

Q3 CAPITAL PROGRAMME BUDGET MONITORING 2021/22

Presented by Head of Finance

EXECUTIVE SUMMARY

This report summarises capital spending in 2021/22, estimates financial commitments to the year-end and compares this to the approved annual budget

Appendix A to this report provides a financial summary of current schemes within the capital programme and shows that overall net capital expenditure for the year-end is currently projected to be £17.809 million, and representing a slippage against the approved budget.

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- 1 Authority approved the updated capital programme for 2021/22 at its meeting on 20 January 2022 (Paper A/4313/22). This report compares the actual spend with that approved 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 The annual budget for 2021/22 is £19.592 million net expenditure. The projected net capital position for the year is £17.809 million and representing a slippage of £1.783 million against the approved budget. This will be reprofiled into the 2022/23 programme.
- 4 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.

SPECIFIC SCHEMES

- 5 The review of major schemes in 2021/22 is detailed below.

6 Lee Valley Ice Centre Redevelopment

The Ice Centre Redevelopment has continued to progress well and is on target both in terms of time, with a completion date at the end of October, and budget. The past two months have focused on completion of the foundations and the steel frame which are now both 100% completed. The coming quarter will focus on completion of the structure in terms of the roof, walls and cladding with a target of becoming watertight at the beginning of April.

The Authority's design team continues to analyse the market in terms of materials and the variables that have been seen regarding costs and delivery times. Thus far, due to commitments being made early on, there have been no such issues on the Ice Centre project and the team's feedback has not flagged any upcoming issues with supply. This will be closely monitored through to completion.

7 Asset Maintenance

Asset Maintenance spend is currently on target for an underspend of around £250k on the planned programme, which can be used as a contribution towards some larger projects in the latter part of this financial year.

The repair and refurbishment works on Abercrombie Lodge are now largely completed, just cleaning and carpets to be finished. The project has overspent slightly due to an upgrade in the BMS system and IT network together with re-carpeting. Currently it is estimated that works will be complete in early February 2022 and will be on budget.

Planned works at the sports venues have now begun and the works will largely be completed as per the planned programme.

8 Hostile Vehicle Mitigation

This project is currently being procured however substantial material price increases are necessitating the need for a redesign of the scheme, this project can now not be delivered pre Commonwealth Games and will be fully funded from capital in 2022-23.

9 Landscape and Open Space Projects

Officers have been reviewing the Landscape and Open Space project list (Paper E/711/20) for any schemes that may progress. Whilst some work is still involved in the delivery and funding strategy for these projects, we have been looking into the different projects to review their individual feasibility.

Middlesex Filter Beds

This project has now been agreed to progress and is ready to procure contractors. Officers will meet to discuss an outline plan in February and develop timelines, it is expected this project will be delivered in 2022/23.

East India Dock Basin

Surveys are in the process of being undertaken. Consultant work will be completed by the end of March and we expect reports within this timescale. There are currently some slight delays due to survey issues and some of this may roll into 2022/23.

St Pauls Field

The consultants' designs are on track and this is on budget and should be completed by the end of the financial year.

Waltham Abbey Gardens

This project has now been pushed back with a submission to National Lottery Heritage Fund (NLHF) in May 2022. It is unlikely even if an NLHF bid is successful any capital contribution will be required until 2024. The Authority contribution to this project is currently only projected at £20,000.

10 Venue Investment Projects

Executive Committee approved a list of venue investment projects at the meeting on 16 November 2021 (paper E/743/21) which will enhance venues, and deliver cost savings, additional income and new income streams.

The projects will be delivered over a number of years, with a number due to be implemented in the current financial year.

Lee Valley VeloPark LED Lighting

This project is currently being procured and is expected to complete ahead of the Commonwealth Games within budget allowance.

Lee Valley White Water Centre Offices and Meeting Rooms

This project is currently in for planning permission and will shortly be out for procurement with an expected start on site in April/May.

Campsites Glamping Units and Playgrounds

Orders for the new pods at each campsite have been placed, the internal configuration agreed and we are awaiting projected delivery dates. The playground RFQ is complete with the successful supplier being notified by the end of February. Work on this should be delivered on time and within budget allocated.

