



Lee Valley
Regional Park Authority

LEE VALLEY REGIONAL PARK AUTHORITY

EXECUTIVE COMMITTEE

26 JULY 2018 AT 10:30

Agenda Item No:

7

Report No:

E/572/18

Q1 CAPITAL PROGRAMME BUDGET MONITORING 2018/19

Presented by Director of Finance & Resources

EXECUTIVE SUMMARY

This report summarises capital spending to 24 June 2018, 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 shows that overall net capital expenditure for the year end is projected to be in credit at £1.49million and therefore under the approved budget of £1.04million; resulting in a projected net under spend of £2.53million. This net budget figure of £1.04million assumes the achievement of approved land sales estimated at £4.5million.

The main areas of slippage/under spend are:

Scheme	£
Land Acquisition/Remediation	(250,000)
Land Sales	15,000
Olympic Park Hostile Vehicle Mitigation	(250,000)
Lee Valley Ice Centre Redevelopment	(1,675,000)
Lee Valley White Water Centre – Area 4 Infrastructure	(340,000)
Springfield Marina Boats and Trailers	(35,000)
Other	2,000
Total Slippage/Under spend	(2,533,000)

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- Executive Committee approved a capital programme for 2018/19 at its meeting on 14 December 2017 (Paper E/537/17). This report compares the actual spend with that approved programme and budget and any slippage from the 2017/18 budget reported as part of the capital outturn report (Paper E/562/18).

- 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 2018/19 (adjusted for slippage from 2017/18 and revision of the small schemes programme) is £1.04million net expenditure. The projected net capital position for the year is a credit of £1.49million. This has resulted in a projected variance of £2.53million for 2018/19. This net budget figure of £1.04million assumes the achievement of approved land sales estimated at £4.5million.
- 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 could occur during 2018/19 are detailed below:

- 6 **Land Acquisition & Remediation (£250,000 slippage)**

A general provision is set aside within the capital programme for opportunity land acquisition and remediation. In 2018/19 one potential opportunity purchase may be completed before 31 March 2019 but is still subject to offer and Member decision before it can proceed. If the purchase is not approved and completed by the year end this provision will be carried forward and added to the 2019/20 programme budget of £450,000.

Land Sales (£15,000 slippage in income)

Five sites identified as surplus to Park requirements as part of the Land & Property Strategy that have been approved for sale by Members are actively progressing and are part of the estimated capital programme resourcing in this financial year. Where a sale is not completed by 31 March 2019 this estimated sales value will be rolled forward into 2019/20.

- 7 **Olympic Park Hostile Vehicle Mitigation (£250,000 slippage)**

Officers are continuing to work with the Metropolitan Police, London Legacy Development Corporation and Lee Valley Leisure Trust Ltd (the Trust) to ascertain the most appropriate and best value solution to Hostile Vehicle Mitigation (HVM) on Lee Valley Regional Park Authority land within Queen Elizabeth Olympic Park (QEOP) in response to terrorist attacks of this nature over the last couple of years. It is envisaged that a report will be concluded by the end of the calendar year which will detail a recommended way forward ready for all parties involved and provide for implementation during 2019/20.

- 8 **Lee Valley Ice Centre Redevelopment (£1,675,000 slippage)**

A provisional sum of £2million was set aside in the capital programme to fund the Ice Centre redevelopment feasibility with a further £36million provided for in future years based on assumed land sales to 2021. Commitment to further feasibility works is the subject of a separate item on this agenda. The feasibility work is proposing to commit £325,000 of this sum to further explore alternative

delivery approaches. It is likely that the provisional sum of £2million will exceed requirements in 2018/19 and a projected slippage of £1.675million is likely to result.

9 Lee Valley White Water Centre – Area 4 Infrastructure (£340,000 slippage)

A provisional sum was ear-marked for permanent infrastructure re-development of area 4 at the Lee Valley White Water Centre which was used heavily during 2017/18 for the inflatables attraction and the Christmas Market/Temporary Ice Rink. Provisional feasibility studies and works alongside planning investigations are being undertaken to establish a more permanent solution regarding infrastructure for this area. The bad weather and heavy use of this area during 2017/18 means that for 2018/19 the area is being left clear to allow ground conditions to recover. Longer term and with the re-tendering of the Leisure Services contract it is anticipated that these monies will provide a more permanent solution for this area of the site.

The Trust still intend to be operating some of the smaller inflatables around the site free of charge and may offer a scaled back Christmas Market within the near vicinity of the building. It is possible that this reduced offer may affect the overall bottom line for the Centre but until the main summer season is ended it will be impossible to estimate the overall impact given that the new café counter and refurbished and expanded kitchen will provide improved catering returns especially if the good weather continues.

