

Q3 CAPITAL PROGRAMME BUDGET MONITORING 2016/17

Presented by Director of Finance & Resources

EXECUTIVE SUMMARY

This report summarises capital spending to 29 January 2017, estimates financial commitments to the year end and compares this to the approved revised 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 under the approved budget of £4.1 million; resulting in a projected net under spend of £0.8 million.

The main areas of slippage are:

Scheme	£
Asset Management	(196,000)
Landscaping (Eton Manor Allotments Site)	(57,000)
Dobbs Weir Campsite Final Phases	(300,000)
Holyfield Hall Farm Redevelopment	(43,000)
Smaller Schemes	(250,000)
Other	3,000
Total Slippage	(843,000)

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- Executive Committee approved a revised capital programme for 2016/17 at its meeting on 15 December 2016 (Paper E/470/16). This report compares the actual spend with that approved revised programme and budget and any slippage from the 2015/16 budget reported as part of the capital outturn report (Paper E/450/16).

- 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 2016/17 is £4.1 million net expenditure. The projected net capital expenditure for the year is £3.3 million. This has resulted in a projected variance of £0.8 million for 2016/17.
- 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 to occur during 2016/17 are detailed below:

- 6 **Asset Management (£196,000) slippage**

Slippage across the financial years in the main due to the following schemes:

- delays to car park works at Myddelton House awaiting planning permission (£120K);
- delays have occurred to riverbank erosion works at Dobbs Weir as officers are awaiting Environment Agency approval (£80K).

- 7 **Landscaping (Eton Manor Allotments Site) – (£57,000) under spend/slippage**

This scheme is now complete apart from completion works (circa £25K) and retention monies for the contract (circa £8K) which will both fall into the next financial year (2017/18). The remainder of the under spend (£24K) will be retained within the overall capital programme.

- 8 **Dobbs Weir Campsite Final Phases – (£300,000) slippage**

The main contractor has been appointed and is now on site, based on phasing of planned works and expenditure, actual spend will cross over the financial years. The project completion is still on time as originally planned and will be finished by early July.

- 9 **Holyfield Hall Farm Redevelopment – (£43,000) slippage**

This project has been progressing with design work on a number of options but the majority of the work undertaken so far has been funded from existing Asset Management budgets. It is anticipated that a report to consider investment options at Holyfield Farm will be brought to Members in April 2017.

- 10 **Smaller Capital Schemes (£250,000) slippage**

There is a slippage of £250,000 currently projected due to detailed project planning and design delays due to external supplier workloads on three of the schemes: Pavilion and Terrace Bar reconfigurations and a small play area, all at Lee Valley White Water Centre. These projects are now forecast to be

completed in the first half of 2017/18, subject to project sign-off between the Trust and Authority. Details of all the smaller schemes progressing into 2017/18 are set out at Appendix B to this report and Appendix C to this report provides a summary of all provisional schemes currently subject to feasibility/detailed business planning. An overall business plan for investment and income generation for the next 4 years is being prepared by officers and a report will be brought back to Members for consideration.

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 either increase or decrease.
- 14 The smaller schemes investment programme is anticipated to generate further revenue in the latter part of 2017/18 and from 2018/19 onwards estimated up to £0.7m by 2019/20. This additional revenue is a key component of reducing the Leisure Services Contract management fee in future years and has been built into the Medium Term Financial Plan as part of the Authority's plan to reduce the levy.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 17 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

Executive Committee	E/470/16	Proposed Capital Programme 2016/17 (Revised) to 2020/21	15 December 2016
Executive Committee	E/462/16	Q2 Capital Programme Budget Monitoring	20 October 2016
Executive Committee	E/455/16	Q1 Capital Programme Budget Monitoring	21 July 2016
Executive Committee	E/451/16	Dobbs Weir Campsite Proposed Part II Development – Final Phase	26 May 2016
Executive Committee	E/450/16	Capital Programme – Provisional Outturn 2015/16	26 May 2016
Executive Committee	E/417/15	Proposed Capital Programme 2015/16 (Revised) To 2019/20	22 October 2015

APPENDICES ATTACHED

Appendix A	Capital Monitoring 2016/17 Third Quarter
Appendix B	Details of smaller schemes
Appendix C	Summary of all provisional schemes currently subject to feasibility/ detailed business planning

