

**CAPITAL PROGRAMME BUDGET MONITORING 2015/16 –  
QUARTER 3**

Presented by Director of Finance & Resources

**EXECUTIVE SUMMARY**

This report summarises capital spending to 27 December 2015, 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 £3.8 million; resulting in a projected net over spend of £0.4m.

The major variances relate to the following projects:

<b>Scheme Name</b>	<b>Projected Variance £'000</b>	<b>(Under/Slippage) / Over Spend</b>
Land Acquisition	125	Over spend
Lee Valley Hockey & Tennis Centre Improvements	(234)	Slippage
Lee Valley Hockey & Tennis Centre – Sport England Grant	300	Slippage
Dobbs Weir Campsite Phase 2	236	Over Spend
Other	5	Over spend
<b>Total Projected Variance</b>	<b>432</b>	<b>Over spend</b>

**RECOMMENDATION**

Members Note: (1) the report.

**BACKGROUND**

- 1 Executive Committee approved a revised capital programme for 2015/16 at its meeting on 22 October 2015 (Paper E/417/15). 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 revised budget for 2015/16 is £3.4 million net expenditure. The projected net capital expenditure for the year is £3.8 million. 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 - £125,250 over spend**

Members will recall the basis of the purchase of Aquaside (24 September 2015 Paper A/4217/15) where exchange has now taken place with a 5% deposit of £36,250 and completion due in 2016/17. This was previously reported in Q2 Capital Monitoring (Paper E/416/15) and built in as part of the budget in the Revised Capital Programme also approved by Members in October (Paper E/417/15) with the balance of the budget moved into 2016/17 to complete the purchase.

Since that approval and in accordance with Members instructions (26 November 2016 Paper A/4220/15) terms have also been agreed to purchase a further site in the north of the Park of 2.4ha by way of an option payment of £125,000 pending satisfactory site clearance in 2015/16. The balance of the purchase price will also be paid in 2016/17 – future year's capital funding budgets will need to be brought forward into 2016/17 to complete the funding of this purchase. Overall the five year Land Acquisition budget of £1.5m can accommodate these two purchases and is about managing the cash flow within the total funding. However, the two purchases will exhaust the existing provisions for land acquisition until after 2019/20 and therefore any new purchases identified will need to identify another source of funding. It is anticipated that the new Land Strategy (Acquisition and Disposals) Task and Finish Group will review this position and bring back proposals for Member consideration.

Total capital spend this financial year aggregates to £161,250, giving an over spend on the annual budget of £125,250.

### **6 Lee Valley Hockey & Tennis Centre Improvements - £234,000 slippage**

The slippage in the enhancement works relates to funding allocated to building a storage unit which is the final part of the Lee Valley Hockey & Tennis Centre improvements (estimated at £200,000) and is scheduled to be completed by September 2016; the reason for the slight delay in completion is that the south stand works are taking precedence due to the need to be completed in time for the Champions Trophy Hockey event taking place in June. In addition the Authority will complete works related to the PA system (estimated £34,000) which have also slipped into the new financial year due to the ongoing discussions between the Authority and England Hockey regarding how much of the final cost the Authority has to cover.

**Lee Valley Hockey & Tennis Centre Sport England Grant - £300,000 slippage**

The grant from Sport England predominantly relates to the storage unit and PA system works described above as this grant is reclaimed on completion of stages the majority will be reclaimed in the next financial year.

**7 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 and 2 monitoring reports in July and October (Papers E/412/15 and E/416/15). 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.

**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/4220/15 (Pt II)	Acquisition of Waverly Nursery	26 November 2015
Executive Committee	E/417/15	Proposed Capital Programme 2015/16 (Revised) To 2019/20	22 October 2015
Executive Committee	E/416/15	Capital Programme Budget Monitoring 2015/16 – Quarter 2	22 October 2015
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 Third Quarter

## Lee Valley Regional Park Authority Capital Monitoring 2015/16 Third Quarter

Project Name	Accountable Officer	Project Manager	Cumulative up to 31/03/2015	Revised Budget 2015/16	Actual To 27/12/2015	Estimated Outturn at 31/03/2016	Projected Variance	Comment
Land Acquisition & Remediation	Director Corp. Services	Head of Property	1,327	36	0	161	125	See Main Report
Signage	Chief Executive	Head of Comms	505	55	33	55	0	On Target
Park Development Proposals	Director Corp. Services	Head of Planning & SP	0	100	34	90	(10)	Slippage
BAP	Director Corp. Services	Head of Parklands	779	53	17	53	0	On Target
Infrastructure & Communications Enhancement	Director Fin & Resources	IT Manager (Trust)	2,153	191	119	206	15	Brought Forward Micosites Development
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	580	950	0	On Target
LV White Water Centre Legacy Project	Director Corp. Services	APMD Section Manager	6,174	131	76	131	0	On Target
LV Hockey & Tennis Centre Improvements	Chief Executive	Head of Sport & Leisure	0	900	332	666	(234)	See Main Report
LV Hockey & Tennis Centre SE Grant	Chief Executive	Head of Sport & Leisure	0	(300)	0	0	300	See Main Report
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	143	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	399	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	Scheme Complete
Lee Valley Athletics Centre Gym Development	Chief Executive	MD Trust	0	25	25	25	0	Scheme Complete
Springfield Marina Amenities Block	Director Corp. Services	APMD Section Manager	0	290	65	290	0	On Target
Holyfield Hall Farm - Photo-voltaic Cells	Head of Parklands	APMD Section Manager	149	3	1	3	0	Scheme Complete
Road Circuit O Loop Gates - Newham	Head of Sport & Leisure	APMD Section Manager	0	38	37	37	(1)	Scheme Complete
Road Circuit O Loop Gates - Newham -Grant	Head of Sport & Leisure	APMD Section Manager	0	(38)	(33)	(37)	1	Scheme Complete

## Lee Valley Regional Park Authority Capital Monitoring 2015/16 Third Quarter

Project Name	Accountable Officer	Project Manager	Cumulative up to 31/03/2015	Revised Budget 2015/16	Actual To 27/12/2015	Estimated Outturn at 31/03/2016	Projected Variance	Comment
			£000	£000	£000	£000	£000	
Small Schemes Development Fund - Trust	Chief Executive	MD Trust	0	200	2	200	0	0-On Target
<b>Net Programme</b>			19,975	3,391	1,821	3,823	432	
<b>Total Capital Expenditure</b>			19,975	4,349	1,876	4,480	131	
Total Capital Income			0	(958)	(55)	(657)	301	
<b>Net Programme</b>			19,975	3,391	1,821	3,823	432	