



**LEE VALLEY REGIONAL PARK AUTHORITY**  
**EXECUTIVE COMMITTEE**  
**30 JULY 2015 AT 10:30**

**Agenda Item No:**

**6**

**Report No:**

**E/412/15**

## **CAPITAL PROGRAMME - BUDGET MONITORING 2015/16**

Presented by Director of Finance & Resources

### **EXECUTIVE SUMMARY**

This report summarises capital spending to 28 June 2015, 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 £4.1 million; resulting in a projected net over spend of £0.4m. This is subject to decisions regarding two specific land purchases under consideration. If these don't proceed there will be a net projected under spend of £0.9m.

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>	
Land Acquisition	950	Overspend
Dobbs Weir Campsite Phase 2	186	Overspend
Lee Valley Athletics Centre – Gym Development	(750)	Slippage
Other	0	
<b>Total Projected Variance</b>	<b>386</b>	

### **RECOMMENDATION**

Members Note: (1) the report.

### **BACKGROUND**

- 1 Executive Committee approved a capital programme for 2015/16 at its meeting on 18 December 2014 (Paper E/379/14). 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 annual budget for 2015/16 is £4.1 million net expenditure. The projected net capital expenditure for the year is £4.5million. This has resulted in a projected variance of £0.4 million for 2015/16.
- 4 Where slippage has been 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 Land Acquisition & Remediation (£950,000 Over Spend)**

Members of Authority recently considered an approach made directly by the owner of the property in the North of the Park as to whether the Authority would be interested in acquiring this land (Paper A/4210/15). Members requested officers seek further information and endeavour to negotiate a lower purchase price before they would consider committing to the purchase. If Members were to agree to acquire this land the annual budget provision of £300,000 would be exceeded resulting in a projected over spend, although Members could agree to bring forward future years' allocation to fund this. Conversely if Members do not approve the purchase the budget would be under spent as there are no other purchases currently identified in 2015/16.

A further proposal to purchase land at the Cathagena Estate is subject of a separate paper to Authority today, and subject to that decision, could result in a further over spend of the existing approved budget. Again, Members could agree to bring forward future years' allocations of this budget to fund this. Conversely if Members do not approve the purchase the budget would be under spent as there are no other purchases currently identified in 2015/16.

However it should be noted that a small part of this budget could be spent on land remediation.

### **6 Dobbs Weir Campsite Phase 2 (£186,000 Over Spend)**

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). Members should note that the second phase of this project is currently forecast to be overspent by £186,000. 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. It is possible that the overspend in phase 2 could be recovered from the later phases of this project as the latter phases are yet to be finalised/approved and put out to tender.

### **7 Lee Valley Athletics Centre – Gym Development (£750,000 slippage)**

Feasibility work commenced in March to identify options for the gym development, following this work a detailed business/investment appraisal will be put forward to Members for consideration and approval. At this point in time it is unlikely that the majority of resources will be spent in 2015/16 although depending on approval and procurement timelines some resources may be committed in the latter part of 2015/16 – a more detailed update will be available as part of the quarter 2 monitoring to this Committee in October 2015.

**ENVIRONMENTAL IMPLICATIONS**

- 8 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**

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

**FINANCIAL IMPLICATIONS**

- 10 An under spend during the year on the capital programme can result in additional investment income being earned in the year as cash balances remain deposited in the Authority's approved bank accounts.