11 IT Projects

IT capital spend is currently on target for an underspend of around £130k on the planned programme, which is due to a number of projects being pushed back or delayed due to the handover of venues to GLL. The upgrades of the Financial Management and Customer Relationship Management (CRM) systems, along with the Website re-development have all been held back, as has the PC replacement programme, as it was deemed prudent to wait to see what computers will not be utilised by GLL before purchasing new computers. The surplus will be used as a contribution for these projects in the next financial year.

ENVIRONMENTAL IMPLICATIONS

- 12 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

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

FINANCIAL IMPLICATIONS

- 14 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

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 17 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.

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PREVIOUS COMMITTEE REPORTS

Executive Committee	E/750/22	Proposed Capital Programme 2021/22 (Revised) to 2025/26	20 January 2022
Executive Committee	E/740/21	Q2 Capital Programme Budget Monitoring 2021/22	21 October 2021
Executive Committee	E/731/21	Q1 Capital Programme Budget Monitoring 2021/22	22 July 2021
Executive Committee	E/726/21	Q4 Capital Programme Budget Monitoring 2020/21	27 May 2021

APPENDIX ATTACHED

Appendix A Capital Monitoring 2021/22 Q2 Outturn

Project Name	Accountable Officer	Project Manager	Approved Budget 2021/22 £000s	Actual to 26 Dec 2021 £000s	Projected Outturn at 31/03/2022 £000s	Projected Variance £000s	Comment
Land Acquisition & Remediation	Deputy Chief Executive	Head of Property	0	0	0	0	
Biodiversity Action Plan	Corporate Director	Head of Parklands	80	15	64	-16	Slippage/Carry forward
IT Infrastructure & Communications	Corporate Director	Head of IT	250	56	120	-130	Slippage/Carry forward
Asset Management	Corporate Director	Head of Asset Maint.	1,001	542	1,001	0	On budget
Abercrombie Lodge Repair Works	Corporate Director	Head of Asset Maint.	173	130	180	7	Scheme Complete
Olympic Park Hostile Vehicle Mitigation	Chief Executive	Head of Sport/Leisure	245	4	4	-241	Scheme budget £495k
Wildlife Discovery Centre	Corporate Director	Head of Project/Funding	17	17	17	0	Scheme complete
Lee Valley Ice Centre Redevelopment Phase 1	Chief Executive	Corporate Director	30	27	27	-3	Stage complete
Lee Valley Ice Centre Redevelopment Phase 2	Chief Executive	Corporate Director	16,000	7,703	14,800	-1,200	Scheme budget £30m
Landscaping, Open Space & Investment Projects							
East India Dock Basin - Feasibility/De-silting	Corporate Director	Head of Project/Funding	75	0	75	0	Feasibility
Middlesex Filter Beds Sluice	Corporate Director	Head of Project/Funding	200	0	0	-200	Scheme budget £200k
St Pauls Field - Feasibility	Corporate Director	Head of Project/Funding	15	12	15	0	Feasibility
Venues Investment Projects							
Campsites - Glamping Units	Corporate Director	Venue Manager	84	0	84	0	On budget
Campsites - Playgrounds	Corporate Director	Head of Asset Maint.	75	0	75	0	On budget
Campsites - Other Schemes	Corporate Director	Venue Manager	34	0	34	0	On budget
Marinas - Welding Tents	Corporate Director	Venue Manager	21	0	21	0	On budget
Holyfieldhall Farm - Calf Nursery/Milk Storage	Corporate Director	Corporate Director	62	0	62	0	On budget
Velopark - LED Lighting	Corporate Director	Head of Asset Maint.	700	0	700	0	On budget
WhiteWater - Offices, Meeting Rooms	Corporate Director	Head of Asset Maint.	465	0	465	0	On budget
Air Cleansing Units	Corporate Director	Head of Asset Maint.	65	19	65	0	On budget
NET PROGRAMME			19,592	8,525	17,809	-1,783	
Capital Receipts							
Harbet Road			-250	-230	-230	20	Net Receipt
Leadale Kennels			-50	-49	-49	1	Net Receipt
TOTAL CAPITAL RECEIPTS			-300	-279	-279	21	

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