

## **Q1 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 £17.992 million, and in line with the approved budget.

### **RECOMMENDATION**

Members Note: (1) the report.

### **BACKGROUND**

- 1 Executive Committee approved a capital programme for 2021/22 at its meeting on 17 December 2020 (Paper E/703/20). This report compares the actual spend with that approved programme, and any slippage carried forward from the 2020/21 budget (reported as part of the capital outturn report, paper E/726/21.)
- 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 £18.076 million net expenditure. The projected net capital position for the year is £17.992 million and in line with the approved budget.
- 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 project has continued to progress well considering the volatility of the market with regard to materials availability, price increases and the ongoing fuel crisis. The past three months have focused on closure and demolition of the old building, preparing the ground for the start of the foundations and the final pre floor construction planning conditions.

Proactive communications have continued and gone out to residents, local interested groups and stakeholders informing them of the project's progress which includes monthly community liaison meetings.

The Client team has been reviewing the final design drawings to ensure the Authority is getting what it has designed, along with working with Greenwich Leisure Ltd (GLL) on final layout detail around catering, power, data and the gym. The project remains on budget and broadly on programme with no major issues raised to the Authority by the contractor. The next three months will focus on the foundations and the steel frame along with the external works to create the required ducts and infrastructure for power and water.

## **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 have been split into four phases – floor and sub floor; roofing; decking and landscaping; and internal redecoration and repairs. The contract for the flooring works has now been completed, and will fall within the contract sum; the roofing works have just been completed and will again fall within the contract sum. The scaffold is currently being struck and the decking works are out for pricing as are the internal and external decorations.

Currently, it is estimated that works will be complete in early 2022, and will be on budget.

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

## **8 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.

## **9 Venue Investment Projects**

Officers has also been developing a list of potential investment projects that will enhance the venues and deliver cost savings, additional income, or new income streams. This project list will be subject to a separate paper, and will be presented to Members in November.

## 10 Capital Receipts

### **Harbet Road**

As per Executive Committee paper E/720/21, the Authority entered into a negotiated sale of land at Meridian Water, Harbet Road, with the London Borough of Enfield for the sum of £250,000. After allowing for our disposal fees, this resulted in a net capital receipt of £230,000.

### **Former Leaside Kennels site**

As per Executive Committee paper E/694/20, disposal of the former Leaside Kennels site has completed, as Members had previously decided it was no longer required for Park purposes. The receipt of £50,000, less costs of disposal, resulted in a net capital receipt of £49,000.

## **ENVIRONMENTAL IMPLICATIONS**

- 11 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**

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

## **FINANCIAL IMPLICATIONS**

- 13 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**

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

## **LEGAL IMPLICATIONS**

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

## **RISK MANAGEMENT IMPLICATIONS**

- 16 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**

<b>Executive Committee</b>	<b>E/731/21</b>	<b>Q1 Capital Programme Budget Monitoring 2021/22</b>	<b>22 July 2021</b>
<b>Executive Committee</b>	<b>E/726/21</b>	<b>Q4 Capital Programme Budget Monitoring 2020/21</b>	<b>27 May 2021</b>
<b>Executive Committee</b>	<b>E/703/20</b>	<b>Proposed Capital Programme 2020/21 (Revised) to 2024/25</b>	<b>17 December 2020</b>

**APPENDIX ATTACHED**

<b>Appendix A</b>	<b>Capital Monitoring 2021/22 Q2 Outturn</b>
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LEE VALLEY REGIONAL PARK AUTHORITY  
CAPITAL PROGRAMME MONITORING 2021/22 QUARTER 2

Project Name	Accountable Officer	Project Manager	Approved Budget 2021/22 £000s	Actual to 27 Jun 2021 £000s	Projected Outturn at 31/03/2021 £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	8	80	0	On budget
:IT Infrastructure & Communications	:Corporate Director	:Head of IT	250	65	250	0	On budget
:Asset Management	:Corporate Director	:Head of Asset Maint.	1,200	406	1,200	0	On budget
:Abercrombie Lodge Repair Works	:Corporate Director	:Head of Asset Maint.	173	112	173	0	On budget
:Olympic Park Hostile Vehicle Mitigation	:Chief Executive	:Head of Sport/Leisure	245	1	245	0	Scheme budget £495k
:Dobbs Weir Campsite Final Phase	:Director Finance	:Head of Asset Maint.	27	0	0	(27)	Budget carry forward
: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	100	27	27	(73)	Stage complete
:Lee Valley Ice Centre Redevelopment Phase 2	:Chief Executive	:Corporate Director	16,000	1,050	16,000	0	Scheme budget £30m
Landscape, Open Space & Investment Projects	:Corporate Director	:Head of Project/Funding	tbc				Subject to approval
East India Dock Basin - Feasibility/De-siting			tbc	0			Subject to approval
Middlesex Filter Beds Sluice			tbc	0			Subject to approval
<b>NET PROGRAMME</b>			<b>18,092</b>	<b>1,686</b>	<b>17,992</b>	<b>(100)</b>	
Capital Receipts							
Harbet Road			(250)	(230)	(230)	20	Net Receipt
Leadbale Kennels			(50)	(49)	(49)	1	Net Receipt
<b>TOTAL CAPITAL RECEIPTS</b>			<b>(300)</b>	<b>(279)</b>	<b>(279)</b>	<b>21</b>	
Capital Expenditure Financing							
Revenue Contributions						1,384	
Existing Capital Reserves						289	
Abercrombie Receipt						173	
Asset Maintenance Reserve						146	
External Borrowing						16,000	
<b>TOTAL CAPITAL FINANCING</b>						<b>17,992</b>	

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