**HUMAN RESOURCE IMPLICATIONS**

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

**LEGAL IMPLICATIONS**

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

**RISK MANAGEMENT IMPLICATIONS**

- 13 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**

Authority	A/4210/15	Possible Acquisition of Waverly Nursery	25 June 2015
Executive Committee	E/407/15	Capital Programme Provisional Outturn 2014/15	21 May 2015
Executive Committee	E/379/14	Proposed Capital Programme 2014/15 (Revised) To 2018/19	18 December 2014
Executive Committee	E/366/14	Dobbs Weir Phase Two Development	24 July 2014

**APPENDIX ATTACHED**

Appendix A Capital Monitoring 2015/16 First Quarter

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Lee Valley Regional Park Authority Capital Monitoring 2015/16 First Quarter

Project Name	Accountable Officer	Project Manager	Cumulative up to 31/03/2015	Budget 2015/16	Actual To 28/06/2015	Estimated Outturn at 31/03/2016	Projected Variance	Comment
			£000	£000	£000	£000	£000	
Land Acquisition & Remediation	Director Corp. Services	Head of Property	1,327	300	0	1,250	950	See Main Report
Signage	Chief Executive	Head of Comms	505	55	17	55	0	On Target
Park Development Proposals	Director Corp. Services	Head of Planning & SP	0	100	5	100	0	On Target
BAP	Director Corp. Services	Head of Parklands	779	53	9	53	0	On Target
Infrastructure & Communications Enhancement	Director Fin & Resources	IT Manager (Trust)	2,153	191	30	191	0	On Target
Public Wi-Fi	Director Fin & Resources	IT Manager (Trust)	48	2	1	2	0	On Target
Asset Management	Director Corp. Services	AMPD Section Manager	7,026	950	191	950	0	On Target
LV White Water Centre Legacy Project	Director Corp. Services	AMPD Section Manager	6,174	131	22	131	0	On Target
LV Hockey & Tennis Centre Improvements	Chief Executive	Head of Sport & Leisure	0	900	0	900	0	On Target
LV Hockey & Tennis Centre SE Grant	Chief Executive	Head of Sport & Leisure	0	(300)	0	(300)	0	On Target
LV Hockey & Tennis Centre EH Grant	Chief Executive	Head of Sport & Leisure	0	(300)	0	(300)	0	On Target
Landscaping ( Eton Manor Allotments Site)	Director Corp. Services	Head of Parklands	5	475	0	475	0	On Target
Landscaping Contributions( Eton Manor Allotments Site)	Director Corp. Services	Head of Parklands	0	(320)	0	(320)	0	On Target
Dobbs Weir Campsite Re-opening Phase 2-6	Director Corp. Services	AMPD Section Manager	724	864	206	1,050	186	See Main report
Three Mills Development	Director Corp. Services	Head of Parklands	927	7	2	7	0	On Target
Hayes Hill Farm -Development Plan	Director Fin & Resources	Venues (Trt) Director	113	24	7	24	0	On Target
River Lee Country Park - Natural Play	Director Corp. Services	Head of Parklands	45	5	0	5	0	On Target
Lee Valley Athletics Centre Gym Development	Chief Executive	MD Trust	0	800	0	50	(750)	See Main Report
Springfield Marina Amenities Block	Director Corp. Services	AMPD Section Manager	0	207	0	207	0	On Target
Holyfield Hall Farm - Photo-voltaic Cells	Head of Parklands	AMPD Section Manager	149	3	0	3	0	On Target
Road Circuit O Loop Gates - Newham	Head of Sport & Leisure	AMPD Section Manager	0	38	0	38	0	On Target
Road Circuit O Loop Gates - Newham -Grant	Head of Sport & Leisure	AMPD Section Manager	0	(38)	0	(38)	0	On Target

**Lee Valley Regional Park Authority Capital Monitoring 2015/16 First Quarter**

Project Name	Accountable Officer	Project Manager	Cumulative up to 31/03/2015	Budget 2015/16	Actual To 28/06/2015	Estimated Outturn at 31/03/2016	Projected Variance	Comment
Net Programme			19,975	4,147	490	4,533	386	
<b>Total Capital Expenditure</b>			19,975	5,105	490	5,491	386	
Total Capital Income			0	(958)	0	(958)	0	
<b>Net Programme</b>			<b>19,975</b>	<b>4,147</b>	<b>490</b>	<b>4,533</b>	<b>386</b>	