



LEE VALLEY REGIONAL PARK AUTHORITY

EXECUTIVE COMMITTEE

21 SEPTEMBER 2017 AT 10:30

Agenda Item No:

5

Report No:

E/514/17

Q1 CAPITAL PROGRAMME BUDGET MONITORING 2017/18

Presented by Director of Finance & Resources

EXECUTIVE SUMMARY

This report summarises capital spending to 30 July 2017, 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 all schemes within the capital programme and this shows that overall net capital expenditure for the year end is projected to be £4.98 million and therefore under the approved budget of £5.96 million; resulting in a projected net under spend of £0.98 million.

The main areas of slippage/under spend are:

Scheme	£
Land Acquisition/Remediation	(79,000)
Land Sales	(33,000)
Park Development Proposals	(57,000)
Landscaping (Eton Manor Allotments Site)	(49,000)
Dobbs Weir (Final Phase)	(150,000)
Holyfield Hall Farm Redevelopment	(50,000)
Major Infrastructure – Lee Valley Hockey & Tennis Centre	(200,000)
Lee Valley White Water Centre – Swale Building	(351,000)
Other	(18,000)
Total Slippage	(987,000)

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- 1 Executive Committee approved a capital programme for 2017/18 at its meeting on 15 December 2016 (Paper E/470/16). This report compares the actual spend with that approved programme and budget and any slippage from the 2016/17 budget reported as part of the capital outturn report (Paper E/450/16).

- 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 revised annual budget for 2017/18 is £5.96 million net expenditure. The projected net capital expenditure for the year is £4.98 million. This has resulted in a projected variance of £0.98 million for 2017/18.
- 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 schemes where a variance is anticipated to occur during 2016/17 are detailed below:

- 6 **Land Acquisition & Remediation (£79,000) under spend**

A general provision is set aside within the capital programme for land acquisition and remediation. A final sum is due to complete the purchase of Waverly Nursery but is subject to the existing owner clearing and remediating the site to the Authority's satisfaction. No new sites are likely to be acquired during the remainder of this financial year.

Land Sales (£33,000) increased sale value

Two small sites identified as surplus to Park requirements as part of the Land & Property Strategy that were approved for sale by Members are near completion and will yield £33,000 more than originally estimated as part of capital programme resourcing in this financial year.

- 7 **Park Development Proposals (£57,000) slippage**

Work will be completed on the development of strategic policies and a landscape strategy for the Park Development Framework this year. Further studies on reviewing the highway capacity of roads around the Lee Valley White Water Centre and a technical report on the operation of the Lock Gates at East India Dock Basin are programmed for later this year. The projected slippage of £57,000 will be rolled forward into 2018/19 to ensure completion of these studies.

- 8 **Landscaping (Eton Manor Allotments Site) – (£28,000) under spend and (£21,000) future provision**

£57,000 was allocated to cover the remaining costs in getting the newly created landscape established and contained a retained contractor's fee payable from 2017. The retained fee of £8,000 will be paid this year leaving a balance of £49,000. Officers are proposing that £7,000 is allocated for each of the next 3 years (£21,000 total) to ensure any additional spends required to make sure the area is established is budgeted for, this also allows for slight tweaks to the design (within the agreed permissions for the site) if required, to accommodate the sites changing operation dynamics. The remaining £28,000 under spend be released back into the capital budget.

9 Dobbs Weir (£150,000) slippage

It is likely that retention monies to the main contractor and some residual fees will become due in the next financial year. The scheme as approved by Members is predominantly complete on time and within budget (£2.35m) with the exception of the installation of the two luxury lodges (planned for December/January completion at the outset), and the small toilet block (slippage due to contractor difficulties post tender award). Officers are looking at alternative options for the toilet block which again should be completed and installed over the winter months.

10 Holyfield Hall Farm Redevelopment – (£50,000) slippage

Officers believe it is prudent to pause future development until the full review of the operational management of Holyfield Hall Farm is completed, which is due to be completed this financial year. The independent review by a third party contractor also includes a review and business case for any potential redevelopment. Officers will return to Members with a report on the outcomes of this review.

Therefore officers are recommending that £100,000 of this budget is used to cover the costs of relocating the Rangers offices from Myddelton House and establishing these at the Farm. This is required to allow for the closure of Abercrombie Lodge which will be the subject of a separate report to Members in October.

11 Major Infrastructure – Lee Valley Hockey & Tennis Centre (£200,000) slippage

Slippage for major infrastructure works on the Western Plaza of Lee Valley Hockey & Tennis Centre site is anticipated as officers are waiting on the conclusion of feasibility work to the wider Eton Manor site which is due for completion in October 2017. Once this work is finalised the scoping for what is required for the Western Plaza area can be defined and a full design and associated planning application can then be submitted. With the high profile Woman's World Cup event in the summer of 2018 any remaining works to the Western Plaza will take place post the completion of this event.

