

Q3 CAPITAL PROGRAMME BUDGET MONITORING 2019/20

Presented by the Chief Accountant

EXECUTIVE SUMMARY

This report summarises capital spending to 29 December 2019, 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 current schemes within the capital programme and shows that overall net capital expenditure for the year end is projected to be £3.2 million and therefore under the approved budget of £4.3 million; resulting in a projected net under spend of £1.1 million.

The main areas of variation are:

Scheme	£
Asset Management	(264,000)
Wildlife Discovery Centre (formerly Bittern Information Point)	(478,000)
Lee Valley Ice Centre Redevelopment	(300,000)
Other	(17,000)
Total Slippage/Under Spend	(1,059,000)

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- 1 Executive Committee approved a revised capital programme for 2019/20 at its meeting on 19 December 2019 (Paper E/646/19) and the increased provision for the Bittern Information Point project (Paper E/655/20) approved on 23 January 2020. 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 budget for 2019/20 is £4.3 million net expenditure. The projected

net capital position to the year end is £3.2 million. This has resulted in a projected variance of £1.1 million for 2019/20.

- 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 could occur during 2019/20 are detailed below:

6 **Asset Management (£264,000 slippage)**

It is anticipated that £1.3 million will be spent this financial year with a further £250k committed that will carry over into the next financial year. The reason for the works carried over are as follows:

- Roof Works at Riding Centre (£140k), Velo Cable net roof inspection (£20k) and Myddelton House Car Park (£40k) – delayed due to recent poor weather; and
- Chiller at Ice Centre (£50k) – 3 year agreement with only a proportion of rental in current year.

7 **Wildlife Discovery Centre (WDC) (formerly Bittern Information Point) (£478,000 slippage)**

The project is now well underway and final works and payments will not be completed until the next financial year. The start date is now proposed as 9 March 2020 when contractors will take possession of the site. The current status is:

- a revised cost plan was taken to Members in January 2020 and final funding for this project released following issues raised by the appointed contractor around the piling;
- all permits, permissions and planning have been received except building control, although this does not stop work commencing and we will be required to ensure some conditions around fire safety are met;
- all contractors are now confirmed and appointed. Principle build contractor is Carmelcrest, Habitat works will be completed by Aquamaintain, interpretation will be undertaken by 35 percent;
- press releases have been issued and information pages on the Visit website populated with information;
- stakeholders have been informed of path closures and time lines and posters have gone up for the public;
- start date is proposed as 9 March 2020 with a completion date around 20 June 2020;
- a launch event is being planned and we are talking to Frank Gardner (BBC Security Correspondent and British Trust for Ornithology (BTO) President) about opening it for us.

8 Lee Valley Ice Centre Redevelopment (£300,000 slippage)

The Ice Centre redevelopment has progressed well and stage 3 of the RIBA process was completed on time and within budget in September 2019. Since then officers have been working closely with the London Borough of Waltham Forest and the GLA regarding the planning application which was submitted on 23 December 2019. The application was validated on 12 February and the 21 day statutory consultation period is now being undertaken.

Authority officers along with the consultant team will continue to work closely with the planning authority and the GLA whilst undertaking:

- the start of stage 4 design – March to June;
- the procurement of a principle contractor – March to September; and
- community consultation – ongoing.

The overall project is currently on time and on budget, with final payments relating to this phase to be spent by October 2020, and officers will return to Members on completion of the planning process for a final decision on the funding package to deliver the project.

ENVIRONMENTAL IMPLICATIONS

- 9 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

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

FINANCIAL IMPLICATIONS

- 11 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

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 14 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.

Author: Keith Kellard, 01992 709 864, kkellard@leevalleypark.org.uk

PREVIOUS COMMITTEE REPORTS

Executive Committee	E/655/20	Bittern Information Point Phase 1 Hide and Information Point Replacement Contractor Cost Increase	23 January 2020
Executive Committee	E/646/19	Proposed Capital Programme 2019/20 (Revised) to 2023/24	19 December 2019
Executive Committee	E/642/9	Q2 Capital Programme Budget Monitoring	17 October 2019
Executive Committee	E/628/19	Q1 Capital Programme Budget Monitoring	18 July 2019

APPENDIX ATTACHED

Appendix A Capital Monitoring 2019/20 Third Quarter

ABBREVIATIONS

RIBA Royal Institute of British Architects
 GLA Greater London Authority
 BTO British Trust for Ornithology

LEE VALLEY REGIONAL PARK AUTHORITY
CAPITAL PROGRAMME MONITORING 2019/20 QUARTER 3

Project Name	Accountable Officer	Project Manager	Revised Budget 2019/20 £000s	Actual to 29 Dec 2019 £000s	Projected Outturn at 31/03/2020 £000s	Projected Variance £000s	Comment
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Land Acquisition & Remediation	Director Corp Services	Head of Property	450	425	450	0	On Target
Land Sales	Director Corp Services	Head of Property	-1,082	-628	-1,082	0	On Target
Signage	Chief Executive	Head of Comms	5	0	5	0	On Target
Park Development Proposals	Director Corp Services	Head of Planning	36	23	36	0	On Target
BAP	Director Corp Services	Head of Parklands	58	18	58	0	On Target
IT Infrastructure & Communications	Director of Finance	IT Manager	195	43	195	0	On Target
Asset Management	Director Corp Services	AMPD Manager	1,564	447	1,300	-264	See Main Report
Olympic Park Hostile Vehicle Mitigation	Chief Executive	Head of Sport/Leisure	20	5	10	-10	On Target
Landscaping (Eton Manor Allotments Site)	Director Corp Services	Head of Parklands	7	0	7	0	On Target
Dobbs Weir Campsite Final Phase	Director Finance	AMPD Manager	120	13	120	0	On Target
Wildlife Discovery Centre (WDC)	Director Corp Services	Volunteers Manager	568	24	90	-478	See Main Report
Major Events Infrastructure - LVH&TC	Chief Executive	Head of Sport/Leisure	21	6	21	0	On Target
VeloPark Pods Refurbishment	Chief Executive	Project Manager	480	442	478	-2	On Target
Lee Valley Ice Centre Redevelopment	Chief Executive	Head of Sport/Leisure	1,700	1,200	1,400	-300	See Main Report
LVWWC - Extend Boundary Fence	Director Corp Services	AMPD Manager	87	74	82	-5	Final Account Agreed
LVWWC Area 4 Infrastructure	Chief Executive	MD Trust	15	0	15	0	On Target
NET PROGRAMME			4,244	2,092	3,185	-1,059	
Total Capital Expenditure			5,326	2,720	4,267	-1,059	
Total Capital Income			-1,082	-628	-1,082	0	
NET PROGRAMME			4,244	2,092	3,185	-1,059	

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