Lee Valley Regional Park Authority Capital Monitoring Quarter 3 2016/17

Project Name	Accountable Officer	Project Manager	Budget 2016/17		Actual To 29/01/2017		Estimated Outturn at 31/03/2017		Projected Variance	Comment
			£000	£000	£000	£000	£000	£000		
Land Acquisition & Remediation	Director Corp. Services	Head of Property	1,260	1,260	1,260	1,260	1,260	0	Scheme Complete	
Signage	Chief Executive	Head of Comms	18	18	1	18	18	0	On Target	
Park Development Proposals	Director Corp. Services	Head of Planning & SP	50	50	4	50	50	0	On Target	
BAP	Director Corp. Services	Head of Parklands	51	51	10	51	51	0	On Target	
Infrastructure & Communications Enhancement	Director Fin & Resources	IT Manager (Trust)	175	175	19	175	175	0	On Target	
Asset Management	Director Corp. Services	APMD Section Manager	946	281	281	750	750	(196)	See Main Report	
LV White Water Centre Legacy Project	Director Corp. Services	APMD Section Manager	28	27	27	27	27	(1)	Scheme Complete	
LV Hockey & Tennis Centre Improvements	Chief Executive	Head of Sport & Leisure	107	107	107	107	107	0	On Target	
LV Hockey & Tennis Centre SE Grant	Chief Executive	Head of Sport & Leisure	(230)	0	0	(230)	(230)	0	On Target	
Landscaping (Eton Manor Allotments Site)	Director Corp. Services	Head of Parklands	57	0	0	0	0	(57)	See Main Report	
Landscaping Contributions(Eton Manor Allotments Site)	Director Corp. Services	Head of Parklands	(146)	(142)	(142)	(142)	(142)	4	Retention outstanding	
Dobbs Weir Campsite Final Phases	Director Fin & Resources	APMD Section Manager	1,100	109	109	800	800	(300)	See Main Report	
Three Mills Development	Director Corp. Services	Head of Parklands	5	5	5	5	5	0	Scheme Complete	
River Lee Country Park - Natural Play	Director Corp. Services	Head of Parklands	7	7	7	7	7	0	Scheme Complete	
Holyfield Hall Farm - Redevelopment	Director Corp. Services	Head of Parklands	50	0	0	7	7	(43)	See Main Report	
Small Schemes Development Fund - Trust	Chief Executive	MD Trust	628	133	133	378	378	(250)	See Main Report	
Net Programme			4,106	1,821	1,821	3,263	3,263	(843)		
Total Capital Expenditure			4,482	1,963	1,963	3,635	3,635	(847)		
Total Capital Income			(376)	(142)	(142)	(372)	(372)	4		
Net Programme			4,106	1,821	1,821	3,263	3,263	(843)		

Small Schemes Analysis

Scheme	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	<u>Actual</u> £'000	<u>Estimate</u> £'000	<u>Estimate</u> £'000	<u>Estimate</u> £'000	<u>Estimate</u> £'000	<u>Estimate</u> £'000
Rye House Service to Moorings	51	32	0	0	0	83
LVAC - Cross-Fit	0	40	0	0	0	40
Velo- Tep Bar & Café Displays	34	15	0	0	0	49
LVWWC Bar Fit out & Feasibility	16	30	0	0	0	46
Velo - Pump Track & Pedal Up	39	0	0	0	0	39
Velo - MTB Enhancements	10	1	0	0	0	11
LVHTC - Concession Space	11	34	0	0	0	45
Farm Site Makeover	49	17	0	0	0	66
PL - Mooring Feasibility	0	9	0	0	0	9
LVAC - Gym Development Feasibility	0	0	0	0	0	0
LVHTC Building Extension Feasibility	0	0	0	0	0	0
LVWWC - Aqua Park Feasibility	24	0	0	0	0	24
HHF - Soft Play Area	5	0	0	0	0	5
Total	239	178	0	0	0	417
Revised programme	239	178	0	0	0	417
Lee Valley White Water Centre						
LVWWC Area 4 Attraction		0	400	0		400
LVWWC Kitchen		200	200	0		400
LVWWC Office Accommodation (l/t)		0	250	0		250
Pavilion Reconfiguration		100	0	0		100
Play Area Near Pavilion		50	0	0		50
Extend T Bar		100	0	0		100
LVWWC Covering Decking		0	400	0		400
LVWWC Swale Building		0	400	0		400
LVWWC Reception Reconfiguration		0	100	0		100
Other Sites						
Fields Weir Marina		0	500	1,500		2,000
Riding Centre Weatherproofing		0	150	0		150
Springfield Marina Island Moorings		0	250	0		250
Lee Valley Park Farms Weatherproofing		0	250	0		250
LVAC fitness offer		0	350	0		350
Unallocated		0	800	0		800
Sub - Total		450	4,050	1,500	0	6,000
Total Small schemes		628	4,050	1,500	0	6,417

