

CAPITAL PROGRAMME: PROVISIONAL OUTTURN 2014/15

Presented by the Director of Finance & Resources

EXECUTIVE SUMMARY

This report summarises capital spending in 2014/15 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 £3.1 million; resulting in a projected net under spend of £0.8 million which is £0.3 million more than that reported to Executive Committee in February 2015 (Paper E/393/15) as part of the normal quarterly monitoring.

The major variances relate to the following projects:

Scheme Name	Projected Variance	(Under/Slippage) / Over Spend
	£'000	
Asset Maintenance	(147)	Slippage
LV White Water Centre Legacy Project	(131)	Slippage
LV VeloPark Retail Extension	(32)	Under spend
LV Hockey & Tennis Centre Improvements (Net)	(150)	Slippage
Dobbs Weir Campsite Phase 2	(227)	Slippage
LV Athletics Centre – Gym Development	(50)	Slippage
Holyfield Hall Farm Photovoltaic Cells	(31)	Under spend/ Slippage
Leisure Centre Demolition	(55)	Under spend
Other	(24)	
Total Projected Variance	(847)	

RECOMMENDATION

Members Note: (1) the provisional capital outturn for 2014/15.

BACKGROUND

1 Executive Committee approved a revised capital programme for 2014/15 at its

December 2014 meeting (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 revised annual budget for 2014/15 is £3.9 million net expenditure. The projected net capital expenditure for the year is £3.1 million. This has resulted in a projected variance of £0.8 million for 2014/15.
- 4 Where a variance has been projected and reported, those resources remain earmarked for the particular schemes in question in future years.

SPECIFIC SCHEMES

5 Asset Management Programme (£147,000 slippage)

There were three main areas of slippage with works to be completed in 2015/16. These were:

- Lee Valley Riding Centre – Mechanical & Electrical (M&E) Services Upgrade (£50,000), works needed to be re-scoped to include water storage tanks and were moved to 2015/16;
- Lee Valley Camping and Caravan Park, Edmonton – Renew boilers and M&E plant to summer and winter blocks (£50,000), scope changed to include internal alterations to toilet/shower provisions. Works in progress and with our consultants for completion in 2015/16;
- Fishers Green Toilet Block – Installation of sump pump to Hayes Hill Biodisc (£40,000), works scoped and in progress. Changes required to incorporate additional IT duct to serve Bittern Information Point delayed start on site.

6 Lee Valley White Water Centre (£131,000 slippage)

Part of the slippage (£50,000) is due to monies being deducted from the main contractor due to non-slip decking issues. The £50,000 deduction will be rolled over into next year to allow the Asset Protection, Management & Development (AMPD) team to source and implement a better solution via an alternative supplier. The balance of the slippage relates to the retention outstanding as the scheme is now complete.

7 Lee Valley VeloPark Retail Extension (£32,000 under spend)

The out-turn of £67,000 which is £32,000 under budget is due to part of the original work allowed for being undertaken by the tenant (Cycle Surgery) and the Authority's contractor only being required to complete a basic fit out.

8 Lee Valley Hockey & Tennis Centre Improvements (Net £150,000 slippage)

The slippage is down to the time it has taken to scope out and place the order regarding the big screen element of the project. This was reported and agreed

at Executive Committee on 26 March 2015 as an urgent item. This order has now been placed and the £450,000 total project with £300,000 external funding from Sport England and England Hockey will be spent (and received) in 2015/16.

9 Dobbs Weir Campsite Phase 2 (£227,000 slippage)

The slippage is attributable to two factors. Firstly the Authority will retain 15% of the main contract sum (approximately £120,000) as a retainer on completion of the works and this will fall into the next financial year 2015/16. Secondly, the other £100,000 relates to the purchase of the Wigwams which was incurred in the new financial year from April – delivery of the first 7 of these, amounting to circa £60,000, has now taken place with a further 5 to follow in June.

Members should note that the second phase of this project is currently forecast to be overspent by £120,000. The primary reasons for the overspend are significant additional costs for the sewage tanks required in this phase, as well as rectifying a collapsed drainage run which is still being investigated. Due to the ongoing investigative works for the collapsed drainage run, the projected overspend is an estimate at this stage and officers hope to identify an accurate cost in the coming weeks and this will be reported as part of the first quarters capital monitoring for 2015/16 in July. 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.

10 Lee Valley Athletics Centre – Gym Development (£50,000 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.

11 Holyfield Hall Farm – Photovoltaic Cells (£28,000 under spend/ £3,000 slippage)

The system is now fully operational and was delivered on time and under budget. The roof structures did not require any strengthening therefore the £20,000 sum allocated was not required. A sum of £10,000 was included as a contingency and only part (£2,000) was required. A small retention of £3,000 will finalise the project payments in the new year.

12 Lee Valley Leisure Centre Demolition (£55,000 under spend)

Contracted tender prices to complete the works were significantly below the anticipated cost and pre-tender budget. The scheme is now complete.

ENVIRONMENTAL IMPLICATIONS

- 13 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

- 14 There are no equality implications arising directly from the recommendations in

this report.

