

CAPITAL PROGRAMME BUDGET MONITORING 2014/15

Presented by Director of Finance & Resources

EXECUTIVE SUMMARY

This report summarises capital spending to 25 January 2015, estimates financial commitments to the year end and compares this to the approved revised annual budget.

Appendix A to this report provides a financial analysis of all schemes within the capital programme and this shows that overall net capital expenditure for the year end is projected to be £3.3 million; resulting in a projected net variance of £0.5m.

The major variances relate to the following projects:

Scheme Name	Projected Variance	(Under/Slippage) / Over Spend
	£'000	
Lee Valley White Water Centre Legacy Project	(50)	Slippage
Lee Valley VeloPark Retail Extension	(27)	Under Spend
Lee Valley Hockey & Tennis Centre Improvements (Net)	(145)	Slippage
Dobbs Weir Campsite Phase 2	(220)	Slippage
Lee Valley Athletics Centre – Gym Development	(20)	Slippage
Leisure Centre Demolition	(50)	Under Spend
Other	(35)	
Total Projected Variance	(547)	

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- Executive Committee approved a revised capital programme for 2014/15 at its meeting on 18 December 2014 (Paper E/379/14). This report compares the actual spend with that approved programme and budget.

- 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 2014/15 is £3.8 million net expenditure. The projected net capital expenditure for the year is £3.3million. This has resulted in a projected variance of £0.5 million for 2014/15.
- 4 Where slippage has been 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 Lee Valley White Water Centre (£50,000 slippage)

The slippage of £50,000 is due to monies being deducted from the main contractor due to non-slip decking issues. The £50,000 deduction will be rolled over into next year to allow the Asset Protection, Management & Development (APMD) team to source and implement a better solution via an alternative supplier.

Lee Valley VeloPark Retail Extension (£27,000 under spend)

The projected out-turn of £70,000 which is £27,000 under budget is due to part of the original work allowed for being undertaken by the tenant (Cycle Surgery) and the Authority's contractor only being required to complete a basic fit out.

Lee Valley Hockey & Tennis Centre Improvements (Net £145,000 Slippage)

This is a project funded by the Authority, London Legacy Development Corporation (LLDC) and the London Borough of Waltham Forest (LBWF) to landscape the area at the Lee Valley Hockey & Tennis Centre which was originally planned as an allotment site.

The original budget was prepared by consultants working on behalf of the LBWF but on receipt of tenders from contractors it became apparent that the project would need significant re-scoping to fall within the agreed, and funded, budget.

A soil report has been commissioned to enable the partners to ascertain the amount of redesign required and Landscape Architects will shortly be appointed to carry out this work. It is expected that the re-design will be completed early in the next financial year and that work will start on site during the summer. Work will have to be programmed around the Eurohockey Championships being held at the Centre in July/August and so it is anticipated that the project will be completed and the budget spent by the end of 2015.

Dobbs Weir Campsite Phase 2 (£220,000 slippage)

The slippage is attributable to two factors. Firstly the Authority will retain 15% of the main contract sum (approximately £120,000) as a retention on completion of the works and this will fall into the next financial year (2015/16). Secondly, the other £100,000 relates to the purchase of the Wigwams which will now not be incurred until next financial year – delivery of the first 7 of these, amounting to circa £60,000, is scheduled for the end of April.

Lee Valley Athletics Centre – Gym Development (£20,000 Slippage)

Feasibility work will commence in March developing options for the gym development, following this work a detailed business/investment appraisal will be put forward to Members for consideration and approval.

Lee Valley Leisure Centre Demolition (£50,000 under spend)

Contracted tender prices to complete the works were significantly below the anticipated cost and pre-tender budget. The scheme is now complete.

ENVIRONMENTAL IMPLICATIONS

- 6 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

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

FINANCIAL IMPLICATIONS

- 8 An under spend during the year on the capital programme can result in additional investment income being earned in the year as cash balances remain deposited in the Authority's approved bank accounts.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 11 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.

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PREVIOUS COMMITTEE REPORTS

Executive Committee	E/379/14	Proposed Capital Programme 2014/15 (Revised) To 2018/19	18 December 2014
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Executive Committee	E/374/14	Capital Programme Budget Monitoring 2014/15	23 October 2014
Executive Committee	E/369/14	Capital Programme Budget Monitoring 2014/15	24 July 2014
Executive Committee	E/366/14	Dobbs Weir Phase Two Development	24 July 2014
Executive Committee	E/365/14	Lee Valley Park Farms Investment	24 July 2014
Executive Committee	E/357/14	Capital Programme – Provisional Outturn 2013/14	19 June 2014

APPENDIX ATTACHED

Appendix A Capital Monitoring 2014/15 Third Quarter

ABBREVIATIONS

LLDC	London Legacy Development Corporation
LBWF	London Borough of Waltham Forest
APMD	Asset Protection, Management and Development