Project	Total Capital £'000	2016/17 Capital £'000	2017/18 Capital £'000	2018/19 Capital £'000	2017/18 Revenue £'000	2018/19 Revenue £'000	2019/20 Revenue £'000	Target approval	Update 23/02/17
1 WWC area 4 attraction	400	-	400	-	-	-	100	Mar-17	The ambition is to create a chargeable inflatable attraction in time for the 2017 Summer Splash. The offer is envisaged to consist of a chargeable attraction made up of a large beach, large inflatable assault course, other significant size inflatables, group / team activities, and supporting F&B. Officers are in broad agreement with the headline product offer and need to firm up the business case before returning for approval.
2 WWC staff office accommodation (short term solution)	0 (split out from below)	-	-	-	-	-	-	Mar-17	Whilst the longer term office accommodation solution is developed, officers are working on a temporary solution to address the urgent need for additional office space through temporary modular buildings on the conveyor side of the decking underneath the meeting rooms. Currently firming up proposal detail.
3 WWC staff office accommodation (long term solution)	250	-	250	-	-	-	-	Autumn / winter 2017	A longer term office accommodation solution is being developed to address an existing lack of office space for the existing staffing establishment and to allow for the relocation of staff from current office space to link with an expansion of the kitchen to meet the needs for the F&B offer. A longer term solution will need to be sensitively approached with the council and demonstrate how it fits with the overall masterplan for the site.
4 WWC kitchen	400	200	200	-	-	75	75	April / May 2017	The existing kitchen currently presents severe operational challenges due to its size which hinders performance, customer experience and causes H&S concerns. A proposal is being developed to extend the kitchen into the existing staff offices to better meet the needs of the venue, and this links naturally to the long term staff office accommodation relocation.
5 WWC café counter	0 (split out from above)	-	-	-	-	-	-	Mar-17	Officers are finalising plans for a new counter arrangement in the café area which seeks to improve customer flow, reduce wait times, and enhance visitor experience. The intention is to have the new counter installed before the venue's peak season, and installation will be planned and managed to reduce any disruption.
6 WWC play area by Pavilion	50	50	-	-	10	10	10	Apr-17	Pre-tender engagement has been completed and officers are currently ensuring there is a suitable land drainage solution in place before proceeding with the project.
7 WWC bin compactor	0	-	-	-	-	-	-	Apr-17	Various locations have been assessed on site and this project is due to be considered by Senior Officers shortly. The project will improve refuse management and free up currently occupied storage space.
8 WWC Pavilion reconfiguration	100	100	-	-	10	10	10	Apr-17	Specialist space planners are working up proposals at the moment which will feed into a revised business case to be considered by Senior Officers in Spring.
9 WWC T Bar reconfiguration	100	100	-	-	10	10	10	Apr-17	As per the reconfiguration of the pavilion, specialist space planners are working up proposals which will feed into a revised business case to be considered by Senior Officers in Spring.
10 WWC covering decking	400	-	400	-	-	100	100	Summer 2017	Discussions are currently ongoing with companies to design an optimal solution for creating a flexible and covered space on the meeting room end of the decking to enable the area to be used for private hires and larger corporate bookings.
11 WWC swale building	400	-	400	-	-	75	75	Summer 2017	Further exploration is being given to the conceptual proposal to create a new building on the swale area in the middle of the main course. This building would serve as an additional F&B outlet, be available for hires and functions, and act as the VIP facility in event mode.

Project	Total Capital £'000	2016/17 Capital £'000	2017/18 Capital £'000	2018/19 Capital £'000	2017/18 Revenue £'000	2018/19 Revenue £'000	2019/20 Revenue £'000	Target approval	Update 23/02/17
12 WWC reception reconfiguration	100	-	100	-	5	5	5	Autumn / winter 2017	Throughout the 2017 season consideration is being given to a reconfigured reception facility. Once a proposal has been firmed up Senior Officers will consider the business case.
13 LVAC fitness offer	350	-	350	-	-	75	75	May-17	As part of this project a study has been commissioned assessing the optimal product mix for a fitness offer at the venue. Once received this will be fed in to an officer led review of various fitness elements and a revised business case produced accordingly for Spring approval.
14 Feildes Weir Marina	2,000	-	500	1,500	-	-	150	Mar-17	A report was commissioned from industry specialists into the feasibility of a new marina at Feildes Weir. An initial draft has been received and officers will digest the final version once received before returning to Members for approval.
15 Springfield Marina Island moorings	250	-	250	-	-	50	50	Feb-17	Feasibility work and the business case have now been completed and the project is ready to submit to Members pending satisfactory resolution of the island's ownership through negotiation with LB Hackney.
16 Riding Centre weatherproofing	150	-	150	-	-	15	15	Feb-17	Approved by Senior Officers and the project will now proceed to procurement and planning. This project addresses the lack of facilities useable at LVRC in inclement weather by covering an outdoor ménage and creating an additional small arena, all within the existing venue boundary.
17 Lee Valley Park Farms weatherproofing	250	-	250	-	-	50	50	Apr-17	Provisional design and space planning has now taken place and a more detailed business case is being produced and presented to Senior Officers for a decision on whether to proceed. The project is seeking to create an undercover animal show space, create additional F&B, and add significant undercover seating.
Total		450	3,250	1,500	35	475	725		