10 Springfield Marina Boats and Trailers Works (£35,000 under spend)

In October 2017 the Trust undertook a review of the management structure of the Marinas to enable greater synergy in the business areas of moorings, workshop services and chandlery. A new staffing structure and strategy has been implemented which considers the nature of works undertaken at each workshop. The strategy considers the skill set of the engineers at each venue and how best the workshop at Springfield can complement the larger scale workshop operation at Stanstead Abbots Marina. The nature of works now being focussed on at Springfield Marina does not now necessitate the creation of the trailer area and associated hard standing. Already the benefit of this new approach is being realised in terms of increased income at Springfield Marina and so there is no longer a need to proceed with these trailer area works.

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

Executive Committee	E/562/18	Capital Programme – Provisional Outturn 2017/18	24 May 2018
Executive Committee	E/537/17	Proposed Capital Programme 2017/18 (Revised) to 2021/22	14 December 2017

APPENDIX ATTACHED

Appendix A Capital Monitoring 2018/19 First Quarter

ABBREVIATIONS

the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)
HVM	Hostile Vehicle Mitigation
QEOP	Queen Elizabeth Olympic Park

LVRPA CAPITAL PROGRAMME MONITORING 2018/19 QUARTER 1 MONITORING

Project Name	Accountable Officer	Project Manager	Budget 2018/19		Actual to 24 June 2018	Projected Outturn at 31/03/2019	Projected Variance	Comment
			£000	£000				
Land Acquisition & Remediation	Director Corp Ser	Head of Property	250	0	0	0	(250)	See Main Report
Land Sales	Director Corp Ser	Head of Property	(4,555)	0	0	(4,540)	15	See Main Report
Signage	Chief Executive	Head of Comms	14	0	0	14	0	On Target
Park Development Proposals	Director Corp Ser	Head of Planning	81	0	0	81	0	On Target
BAP	Director Corp Ser	Head of Parklands	51	2	2	51	0	On Target
IT Infrastructure & Communications	Director of Finance	IT Manager (Trust)	153	0	0	153	0	On Target
Asset Management	Director Corp Ser	AMPD Manager	751	104	104	751	0	On Target
LV Hockey & Tennis Centre Pitch Replacement	Chief Executive	Head of Sport/Leisure	269	0	0	269	0	On Target
LV Hockey & Tennis Centre Pitch Replacement	Chief Executive	Head of Sport/Leisure	(312)	0	0	(312)	0	On Target
LV Hockey & Tennis Centre Improvements	Chief Executive	Head of Sport/Leisure	87	0	0	87	0	On Target
LV Hockey & Tennis Centre - SE Grant	Chief Executive	Head of Sport/Leisure	(70)	0	0	(70)	0	On Target
Olympic Park Hostile Vehicle Mitigation	Chief Executive	Head of Sport/Leisure	250	0	0	0	(250)	See Main Report
Landscaping (Eton Manor Allotments Site)	Director Corp Ser	Head of Parklands	7	8	8	8	1	Scheme Complete
Dobbs Weir Campsite Final Phase	Director Finance	AMPD Manager	420	(43)	(43)	420	0	On Target
Holyfield Hall Farm - Photovoltaic Cells	Head of Parklands	AMPD Manager	0	1	1	1	1	Scheme Complete
Holyfield Hall Farm - Redevelopment	Director Corp Ser	Head of Parklands	56	0	0	56	0	On Target
Major Events Infrastructure - LVH&TC	Chief Executive	Head of Sport/Leisure	286	140	140	286	0	On Target
Major Events Infrastructure - LVH&TC -Grant	Chief Executive	Head of Sport/Leisure	(35)	0	0	(35)	0	On Target
Lee Valley Ice Centre Redevelopment	Chief Executive	Head of Sport/Leisure	2,000	0	0	325	(1,675)	See Main Report
LVWVC Area 4 Infrastructure	Chief Executive	MD Trust	350	0	0	10	(340)	See Main Report
LVWVC Kitchen Refurbishment	Chief Executive	MD Trust	435	306	306	435	0	On Target
LVWVC - T - Bar Refurbishment	Chief Executive	MD Trust	98	87	87	98	0	On Target
LVWVC - Swale Bridge	Chief Executive	MD Trust	50	10	10	50	0	On Target
LVWVC - Extend Boundary Fence	Chief Executive	MD Trust	150	0	0	150	0	On Target
Stanstead Crane Replacement	Chief Executive	MD Trust	150	0	0	150	0	On Target
Springfield Boats & Trailers	Chief Executive	MD Trust	35	0	0	0	(35)	See Main Report
Velopark Mountain Bike area	Chief Executive	MD Trust	40	0	0	40	0	On target
Athletics Centre Coffee Bar	Chief Executive	MD Trust	30	0	0	30	0	On Target
Net Programme			1,041	615	615	(1,492)	(2,533)	
Total Capital Expenditure			6,013	615	615	3,465	(2,548)	
Total Capital Income			(4,972)	0	0	(4,957)	15	
Net Programme			1,041	615	615	(1,492)	(2,533)	

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