

CAPITAL PROGRAMME PROVISIONAL OUTTURN 2018/19

Presented by Director of Finance & Resources

EXECUTIVE SUMMARY

This report summarises capital spending in 2018/19, compared to the approved revised annual budget. Figures are 'near final' and are only likely to be the subject of minor changes during the remainder of the closure of accounts process.

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 £2.5 million and therefore above the approved net budget of £1.9 million; resulting in a projected net over spend of £0.6 million.

The main areas of variances are:

Scheme	£
Land Sales and Costs	1,146,000
Park Development Proposals	(36,000)
IT Infrastructure and Communications	(60,000)
Asset Management	(64,000)
Dobbs Weir Campsite – Final Phase	(28,000)
Lee Valley Hockey & Tennis Centre Major Infrastructure	(121,000)
Lee Valley White Water Centre Extension to Boundary Fence	(93,000)
Lee Valley VeloPark Mountain Bike area	(40,000)
Lee Valley Athletics Centre Coffee Bar	(30,000)
Other	(67,000)
Total Variance	607,000

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- Executive Committee approved a revised capital programme for 2018/19 at its meeting on 13 December 2018 (Paper E/600/18). 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 revised annual budget for 2018/19 is £1.9 million net expenditure. The projected net capital position for the year is £2.5 million. This has resulted in a projected net variance of £0.6 million for 2018/19.
- 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 has occurred during 2018/19 are detailed below:

- 6 **Land Sales (£1,060,000 income slippage and £86,000 costs)**

Although there was slippage into 2019/20 two transactions have now been completed. On 1 April 2019 £120,000 was received for the easement at Three Mills. On 3 May 2019 £451,000 balance was received for the sale of land and buildings on the south-west side of Old Nazeing Road, Broxbourne, with £50,000 deposit received in 2018/19. The third major sale from 2018/19 at St Pauls Field is yet to be exchanged but completion is anticipated before the end of year (2019). The costs incurred to date relate to valuation, planning and legal in relation to sales in progress as well as those completed and will be off-set against actual receipts as they are received.

- 7 **Park Development Proposals (£36,000 slippage)**

The slippage was caused by the late delivery of several small scale projects as contract work started on each of these late in the year. In the main £15,000 remains to be allocated for the publishing of the Park Development Framework documents and £16,000 has slipped on the interpretation project across open spaces in the south of the Park because of design issues with the boards.

- 8 **IT Infrastructure & Communications (£60,000 slippage)**

Members approved replacement of the usage counters across the Park in April 2018 (Paper E/559/18) and money was allocated within this budget to deliver the project on a phased basis. The specification and tender exercise were completed across the summer and autumn and a preferred supplier has now been appointed. Implementation has begun and will be completed early in 2019/20.

- 9 **Asset Management (£64,000 slippage)**

The reasons for slippage fall mainly across three projects:

- £28,000 of works at Waltham Abbey Gardens were started in March and mainly completed in April and are therefore showing as slippage in 2018/19;
- £16,000 of Bridge Inspection works have crossed the financial years and are due for completion in May 2019; and

- £20,000 of works for new signs at Lee Valley White Water Centre could not be completed until April 2019 due to the need to ensure power cabling was in place.

10 Dobbs Weir Campsite Final Phase (£28,000 slippage)

With all static holiday pitches built, and now sold and occupied, the final piece of work to be completed at Dobbs Weir was the installation of the 2 luxury holiday lodges. The lodges had been procured but works were delayed due to issues with planning and particularly the Environment Agency. These issues were resolved and the construction and siting of the lodges was completed, associated ground works (laying turf and fencing) and decking installation took place in March and April, and the lodges will be available to rent from 20 May. Final payments and retentions have slipped into 2019/20.

11 Lee Valley Hockey & Tennis Centre Major Infrastructure (£121,000 slippage)

All projects have now been completed with the exception of the Western Plaza development which was put on hold until completion of the Leisure Service Contract process which will detail any potential future development on site. As the Western Plaza has biodiversity value it is important not to do any works in isolation that could hinder other projects for the site.

12 Lee Valley White Water Centre – Extension of Boundary Fence (£93,000 slippage)

Work is underway and near complete. Tenders for this project came well within budget (circa £85,000) and therefore the brief for this project has been expanded to include installation of power and data connections (circa £47,000) to make this part of the site more commercially beneficial going forward. Overall this will mean a total under-spend of £18,000 against the original pre-tender scheme provision of £150,000. The scheme will be complete by the end of May ready for the Canoe World championships in June.

13 Lee Valley VeloPark Mountain Bike area (£40,000 under spend)

This money was allocated for a feasibility study on covering of the mountain bike skills area at Lee Valley VeloPark and the creation of a flexible area suitable for more wheel based sports. Due to the length of time remaining on the current contract to deliver this feasibility and then (if agreed) implement this project, Lee Valley Leisure Trust Ltd (the Trust) has decided not to progress this further at this stage.