12 Lee Valley White Water Centre – Swale Building – (£351,000) under spend

As reported to Members in July (Paper E/512/17) a temporary marquee has been hired for the 2017 season to assist with identifying all requirements for a longer term solution. The marquee will be on site to accommodate bookings already taken between mid-June and the end of October.

This temporary solution includes toilets and basic kitchen facilities and will be followed up by a review to consider the mid to long term solution. This temporary approach is to test the business case for a semi-permanent structure to include a kitchen, bar and toilets. This area could be used for VIP and corporate hospitality during major events as well as providing a hire venue for events and occasions, for example, weddings.

ENVIRONMENTAL IMPLICATIONS

- 13 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

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

FINANCIAL IMPLICATIONS

- 15 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

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 18 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/512/17	Capital Programme Update – Small Investment Schemes	20 July 2017
Executive Committee	E/511/17	LVWWC Food & Beverage Serving Counter Redevelopment	22 June 2017
Executive Committee	E/502/17	Potential Ice Pad, Cooling System and Barrier Repair	25 May 2017
Executive Committee	E/450/16	Capital Programme – Provisional Outturn 2016/17	25 May 2017
Executive Committee	E/487/17	LVWWC Beach & Play Park	23 March 2017
Executive Committee	E/486/17	Support for the 2018 Womens Hockey World Cup & Proposed Capital Investment Programme	23 March 2017
Executive Committee	E/470/16	Proposed Capital Programme 2016/17 (Revised) to 2020/21	15 December 2016

APPENDIX ATTACHED

Appendix A Capital Monitoring 2017/18 First Quarter

LVRPA CAPITAL PROGRAMME MONITORING 2017/18 QUARTER 1

Project Name	Accountable Officer	Project Manager	Budget 2017/18	Actual to 30 July 2017	Projected Outturn at 31/03/2018	Projected Variance	Comment
			£000				
Land Acquisition & Remediation	Director Corp Ser	Head of Property	204	0	125	(79)	See Main Report
Land Sales	Director Corp Ser	Head of Property	(40)	0	(73)	(33)	See Main Report
Signage	Chief Executive	Head of Comms	14	0	14	0	On Target
Park Development Proposals	Director Corp Ser	Head of Planning & SP	194	29	137	(57)	See Main Report
BAP	Director Corp Ser	Head of Parklands	60	15	60	0	On Target
IT Infrastructure & Communications	Director of F & R	IT Manager (Trust)	228	6	228	0	On Target
Asset Management	Director Corp Ser	AMPD Manager	1,011	178	1,011	0	On Target
LV Hockey & Tennis Centre Improvements	Chief Executive	Head of Spot/Leisure	193	12	193	0	On Target
LV Hockey & Tennis Centre - SE Grant	Chief Executive	Head of Spot/Leisure	(70)	0	(70)	0	On Target
Landscaping (Elton Manor/Alotments Site)	Director Corp Ser	Head of Parklands	57	0	8	(49)	See Main Report
Dobbs Weir Campsite Final Phase	Director Corp Ser	AMPD Manager	1,466	833	1,316	(150)	See Main Report
Holyfield Hall Farm - Photovoltaic Cells	Head of Parklands	AMPD Manager	42	0	34	(8)	On Target
Ice Centre Pad/Cooling System & Barrier	Head of Spot/Leisure	AMPD Manager	500	275	500	0	On Target
Holyfield Hall Farm - Redevelopment	Director Corp Ser	Head of Parklands	150	0	100	(50)	See Main Report
Major Events Infrastructure - LVH&TC	Chief Executive	Head of Spot/Leisure	750	82	550	(200)	See Main Report
Major Events Infrastructure - LVH&TC -Grant	Chief Executive	Head of Spot/Leisure	(350)	0	(350)	0	On Target
LWVWC Area 4 Attraction - Inflatables	Chief Executive	MD Trust	460	408	460	0	On Target
LWVWC Play Area Near Pavilion	Chief Executive	MD Trust	50	55	55	5	Scheme Complete
LWVWC Office Accommodation	Chief Executive	MD Trust	75	45	75	0	On Target
LWVWC Swale Building	Chief Executive	MD Trust	400	49	49	(351)	See Main Report
LWVWC Café Counter Project	Chief Executive	MD Trust	575	0	560	(15)	On Target
Net Programme			5,969	1,988	4,982	(987)	
Total Capital Expenditure			6,429	1,988	5,475	(954)	
Total Capital Income			(460)	0	(493)	(33)	
Net Programme			5,969	1,988	4,982	(987)	