue to be supported by the London Borough of Enfield, via the Section 151 Officer, along with their external treasury advisors, Arlingclose, in adopting this approach to borrowing.

The schedule of current loans means that the next point for refinancing is April 2026, followed by September 2026.

We will continue to update Members on borrowing in future quarterly Capital Outturn reports.

8 **Asset Maintenance**

The Authority has developed an Asset Maintenance (AM) programme across the assets and open spaces that it is directly responsible for. This is a rolling programme of major one-off and planned/cyclical maintenance over a 25 year period. The programme is funded by annual direct contributions from revenue to ensure that the programme is fully funded to cover both lower and higher maintenance years.

The annual AM budget is amended each year to take into account where additional maintenance is required, or is deferred to future years.

The original budget presented in January did not include additional expenditure resulting from the condition survey carried out on our built operational assets, along with the residential properties, and open spaces infrastructure (such as footpaths and bridges). Works requirements for 2025/26 have now been reviewed and, where appropriate, profiled to ensure that urgent works are delivered in the current financial year. This has increased the AM requirement for the year, and based on current projections, has identified a funding shortfall at the year end. However, as project delivery timelines change, so might funding requirements, so we will continue to monitor and additional funding can be allocated towards the end of the financial year.

The annual AM spend is now expected to be around £2.161 million, and includes schemes carried over from the prior year. Main areas included in the programme for 2025/26 are:

- roof renewals at both Stanstead Marina and Springfield Marina, incorporating removal of asbestos panels and installation of solar panels on new roof coverings;
- phased programme of Gold Top gravel renewal at Lee Valley VeloPark and Lee Valley Hockey & Tennis Centre with approx. 10,000m^2 being done this financial year;
- repair packages to Bridges and Bridge Infrastructures;
- new Door Access Control at Lee Valley White Water Centre;
- renewal of footpath surfaces in both north and south Park; and
- new Mastic to Lee Valley Hockey & Tennis Centre terracing and repairs to surface water drainage systems.

Where AM works can be identified as capital in nature, these can then be capitalised, although the revenue funding will be assigned to these schemes so as not to further increase the charge to revenue that would occur with an unfinanced capital spend.

9 **Lee Valley Park Farm, Holyfield Hall**

A paper giving an update on the change of operation at the Farm was presented to Members in October 2023 (Paper E/825/23). The change over is well advanced and it is now a case of completing projects and upgrading equipment as and when, and increasing the herd size when suitable and well-priced stock become available.

We have not yet fully invested in all the livestock, however we have purchased the start of herd of Redpoll Cattle which are on the breeds at risk list. Using this breed increases the amount we are paid through the Stewardship grant, and they have been grazing sites in both the north and south of the Park this year. The fencing contract, awarded via public tender, is almost complete which will allow for further grazing fields adjacent to the Farm with the calves at foot.

The capital received for the sale of livestock and machinery has been ring-fenced for reinvestment in the Farm, which is being utilised as and when required.

10 **Landscape, Open Spaces and Investment Projects**

Middlesex Filter Beds
The interim solution to re-wet the filter beds and create the wetland habitat that was lost is up and running and the filter beds are under normal operation by the Ranger team. Pick Everard continue to pursue the option of finding a suitable electric feed to deliver mains power. Good progress has been made and we have an in principle agreement with Thames Water to sub meter from their sub-station, from the depot along Lea Bridge Road. We are just awaiting some final information and the design and costs will be drawn up.

East India Dock Basin
Final sampling points have now been agreed with the Marine Management Organisation (MMO) and Port of London Authority (PLA) and consultants now have a company in place to complete this final element of the sampling stage. This should take place in October 2025 and will allow the application for a licence to disperse silt into the Thames.

The Orchard Wharf planning application has now been determined and on 3rd September was unanimously approved by the London Borough of Tower Hamlets (LBTH) planning committee. The Authority has received £100k as part of the S106 for open space improvements around the Basin.

