

Q4 CAPITAL PROGRAMME BUDGET MONITORING 2020/21

Presented by Head of Finance

EXECUTIVE SUMMARY

This report summarises capital spending in 2020/21 compared to the approved annual budget. Figures are 'near final' and are only likely to be subject to minor changes during the remainder of the closure of accounts process.

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 £2.29 million, and therefore under the approved budget of £2.937 million, resulting in a net underspend of £647,000.

The main areas of variation are:

Scheme	£
Asset Maintenance	26,000
Lee Valley Ice Centre Redevelopment	(395,000)
IT Infrastructure & Communications	(95,000)
Wildlife Discovery Centre	(17,000)
Biodiversity	(71,000)
Dobbs Weir Final Phase	(27,000)
Lee Valley Hockey & Tennis Centre – Sport England Grant	(70,000)
Other	2,000
Total Slippage/(Under Spend)	(647,000)

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- Executive Committee approved a capital programme for 2020/21 at its meeting on 19 December 2019 (Paper E/646/19). Following the Covid-19 outbreak in early March Members were briefed on the Authority's response (Paper A/4281/20) and the need to revise the budget accordingly. On 21 May 2020 Executive Committee approved a revised emergency budget (Paper E/674/20) brought in to deal with the Covid-19 crisis. 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 2020/21 is £2.937 million net expenditure. The projected net capital position for the year is £2.29 million and will be £647,000 under 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 2020/21 is detailed below.
- 6 **Wildlife Discovery Centre (Scheme complete - £20,000 retention outstanding)**

The Wildlife Discovery Centre was opened to the public in early December but was required to close in line with Government restrictions between January and April 2021. The Centre has now reopened to the public, again with the use of volunteers and redeployed staff who were on furlough.

The final account has been agreed with the contractor and the overall project is within budget. Final payments of retention for the contractor and consultants will be paid in September 2021.

- 7 **Lee Valley Ice Centre Redevelopment (£395,000 under budget)**

Members approved award of the contract to the building contractor, the construction timelines and the proposed funding model at the Authority meeting in April (Paper A/4300/21). The formal process to obtain Secretary of State consent to enable the Authority to borrow to fund the project has commenced and we are awaiting this confirmation.

Some further groundworks are required before the construction process can commence and this will take place in late May/early June. It will be necessary to carry approximately £100,000 of this underspend forward to 2021/22 to fund this.

- 8 **Asset Maintenance (£26,000 overspend)**

The Asset Maintenance programme was revised in line with the Emergency Budget, with a reduction of £500,000 on the original budget to £1m, and there will be a slight overspend against the budget of £26,000.

Some areas of works were carried over from 2019/20 due to the poor weather in late winter/early spring 2020, such as the Lee Valley Riding Centre roof works (£140k), Lee Valley White Water Centre decking (£90k) and CCTV (£170k). Works during 2020/21 included the upgrade of the electric hook-up points at Stanstead Marina (£160k), although the rest concentrated on essential/Health & Safety related asset management, to ensure that venues

were, and still are, safe and secure to operate within the appropriate Covid-19 guidelines.

9 Biodiversity (£71,000 slippage)

There is a delay on delivery of Biodiversity Action Plan works due to Covid-19. Much of this year's planned works were survey works and the timeframe in which they can realistically be undertaken this year has passed due to ecological reasons that impact the nature of the studies. Of this, we have commissioned works to the value of £31,000 which will be completed in the next financial year.

10 Dobbs Weir Campsite (£27,000 slippage)

This project is now substantially complete, although there is a small slippage. There was £30,000 earmarked to complete the sensory garden near the front of the Dobbs Weir site. The Authority was funding supply of materials and the constructions was to be completed free by Herts Regional College students as part of their construction curriculum. Due to Covid-19 this has not progressed, but is still earmarked and due to recommence once the College reopens.

11 IT Infrastructure & Communications (£95,000 slippage)

There will be an underspend against the IT budget this year, predominately due to the impact of Covid-19 and subsequent delay with the Leisure Services Contract (LSC).

As previously reported, the delay with the LSC decoupling exercise, website procurement and computer replacement programme have all contributed to the underspend.

At least £50,000 of this underspend will be carried forward for the decoupling and London Legacy Development Corporation (LLDC) Data Warehouse project, the remainder being reviewed in line with the IT project budget for 2021/22.

12 Hockey & Tennis Centre – Sport England Grant (£70,000 Grant)

The final drawdown from Sport England for the Lee Valley Hockey and Tennis Centre venue enhancements works was submitted in March. This completes the outstanding grant in relation to works in 2018/19. The creation of the South Stand, external storage compound, sports presentation structure, and the installation of the "Big Screen" and the Public Address & Voice Alarm (PAVA) system were all jointly funded by the Authority, England Hockey and Sport England.

The total overall spend on the Hockey & Tennis improvement works was £1.47m, and we received grant funding to the value of £0.95m from Sport England and England Hockey.

13 Forward Capital Programme and Resources

Members approved the Capital Programme for 2021/22 to 2024/25 in December (Paper E/703/20), which included the approved schemes as at that point. With the approval of the Ice Centre redevelopment in April and the decision to delay transfer of the Sports Venues this has changed some of the

spend profiles over the next few years.

