

## **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 £18.025 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 £18.025 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 progressed well considering the volatility of the market in regards to materials availability and price increases. The past three months have focused on finalising the contract, agreeing material price variances (in accordance with the agreed risk profile), finalising the ground investigation work (which have come back positive), securing the Ice specific equipment which mainly comes from Canada and discharge of the pre commencement planning conditions.

The contract with Buckingham Group Contracting Ltd (BGCL) is now signed, the venue closed its doors to the general public on 27 June and to all clubs and coaches on 18 July. From 19 July strip-out of the building will commence, the hording will start going up and the car park will close. On 16 August the site will be formally handed over to BGCL with a planned completion date of 22 October 2022. Communications have gone out to residents, local interest groups and stakeholders informing them of the project's progress.

The Client team is now also fully in place following novation of some of the original design team to BGCL and meetings between all parties are now being undertaken and scheduled in for the duration of the build. Due to the time it has taken to finalise the agreement (because of the market issues detailed above) the completion date is a month later than originally planned, but the project remains on budget and broadly on programme.

## **7 Asset Maintenance**

Asset Maintenance spend is currently on target for the approved budget.

With regard to the repair and refurbishment works on Abercrombie Lodge, these 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 largely been completed, and will fall within the contract sum, and the contract for the roofing works has just been awarded. The final two phases will commence once the roofing works have been completed.

Planned works at the sports venues have been slow to commence due to resourcing issues, but these should start to progress over the coming months.

## **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 specifically included a number that may be able to progress over the next few years. This does not mean other schemes will not progress, and all are still subject to review on their individual feasibility.

## **ENVIRONMENTAL IMPLICATIONS**

- 9** 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**

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

**FINANCIAL IMPLICATIONS**

- 11 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**

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

**LEGAL IMPLICATIONS**

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

**RISK MANAGEMENT IMPLICATIONS**

- 14 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/726/21 | Q4 Capital Programme Budget Monitoring 2020/21          | 27 May 2021      |
| Executive Committee | E/713/21 | Q3 Capital Programme Budget Monitoring 2020/21          | 25 February 2021 |
| Executive Committee | E/703/20 | Proposed Capital Programme 2020/21 (Revised) to 2024/25 | 17 December 2020 |
| Executive Committee | E/692/20 | Q2 Capital Programme Budget Monitoring 2020/21          | 22 October 2020  |
| Executive Committee | E/681/20 | Q1 Capital Programme Budget Monitoring 2020/21          | 30 July 2020     |

**APPENDIX ATTACHED**

Appendix A Capital Monitoring 2021/22 Q1 Outturn

LEE VALLEY REGIONAL PARK AUTHORITY  
CAPITAL PROGRAMME MONITORING 2021/22 QUARTER 1

| 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       | 81            | 6          | 80            | -1         | On budget            |
| IT Infrastructure & Communications             | Corporate Director     | Head of IT              | 250           | 0          | 250           | 0          | On budget            |
| Asset Management                               | Corporate Director     | Head of Asset Maint.    | 1,373         | 115        | 1,350         | -23        | 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 |
| Lee Valley Ice Centre Redevelopment Phase 1    | Chief Executive        | Corporate Director      | 100           | 24         | 100           | 0          | On budget            |
| Lee Valley Ice Centre Redevelopment Phase 2    | Chief Executive        | Corporate Director      | 16,000        | 0          | 16,000        | 0          | Scheme budget £30m   |
| Landscape and Open Space Projects              | Corporate Director     | Head of Project/Funding | tbc           |            |               |            | Subject to approval  |
| East India Dock Basin - Feasibility/De-silting |                        |                         | tbc           | 0          |               |            | Subject to approval  |
| Middlesex Filter Beds Sluice                   |                        |                         | tbc           | 0          |               |            | Subject to approval  |
| <b>NET PROGRAMME</b>                           |                        |                         | <b>18,076</b> | <b>146</b> | <b>18,025</b> | <b>-51</b> |                      |
| Total Capital Expenditure                      |                        |                         | 18,076        | 146        | 18,025        | -51        |                      |
| Total Capital Income                           |                        |                         | 0             | 0          | 0             | 0          |                      |
| <b>NET PROGRAMME</b>                           |                        |                         | <b>18,076</b> | <b>146</b> | <b>18,025</b> | <b>-51</b> |                      |