FINANCIAL IMPLICATIONS

15 These are included in the main body of the report.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

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PREVIOUS COMMITTEE REPORTS

Executive Committee	E/393/14	Capital Programme Budget Monitoring 2014/15	26 February 2015
Executive Committee	E/379/14	Proposed Capital Programme 2014/15 (Revised) To 2018/19	18 December 2014
Executive Committee	E/374/14	Capital Programme Budget Monitoring 2014/15	23 October 2014
Executive Committee	E/369/14	Capital Programme Budget Monitoring 2014/15	24 July 2014
Executive Committee	E/366/14	Dobbs Weir Phase Two Development	24 July 2014
Executive Committee	E/365/14	Lee Valley Park Farms Investment	24 July 2014

APPENDIX ATTACHED

Appendix A Capital Programme Provisional Outturn 2014/15

LIST OF ABBREVIATIONS

M&E	Mechanical & Electrical
APMD	Asset Protection, Management & Development

Lee Valley Regional Park Authority Capital Monitoring 2014/15

Project Name	Accountable Officer	Project Manager	Revised 2014/15	Actual To 31 March 2015	Projected Variance	Comment
			£000	£000	£000	
Land Acquisition & Remediation	Chief Executive	Head of Property	0	0	0	No purchases 2014/15
Roydon Loop	Chief Executive	Head of Planning	10	0	(10)	Scheme Complete
Signage	Chief Executive	PR/Comms Head of	346	341	(5)	Retention Payment in 2015/16
BAP	Head of Parklands	BAP Manager	60	57	(3)	Schemes completed in 2015/16
Infrastructure & Communications Enhancement	Director of F&R	IT Manager	201	201	0	Rolling Programme on target
Wifi Across all Venues	Director of F&R	IT Manager	50	48	(2)	Scheme Complete
Asset Management	Director of Corporate Services	APMD Section Manager	1,064	917	(147)	See Main Report
LV White Water Centre Legacy Project	Director of P & V	Asst Director of P & V	263	132	(131)	See Main Report
LV White Water Centre Terrace Bar	Director of P & V	Asst Director of P & V	125	134	9	Scheme Complete
Velopark	Director of P & V	Asst Director of P & V	13	13	0	Scheme Complete
Velopark Grant Funding Sport England	Director of P & V	Asst Director of P & V	(250)	(250)	0	Scheme Complete
Velopark Retail Extension	Director of P & V	Asst Director of P & V	97	65	(32)	See Main Report
Velopark Catering	Director of P & V	Asst Director of P & V	75	93	18	Scheme complete
LV Hockey & Tennis Centre	Director of P & V	Asst Director of P & V	124	123	(1)	Scheme complete
LV Hockey & Tennis Centre LLDC Grant	Director of P & V	Asst Director of P & V	(48)	(48)	0	Scheme complete

Lee Valley Regional Park Authority Capital Monitoring 2014/15

Project Name	Accountable Officer	Project Manager	Revised 2014/15	Actual To 31 March 2015	Projected Variance	Comment
	£000	£000	£000	£000	£000	
LV Hockey & Tennis Centre Improvements	Director of P & V	Asst Director of P & V	450	0	(450)	See Main Report
LV Hockey & Tennis Centre Improvements SE Grant	Director of P & V	Asst Director of P & V	(150)	0	150	See Main Report
LV Hockey & Tennis Centre Improvements English Hockey Grant	Director of P & V	Asst Director of P & V	(150)	0	150	See Main Report
Landscaping (Former Eton Manor Allotments Site)	Director of P & V	Asst Director of P & V	0	5	5	Feasibility and design
Dobbs Weir Campsite Re-opening Phase 2-6	MD Trust Director of P & V	Director of Venues (North) Projects	951	724	(227)	See Main Report
Myddelton House Gardens - Glass House	Director of P & V	Manager Projects	20	21	1	Scheme Complete
Three Mills Development	Director of P & V	Manager Senior Ops	12	5	(7)	Scheme completed in 2015/16
Hayes Hill Farm - Development Plan	MD Trust Director of P & V	Manager Senior Ops	137	113	(24)	Retention Payment in 2015/16
Riding Centre - Stable Expansion	Head of Parklands	Manager Senior Parklands	4	4	0	Scheme Complete
River Lee Country Park - Natural Play	Head of Parklands	Senior Parklands Manager	44	39	(5)	Scheme Complete
Lee Valley Athletics Centre Gym Development	MD Trust Head of Parklands	Director Venues (North) AMPD Section	50	0	(50)	See Main Report
Holyfield Hall Farm - Photovoltaic Cells	Head of Parklands	Manager	180	149	(31)	See Main Report
Golf & Campsite Improvements	MD Trust Director of P & V	Director of Venues AD Asset Management	20	20	0	Scheme Complete
Leisure Centre Demolition	Director of P & V	Management	177	122	(55)	Scheme Complete
Net Programme			3,875	3,028	(847)	
Total Capital Expenditure			4,473	3,326	(1,147)	
Total Capital Income			(598)	(298)	300	
Net Programme			3,875	3,028	(847)	