Lee Valley Regional Park Authority Capital Monitoring 2014/15 Third Quarter

Project Name	Accountable Officer	Project Manager	2014/15		Actual To 25 January 2015		Additional Commitments To 31 March 2015		Estimated Outturn at 31/03/2015		Projected Variance	Comment
			£000	£000	£000	£000	£000	£000	£000	£000		
Land Acquisition & Remediation	Chief Executive	Head of Property	0	0	0	0	0	0	0	0	0	No planned purchases
Roydon Loop	Chief Executive	Head of Planning	10	0	0	0	0	0	0	(10)	0	Scheme Complete
Signage	Chief Executive	Head of PR/Comms	346	158	177	346	177	346	346	0	0	On Target
BAP	Head of Parklands	Manager	60	8	36	60	36	60	60	0	0	On Target
Infrastructure & Communications Enhancement	Director of F&R	IT Manager	201	102	65	201	65	201	201	0	0	On Target
Wifi Across all Venues	Director of F&R	IT Manager	50	0	43	50	43	50	50	0	0	On Target
Asset Management	Director of Corporate Services	APMD Section Manager	1,064	527	355	1,064	355	1,064	1,064	0	0	On Target
LV White Water Centre Legacy Project	Director of P & V	Asst Director of P & V	263	28	178	263	178	213	213	(50)	0	See Main Report
LV White Water Centre Terrace Bar	Director of P & V	Asst Director of P & V	125	131	3	138	3	138	138	13	0	Scheme Complete
Velopark	Director of P & V	Asst Director of P & V	13	2	0	13	0	13	13	0	0	On Target
Velopark Grant Funding Sport England	Director of P & V	Asst Director of P & V	(250)	(250)	0	(250)	0	(250)	(250)	0	0	Payment Received
Velopark Retail Extension	Director of P & V	Asst Director of P & V	97	65	5	70	5	70	70	(27)	0	See Main Report
Velopark Catering	Director of P & V	Asst Director of P & V	75	57	2	61	2	61	61	(14)	0	Scheme complete
LV Hockey & Tennis Centre	Director of P & V	Asst Director of P & V	124	18	19	124	19	124	124	0	0	On Target
LV Hockey & Tennis Centre LLDC Grant	Director of P & V	Asst Director of P & V	(48)	(48)	0	(48)	0	(48)	(48)	0	0	Payment Received

Lee Valley Regional Park Authority Capital Monitoring 2014/15 Third Quarter

Project Name	Accountable Officer	Project Manager	2014/15		Actual To 25 January 2015	Additional Commitments To 31 March 2015	Estimated Outturn at 31/03/2015	Projected Variance	Comment
			£000	£000					
LV Hockey & Tennis Centre Improvements	Director of P & V	Asst Director of P & V	450	0	0	0	5	(445)	See Main Report
LV Hockey & Tennis Centre Improvements SE Grant	Director of P & V	Asst Director of P & V	(150)	0	0	0	0	150	See Main Report
LV Hockey & Tennis Centre Improvements English Hockey Grant	Director of P & V	Asst Director of P & V	(150)	0	0	0	0	150	See Main Report
Dobbs Weir Campsite Re-opening Phase 2-6	MD Trust Director of P & V	Director of Venues (North) Projects Manager	951	(6)	838	731		(220)	See Main Report
Myddelton House Gardens - Glass House	Director of P & V	Manager Projects	20	20	0	20		0	Scheme Complete
Three Mills Development	Director of P & V	Manager Senior Ops	12	0	0	7		(5)	On Target
Hayes Hill Farm - Development Plan	MD Trust Director of P & V	Manager Senior Ops	137	0	99	120		(17)	On Target Retention Payment in 2015/16
Riding Centre - Stable Expansion	Head of Parklands	Senior Parklands Manager	4	4	0	4		0	Scherrie Complete
River Lee Country Park - Natural Play	Head of Parklands	Senior Parklands Manager	44	32	0	42		(2)	Scheme Complete
Lee Valley Athletics Centre Gym Development	MD Trust Head of Parklands	Director Venues (North) AMPD Section Manager	50	0	0	30		(20)	See Main Report
Holyfield Hall Farm - Photovoltaic Cells	MD Trust Director of P & V	Director of Venues AD Asset Management	180	0	0	180		0	On Target
Golf & Campsite Improvements	MD Trust Director of P & V		20	0	0	20		0	On Target
Leisure Centre Demolition			177	119	7	127		(50)	Scheme Complete
Net Programme			3,875	967	1,827	3,328		(547)	
Total Capital Expenditure			4,473	1,265	1,827	3,626		(847)	
Total Capital Income			(598)	(298)	0	(298)		300	
Net Programme			3,875	967	1,827	3,328		(547)	