14 Lee Valley Athletics Centre Coffee Station – (£30,000 slippage)

The Trust has already installed a temporary counter as a coffee station at Lee Valley Athletics Centre. A further scheme is for either a permanent counter in its place or a portable unit suitable for flexible events delivery. This scheme is still being assessed by officers in the Trust and a business case will be considered in 2019/20.

ENVIRONMENTAL IMPLICATIONS

- 15 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

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

FINANCIAL IMPLICATIONS

- 17 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 investment/bank accounts change.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 20 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/610/19	Q3 Capital Programme Budget Monitoring 2018/19	14 February 2019
Executive Committee	E/600/18	Proposed Capital Programme 2018/19 (Revised) to 2022/23	13 December 2018
Executive Committee	E/593/18	Q2 Capital Programme Budget Monitoring 2018/19	22 November 2018
Executive Committee	E/572/18	Q1 Capital Programme Budget Monitoring 2018/19	26 July 2018
Executive Committee	E/599/18	Proposed Upgrade and Modernisation of the Existing Usage Counters	26 April 2018

APPENDIX ATTACHED

Appendix A Capital Monitoring 2018/19 Fourth Quarter (Outturn)

LVRPA CAPITAL PROGRAMME MONITORING 2018/19 QUARTER 4 OUTTURN

Project Name	Accountable Officer	Project Manager	Revised Budget 2018/19	Actual to 31 March 2019	Projected Variance	Comment
			£000	£000	£000	
Land Acquisition Costs	Director Corp Ser	Property Manager	0	86	86	See Main Report
Land Sales	Director Corp Ser	Property Manager	(1,137)	(77)	1,060	See Main Report
Signage	Chief Executive	Head of Comms	14	9	(5)	Slippage
Park Development Proposals	Director Corp Ser	Head of Planning	81	45	(36)	See Main Report
BAP	Director Corp Ser	Head of Parklands	51	43	(8)	Slippage
IT Infrastructure & Communications	Director of Finance	IT Manager	153	93	(60)	See Main Report
Asset Management	Director Corp Ser	AMPD Manager	800	736	(64)	See Main Report
LV Hockey & Tennis Centre Pitch Replacement	Chief Executive	Head of Sport/Leisure	269	127	(142)	Scheme Complete
LV Hockey & Tennis Centre Pitch Replacement	Chief Executive	Head of Sport/Leisure	(254)	(107)	147	Scheme Complete
LV Hockey & Tennis Centre Improvements	Chief Executive	Head of Sport/Leisure	87	0	(87)	See Main Report
LV Hockey & Tennis Centre - SE Grant	Chief Executive	Head of Sport/Leisure	(70)	0	70	See Main Report
Landscaping (Eton Manor Allotments Site)	Director Corp Ser	Head of Parklands	8	8	0	Scheme Complete
Dobbs Weir Campsite Final Phase	Director Finance	AMPD Manager	300	272	(28)	See Main Report
Holyfield Hall Farm - Photovoltaic Cells	Head of Parklands	AMPD Manager	1	1	0	Scheme Complete
Car Parks infrastructure	Director Corp Ser	Head of Parklands	20	20	0	Scheme Complete
Bittern Information Point	Director Corp Ser	V&CE Manager	20	2	(18)	Slippage
Major Events Infrastructure - LVH&TC	Chief Executive	Head of Sport/Leisure	286	147	(139)	See Main Report
Major Events Infrastructure - LVH&TC -Grant	Chief Executive	Head of Sport/Leisure	(35)	0	35	See Main Report
Lee Valley Ice Centre Redevelopment	Chief Executive	Head of Sport/Leisure	325	306	(19)	Slippage
LVWWC Area 4 Infrastructure	Chief Executive	MD Trust	25	10	(15)	Slippage
LVWWC Kitchen Refurbishment	Chief Executive	MD Trust	415	399	(16)	Scheme Complete
LVWWC - T- Bar Refurbishment	Chief Executive	MD Trust	106	109	3	Scheme Complete
LVWWC - Swale Bridge	Chief Executive	MD Trust	59	59	0	Scheme Complete
LVWWC - Extend Boundary Fence	Chief Executive	MD Trust	150	57	(93)	See Main Report
Stanstead Crane Replacement	Chief Executive	MD Trust	130	136	6	Scheme Complete
Velopark Mountain Bike area	Chief Executive	MD Trust	40	0	(40)	See Main Report
Athletics Centre Coffee Bar	Chief Executive	MD Trust	30	0	(30)	See Main Report
Net Programme			1,874	2,481	607	
Total Capital Expenditure			3,370	2,665	(705)	
Total Capital Income			(1,496)	(184)	1,312	
Net Programme			1,874	2,481	607	

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