In addition, 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.

Appendix B to this report includes the revised Capital Programme for 2021/22 to 2023/24, along with the current financing for each year.

ENVIRONMENTAL IMPLICATIONS

- 14 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

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

FINANCIAL IMPLICATIONS

- 16 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

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 19 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

PREVIOUS COMMITTEE REPORTS

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
Executive Committee	E/674/20	Emergency Budget 2020/21	21 May 2020
Executive Committee	E/655/20	Bittern Information Point Phase 1 Hide and Information Point Replacement Contractor Cost Increase	23 January 2020

APPENDICES ATTACHED

Appendix A	Capital Monitoring 2020/21 Q4 Outturn
Appendix B	Capital Programme 2020/21 to 2023/24

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LEE VALLEY REGIONAL PARK AUTHORITY
CAPITAL PROGRAMME MONITORING 2020/21 QUARTER 4

Project Name	Accountable Officer	Project Manager	Budget 2020/21	Actual to 31 Mar 2021	Projected Variance	Comment
			£000s	£000s	£000s	

Land Acquisition & Remediation	Deputy Chief Executive	Head of Property	0	0	0 -	
Biodiversity Action Plan	Corporate Director	Head of Parklands	80	9	-71 Slippage	
IT Infrastructure & Communications	Corporate Director	Head of IT	150	55	-95 Slippage	
Asset Management	Corporate Director	Head of Asset Maint.	1,000	1,026	26 On Target	
Landscaping (Eton Manor Allotments Site)	Corporate Director	Head of Parklands	7	0	-7 Scheme Complete	
Dobbs Weir Campsite Final Phase	Director Finance	Head of Asset Maint.	30	3	-27 Slippage	
Wildlife Discovery Centre	Corporate Director	Head of Project/Funding	670	653	-17 Scheme Complete	
Lee Valley Ice Centre Redevelopment	Chief Executive	Corporate Director	1,000	605	-395 Phase Complete	
Velopark Ground Floor Refurbishment	Chief Executive	Corporate Director	0	9	9 Scheme Complete	
New LSC Contract Investment Variant Bid	Chief Executive	Corporate Director	0	0	0 -	
Lee Valley Hockey & Tennis Centre - SE Grant	Chief Executive	Corporate Director	0	-70	-70 See Main Report	

NET PROGRAMME	2,937	2,290	-647
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Total Capital Expenditure	2,937	2,360	-577
Total Capital Income	0	-70	-70

NET PROGRAMME	2,937	2,290	-647
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LEE VALLEY REGIONAL PARK AUTHORITY
CAPITAL PROGRAMME 2021/22 (REVISED) TO 2023/24

Project Name	Accountable Officer	Project Manager	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	Comments
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Land Acquisition & Remediation	Deputy Chief Executive	Head of Property	0	0	450	450	Provision
Biodiversity Action Plan	Corporate Director	Head of Parklands	9	81	50	50	Approved Budget
IT Infrastructure & Communications	Corporate Director	Head of IT	55	250	100	100	Approved Budget
Asset Management	Corporate Director	Head of Asset Maint.	1,026	650	500	500	Approved Budget
Asset Management - Sports Venues/LSC	Corporate Director	Head of Asset Maint.	0	550	0	0	Approved Budget
Olympic Park Hostile Vehicle Mitigation	Chief Executive	Head of Sport/Leisure	0	245	250	0	Approved Budget
Abercrombie Lodge Refurbishment	Corporate Director	Head of Asset Maint.	0	173	0	0	Approved Budget
Dobbs Weir Campsite Final Phase	Director Finance	Head of Asset Maint.	3	27	0	0	Approved Budget
Wildlife Discovery Centre	Corporate Director	Head of Project/Funding	653	-	-	-	Scheme Complete
Velopark Ground Floor Refurbishment	Chief Executive	Corporate Director	9	-	-	-	Scheme Complete
East India Dock Basin - Feasibility/De-silting	Corporate Director	Head of Project/Funding	-	100	400	0	Subject to approval
Middlesex Filter Beds Sluice	Corporate Director	Head of Project/Funding	-	0	200	0	Subject to approval
Landscape and Open Space Projects	Corporate Director	Head of Project/Funding	-	tbc	tbc	tbc	Subject to approval
Lee Valley Ice Centre Redevelopment Phase 1	Chief Executive	Corporate Director	605	100	0	0	Approved Budget
Lee Valley Ice Centre Redevelopment Phase 2	Chief Executive	Corporate Director	-	16,000	14,000	0	Approved Budget
New LSC Contract Investment Variant Bid	Chief Executive	Corporate Director	-	0	0	0	Subject to LSC

NET PROGRAMME	2,360	18,176	15,950	1,100	
Capital Financing					
Borrowing	0	-16,000	-14,000	0	Short term borrowing
Revenue Contributions	-434	-1,350	-800	-800	In year from Revenue
External Grants/Contributions	0	-173	0	0	External funding
Budget Carry forward	0	-208	0	0	
Cash Reserves	-1,926	-445	-1,150	-300	
TOTAL CAPITAL FINANCING	-2,360	-18,176	-15,950	-1,100	