

**CAPITAL PROGRAMME: PROVISIONAL OUTTURN 2015/16**

Presentation by Director of Finance & Resources

**EXECUTIVE SUMMARY**

This report summarises capital spending in 2015/16 compared to the revised approved capital 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 analysis of all schemes within the capital programme and this shows that overall net capital expenditure to the year end is projected to be £3.0 million; resulting in a projected net under spend of £0.5 million below the revised budget.

The major variances relate to the following projects:

<b>Scheme Name</b>	<b>Projected Variance</b>	<b>(Under/Slippage) / Over Spend</b>
	<b>£'000</b>	
Lee Valley White Water Centre Legacy Project	(28)	Under Spend
Lee Valley Hockey&Tennis Centre Improvements	(300)	Slippage
Lee Valley Hockey&Tennis Centre Improvements Sport England Grant	300	Slippage
Landscaping (Former Eton Manor Site)	(57)	Slippage
Landscaping Funding Contributions	184	Slippage
Dobbs Weir Campsite Phase 2	(440)	Slippage
Smaller Schemes Dev. Fund Trust	(109)	Slippage
Other (Net)	4	
<b>Total Projected Variance</b>	<b>(446)</b>	

**RECOMMENDATION**

Members Note: (1) the provisional capital outturn for 2015/16.

**BACKGROUND**

1 Executive Committee approved a revised capital programme for 2015/16 at its meeting on 22 October 2015 (Paper E/417/115). 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 revised annual budget for 2015/16 is £3.5 million net expenditure. The projected net capital expenditure for the year is £3.0 million. This has resulted in a projected variance of £0.5 million for 2015/16.
- 4 Where a slippage variance has been projected and reported, those resources remain earmarked for the particular schemes in question in future years and will be rolled forward into 2016/17.

## **SPECIFIC SCHEMES**

### **5 Lee Valley White Water Centre Legacy Project – £28,000 under spend**

The budget originated from monies deducted from the original main contractor for poor workmanship to the terrace decking, the remedial works have been undertaken and completed by an alternative contractor and have come in under budget resulting in a saving of £28K. It is proposed that this sum is rolled forward to complete rubber matting works around the Olympic Course for Health and Safety reasons.

### **6 Lee Valley Hockey & Tennis Centre Improvements - £300,000 slippage**

The slippage in the enhancement works relates to funding allocated to building a storage unit which is the final part of the Hockey & Tennis Centre improvements (estimated at £200K) and is scheduled to be completed by February 2017. The reason for the delay in completion is that the south stand works are taking precedence due to the need to be completed in time for the Champions Trophy Hockey event taking place in June and the detailed planning work required for build projects on Queen Elizabeth Olympic Park. In addition the Authority will complete works related to the PA system (estimated £34K) which have also slipped into the new financial year due to the ongoing discussions between the Authority and England Hockey regarding how much of the final cost the Authority has to cover.

### **Lee Valley Hockey & Tennis Centre Sport England Grant - £300,000 slippage**

The grant from Sport England predominantly relates to the storage unit and PA system works described above as this grant is reclaimed on completion of stages, the majority will be reclaimed in the next financial year.

### **7 Landscaping at the Former Eton Manor Site – £57,000 under spend**

The project has been completed £57,000 under budget, this total is shared by the three partners, i.e., each partner (Lee Valley Regional Park Authority/London Legacy Development Corporation/London Borough of Waltham Forest) has a saving of £19,000 each. Officers are recommending that the Authority's portion of the saving is used to make improvements and address any further actions that may be required, such as de-compaction, drainage issues, replacement of trees or other planting to the area over the next three

years until the landscaping is established. There is also the possibility of cladding the substation at the entrance to the site which is something the London Borough of Waltham Forest are considering as a joint project with the Authority.

#### **Landscaping Funding Contributions from Partners – £184,000 slippage**

The grant funding owed by the partners will be released to the Authority following the receipt of the final invoice/account. We are waiting one final invoice from the main contractor, hence the £184,000 slippage. Both partners are aware and have agreed to settle once the invoice is received. The Authority needs to invoice the partner organisations by end of May/beginning of June to ensure the time limited grant funding is received. The Authority is actively chasing the contractor who is aware of the deadline.

#### **8 Dobbs Weir Campsite Phase 2 - £440,000 slippage**

Members were made aware that a likely over spend position would arise on the Dobbs Weir campsite project as part of the 2014/15 Capital Outturn report (Paper E/407/15) in May and the quarterly monitoring reports in July, October and February (Papers E/412/15, E/416/15 and E/436/16). Members should note that the second phase of this project is now complete at a cost of £1.15million with an over spend of £199,000. The primary reasons for the over spend are significant additional costs for the sewage tanks required in this phase, as well as rectifying a collapsed drainage run and manhole. The slippage in budget relates to a provision in the capital programme for the next phase of development which is subject to Member approval in a separate report on this agenda. This sum will be rolled forward into 2016/17 if Members approve the next phase.

#### **9 Small Schemes Development Fund (Trust) - £109,000 slippage**

A number of small schemes ranging from feasibility studies to small site improvements commenced in the second half of 2015/16, predominantly to assist the Trust to improve its customer offer and potentially to generate more income. Three feasibility studies were identified but are yet to be completed, these are:

- Lee Valley Athletics Centre – Gym development extension;
- Lee Valley Hockey & Tennis Centre – building extension feasibility; and
- Picketts Lock – Mooring feasibility.

