



LEE VALLEY REGIONAL PARK AUTHORITY
EXECUTIVE COMMITTEE
22 OCTOBER 2015 AT 10:30

Agenda Item No:

6

Report No:

E/416/15

CAPITAL PROGRAMME BUDGET MONITORING 2015/16 – QUARTER 2

Presented by Director of Finance & Resources

EXECUTIVE SUMMARY

This report summarises capital spending to 27 September 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 £3.4 million, resulting in a projected net over/under spend of £0.8m.

The major variances relate to the following projects:

Scheme Name	Projected Variance	(Under/Slippage) / Over Spend
	£'000	
Land Acquisition	(264)	Slippage
Dobbs Weir Campsite Phase 2	236	Over spend
Lee Valley Athletics Centre – Gym Development	(750)	Slippage
Total Projected Variance	(778)	

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 £4.2 million net expenditure. The projected net capital expenditure for the year is £3.4million. This has resulted in a projected variance of £0.8 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 (£264,000 Slippage)

Members approved the purchase of Aquaside on the Carthegena estate at the Authority meeting on 24 September 2015 (Paper A/4217/15). The planned expenditure this year reflects a deposit of £36,250 with completion of the sale due in 2016/17 up to 12 months following the vendor's agreement. The balance of the payment will be funded from rolling forward this years slippage plus next year's budget and by utilising part of the 2017/18 budget. The capital programme land acquisition budget has been adjusted to reflect this planned expenditure.

6 Dobbs Weir Campsite Phase 2 (£236,000 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) in May and the quarter 1 monitoring report in July (Paper E/412/15). Members should note that the second phase of this project is currently at final account stage and is forecast to be overspent by £236,000. 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. 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. Furthermore an additional 5 pitches were installed as part of Phase 2 due to economies received during the works, which should aid reduced costs in future phases.

7 Lee Valley Athletics Centre – Gym Development (£750,000 Slippage)

An exercise to identify and cost a number of project options where a gym development could be located within the Lee Valley Athletics Centre building was carried out by Morley's, the original architects who designed the building. The subsequent costs for each option were significantly more than the estimates that were originally put forward by the potential wellbeing partner with whom the project was to be developed. These options and costs will be scrutinised and a range of modified project proposals will be brought back for Member consideration along with a review of the original business case. At this point in time it is unlikely that the majority of resources will be spent in 2015/16 although depending on feasibility, approval and procurement timelines, some resources may still be committed in the latter part of 2015/16 and early 2016/17.

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/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	30 July 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 Second Quarter

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

Project Name	Accountable Officer	Project Manager	Cumulative up to 31/03/2015	Budget 2015/16	Actual To 27/09/2015	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	36	(264)	See Main Report
Signage	Chief Executive	Head of Comms	505	55	30	55	0	On Target
Park Development Proposals	Director Corp. Services	Head of Planning & SP	0	100	25	100	0	On Target
BAP	Director Corp. Services	Head of Parklands	779	53	12	53	0	On Target
Infrastructure & Communications Enhancement	Director Fin & Resources	IT Manager (Trust)	2,153	191	62	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	APMD Section Manager	7,026	950	382	950	0	On Target
LV White Water Centre Legacy Project	Director Corp. Services	APMD Section Manager	6,174	131	51	131	0	On Target
LV Hockey & Tennis Centre Improvements	Chief Executive	Head of Sport & Leisure	0	900	86	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)	(14)	(300)	0	On Target
Landscaping (Eton Manor Allotments Site)	Director Corp. Services	Head of Parklands	5	475	9	475	0	On Target
Landscaping Contributions(Eton Manor Allotments Site)	Director Corp. Services	Head of Parklands	0	(320)	(8)	(320)	0	On Target
Dobbs Weir Campsite Re-opening Phase 2-6	Director Corp. Services	APMD Section Manager	724	864	376	1,100	236	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	Director Venues (Trt)	113	24	10	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	12	50	(750)	See Main Report
Springfield Marina Amenities Block	Director Corp. Services	APMD Section Manager	0	290	11	290	0	On Target
Holyfield Hall Farm - Photo-voltaic Cells	Head of Parklands	APMD Section Manager	149	3	1	3	0	On Target
Road Circuit O Loop Gates - Newham	Head of Sport & Leisure	APMD Section Manager	0	38	35	38	0	On Target
Road Circuit O Loop Gates - Newham -Grant	Head of Sport & Leisure	APMD Section Manager	0	(38)	(33)	(38)	0	On Target

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

Project Name	Accountable Officer	Project Manager	Cumulative up to 31/03/2015	Budget 2015/16	Actual To 27/09/2015	Estimated Outturn at 31/03/2016	Projected Variance	Comment
Small Schemes Development Fund - Trust	Chief Executive	MD Trust	0	0	0	0	0	Subject to Capital Programme Approval
Net Programme			19,975	4,230	1,050	3,452	(778)	
Total Capital Expenditure			19,975	5,188	1,105	4,410	(778)	
Total Capital Income			0	(958)	(55)	(958)	0	
Net Programme			19,975	4,230	1,050	3,452	(778)	