We continue have detailed discussions with LBTH regarding an option to build a community centre on the footprint of the Basin. Officers are currently exploring a similar style of agreement as we have at Timber lodge in Queen Elizabeth Olympic Park, which will enable an appropriate level of benefit to flow back to the Authority through a café operation, building use for meetings and a rental figure for the site. Both organisations are investigating if such a project could provide a focal point and potential start up to lever further funding in for the silt and gates element of the project at this site. A full report will be bought to Members later in Autumn 2025.

St Pauls Field
The St Paul's Field project will deliver 3.25km of new footpath from Meadgate Road in Nazeing to Dobbs Weir Road. This will open up an area of the Park which has been inaccessible to the public, delivering a countryside and lakeland pathway for pedestrians and cyclists.

This project was due to be completed at the end of April 2025. Unfortunately after extensive consultation at the planning stage, it was discovered that the link along Dobbs Weir Road which was originally thought to be unregistered land does in fact, by less than half a metre, form part of the Highway. Contractors started back on site to complete the link on 8th September 2025 and works should be complete by end of September with the footpath opened in early October. Due also to Highways requirements there has been an increase to the cost of this scheme yet to be advised by the contractor following the final Highways requirements.

North Wall Road
North Wall Road is north of Lee Valley VeloPark and jointly owned with the London Legacy Development Corporation (LLDC). It is a hard landscape which has had little value for either organisation. We now have a set of RIBA Stage 2 concept designs and a projected cost plan for this site.

Further design funding for RIBA Stage 3 and 4 was secured by LLDC from their Community Infrastructure Levy (CIL) funding and LLDC will manage the next phase of developing this project up to Stages 3 and 4. However, LLDC and LVRPA timescales do not align and LLDC plan to progress their third of the road prior to our section. Our section will need to tie into the master planning works at Lee Valley Hockey and Tennis Centre and Lee Valley VeloPark so North Wall Road is currently on hold. Senior Officers are due to meet with LLDC in early October and will report back to Members in due course.

11 **Venue Investment Projects**

Main updates since the last outturn report in December are as follows.

Lee Valley VeloPark Health & Fitness Offer and Meeting Pods
The works on conversion of meeting rooms under the concourse at Lee Valley VeloPark to a Gym is complete and the facility opened successfully in May 2024. There are still some works required to finalise the external areas which will continue over the next few months. Planning permission has now been granted and the final design is being agreed with a completion date of the beginning of November.

The works have also now been completed to create two flexible enclosed meeting pods on the main concourse of the arena next to the café. We await confirmation of final amounts due to Greenwich Leisure Limited (GLL), and payment will occur in 2025/26.

As with the LED lighting projects, this is being procured and delivered by GLL with the Authority providing the funding, with the costs falling due following completion of works once invoiced.

Lee Valley VeloPark Access Barrier
Members approved a scheme in May (Paper E/889/25) for a small investment to change the gym access doors, with speed gates that will allow customers with bookings or membership to gain access via self-service. This will complement the Health and Fitness Offer by allowing easier access and increased customer experience, reduce customer tailgating and inappropriate access to controlled areas, increase the lifespan of the doors, and allow for reduction in staffing requirements during periods of gym-only operation.

The project is currently in progress with completion expected in November 2026.

Sewardstone Campsite Investment
We are in the process of drawing together the required reports to obtain planning consent. The Preliminary Ecological Appraisal identified the need for further protected species surveys, which as a material consideration need to be undertaken prior to submitting the application. A Biodiversity Net Gain Assessment has also been completed as part of the application process.

All survey studies will be completed by mid-2026.

Planning consent is not expected until later in 2026, so no capital expenditure is forecast until the 2026/27 year now. This is for the creation of ten additional hard standing pitches, together with the hotel pods and associated facilities.

CAPITAL RECEIPTS

12 A small receipt from disposal of encroached land at Hawes Lane, Waltham Abbey, as set out in Paper E/840/24, has been received. The transfer completed in June 2025 and capital receipt has been added to the general usable capital receipts reserve.

ENVIRONMENTAL IMPLICATIONS

13 There are no direct environmental implications arising from the recommendations in this report. However, within each project a full evaluation of environmental implications is undertaken and reported to Members as part of the overall project brief.