Cafe and mountain bike enhancements at Lee Valley VeloPark are complete along with various site improvements at Lee Valley Park Farms. There has been slippage on the Cross-Fit project due to further work on equipment and ancillary development requirements, and the Lee Valley White Water Centre bar fit out has been delayed until the end of the season. There is also slippage on Lee Valley Hockey & Tennis Centre improvements to the concession space due to long lead in times for the required materials. It is anticipated all these projects will be completed within the current financial year.

### **ENVIRONMENTAL IMPLICATIONS**

10 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**

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

### **FINANCIAL IMPLICATIONS**

- 12 These are included in the main body of the report.

### **HUMAN RESOURCE IMPLICATIONS**

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

### **LEGAL IMPLICATIONS**

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

### **RISK MANAGEMENT IMPLICATIONS**

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

Author: Simon Sheldon 01992 709 859, [ssheldon@leevalleypark.org.uk](mailto:ssheldon@leevalleypark.org.uk)

### **PREVIOUS COMMITTEE REPORTS**

Executive Committee	E/436/16	Capital Programme Budget Monitoring 2015/16 – Quarter 3	25 February 2016
Authority	A/4220/15 (Pt II)	Acquisition of Waverly Nursery	26 November 2015
Executive Committee	E/417/15	Proposed Capital Programme 2015/16 (Revised) To 2019/20	22 October 2015
Executive Committee	E/416/15	Capital Programme Budget Monitoring 2015/16 – Quarter 2	22 October 2015
Authority	A/4217/15 (Pt II)	Proposed Acquisition of Property at Carthegena Estate	24 September 2015
Executive Committee	E/412/15	Capital Programme – Budget Monitoring 2015/16 – Quarter 1	30 July 2015
Executive Committee	E/366/14	Dobbs Weir Phase Two Development	24 July 2014

### **APPENDIX ATTACHED**

Appendix A Capital Programme Provisional Outturn 2015/16

Lee Valley Regional Park Authority Provisional Capital Outturn 2015/16

Project Name	Accountable Officer	Project Manager	Revised Budget 2015/16		Actual To 31/03/2016	Projected Variance	Comment
			£000	£000			
Land Acquisition & Remediation	Director Corp. Services	Head of Property	36	36	0	On Target	
Signage	Chief Executive	Head of Comms	55	37	(18)	Slippage	
Park Development Proposals	Director Corp. Services	Head of Planning & SP	70	61	(9)	Slippage	
BAP	Director Corp. Services	Head of Parklands	53	52	(1)	Slippage	
Infrastructure & Communications Enhancement	Director Fin & Resources	IT Manager (Trust)	191	206	15	Scheme Complete	
Public Wi-Fi	Director Fin & Resources	IT Manager (Trust)	2	7	5	Scheme Complete	
Asset Management	Director Corp. Services	APMD Section Manager	950	954	4	Schemes Complete	
LV White Water Centre Legacy Project	Director Corp. Services	APMD Section Manager	131	103	(28)	See Main Report	
LV Hockey & Tennis Centre Improvements	Chief Executive	Head of Sport & Leisure	900	600	(300)	See Main Report	
LV Hockey & Tennis Centre SE Grant	Chief Executive	Head of Sport & Leisure	(300)	0	300	See Main Report	
LV Hockey & Tennis Centre EH Grant	Chief Executive	Head of Sport & Leisure	(300)	(314)	(14)	Scheme Complete	
Landscaping (Eton Manor Allotments Site)	Director Corp. Services	Head of Parklands	475	418	(57)	See Main Report	
Landscaping Contributions (Eton Manor Allotments Site)	Director Corp. Services	Head of Parklands	(320)	(136)	184	See Main Report	
Dobbs Weir Campsite Re-opening Phase 2-6	Director Corp. Services	APMD Section Manager	864	424	(440)	See Main Report	
Three Mills Development	Director Corp. Services	Head of Parklands	7	2	(5)	Slippage	
Hayes Hill Farm - Development Plan	Director Fin & Resources	Director Venues (Trt)	24	24	0	Scheme Complete	
River Lee Country Park - Natural Play	Director Corp. Services	Head of Parklands	5	0	(5)	Scheme Complete	
Lee Valley Athletics Centre Gym Development	Chief Executive	MD Trust	5	25	20	Scheme Complete	
Springfield Marina Amenities Block	Director Corp. Services	APMD Section Manager	290	295	5	Scheme Complete	
Holyfield Hall Farm - Photo-voltaic Cells	Head of Parklands	APMD Section Manager	3	1	(2)	Scheme Complete	
Road Circuit O Loop Gates - Newham	Head of Sport & Leisure	APMD Section Manager	38	42	4	Scheme Complete	
Road Circuit O Loop Gates - Newham - Grant	Head of Sport & Leisure	APMD Section Manager	(38)	(33)	5	Scheme Complete	

Lee Valley Regional Park Authority Provisional Capital Outturn 2015/16

Project Name	Accountable Officer	Project Manager	Revised Budget 2015/16	Actual To 31/03/2016	Projected Variance	Comment
			£000	£000	£000	
Small Schemes Development Fund - Trust	Chief Executive	MD Trust	335	226	(109)	See Main Report
<b>Net Programme</b>			<b>3,476</b>	<b>3,030</b>	<b>(446)</b>	
Total Capital Expenditure			4,434	3,513	(921)	
Total Capital Income			(958)	(483)	475	
<b>Net Programme</b>			<b>3,476</b>	<b>3,030</b>	<b>(446)</b>	