EQUALITY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

15 A variance during the year on the capital programme can result in additional/reduced investment income being earned in the year as cash balances deposited in the Authority's approved bank accounts change.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

18 Failure to deliver a capital project within an agreed timescale could lead to adverse publicity. It may also mean that the Authority fails to achieve its corporate objectives within the time span that was originally anticipated and/or result in revenue budget variations as part of the Medium Term Financial Plan where the investment is intended to generate new income streams.

Author: Keith Kellard, 01992 709 864, kkellard@leevalleypark.org.uk

APPENDIX ATTACHED

Appendix A	Capital Monitoring 2025/26 Q1 Outturn

PREVIOUS COMMITTEE REPORTS

Executive Committee	E/887/25	Q4 Capital Programme Budget Monitoring 2024/25	22 May 2025
Executive Committee	E/878/24	Q3 Capital Programme Budget Monitoring 2024/25	20 March 2025
Authority	A/4362/25	Proposed Capital Programme 2024/25 (Revised) to 2028/29	23 January 2025
Executive Committee	E/872/24	Q2 Capital Programme Budget Monitoring 2024/25	19 December 2024
Executive Committee	E/861/24	Q1 Capital Programme Budget Monitoring 2024/25	19 September 2024

ABBREVIATIONS

AM	Asset Maintenance
LLDC	London Legacy Development Corporation
MMO	Marine Management Organisation
PLA	Port of London Authority
RIBA	Royal Institute of British Architects
BGCL	Buckingham Group Contracting Ltd
LBTH	London Borough of Tower Hamlets
GLL	Greenwich Leisure Ltd
CIL	Community Infrastructure Levy
PWLB	Public Works Loan Board

LEE VALLEY REGIONAL PARK AUTHORITY **Appendix A to Paper E/901/25**

CAPITAL PROGRAMME MONITORING 2025/26 QUARTER 1

	Project Name	Full Scheme Budget £000s	Prior Years Spend To Date £000s	Profiled Budget 2025/26 £000s	Actual to 27 Jul 2025 £000s	Projected Outturn at 31/03/2025 £000s	Projected Variance 2025/26 £000s
	ANNUAL EARMARKED RESERVES						
x	Asset Management	-	-	**2,161**	310	**2,161**	0
	PROJECT SPECIFIC BUDGETS						
	Lee Valley Ice Centre Redevelopment	30,000	29,170	**300**	152	**300**	0
	Olympic Park Hostile Vehicle Mitigation	495	309	**10**	10	**10**	0
	Holyfieldhall Farm Operational Change	155	85	**65**	17	**70**	5
	LANDSCAPE, OPEN SPACE & INVESTMENT PROJECTS						
	East India Dock Basin - Feasibility & Surveys	125	94	**31**	14	**20**	-11
	Middlesex Filter Beds Sluice	240	66	**0**	0	**0**	0
	St Pauls Field (inc Feasibility)	450	332	**118**	82	**118**	0
	North Wall Road	60	55	**0**	0	**0**	0
	VENUES INVESTMENT PROJECTS						
	Sports Venues						
	LSC LED Lighting	1,522	1,348	**20**	17	**20**	0
	Velopark Health & Fitness Offer	508	254	**254**	0	**254**	0
	Velopark Access Barrier	62	0	**62**	0	**62**	0
	Other Projects						
	Marina Dredging/Desilting	0	0	**0**	24	**44**	44
	Land Disposal Costs						
	Rammey Marsh West	0	173	**0**	70	**120**	120
	TOTAL PROGRAMME			**3,021**	**696**	**3,179**	**158**
	Capital Receipts						
	Land at Hawes Lane	-16	0	-16	0	-16	0
	TOTAL INCOME			**(16)**	**-**	**(16)**	**-**
	CAPITAL PROGRAMME FINANCING						
	Debt			354		354	
	External Grant Funding			200		200	
	Revenue Contribution			71		71	
	AM Reserve			2,161		2,161	
x	Earmarked Reserves			0		0	
	Retained in Revenue			0		164	
	Capital Receipts			235		229	
	TOTAL FINANCING			**3,021**		**3,179**	