

CAPITAL PROGRAMME: PROVISIONAL OUTTURN 2017/18

Presented by Director of Finance & Resources

EXECUTIVE SUMMARY

This report summarises capital spending in 2017/18 compared to the approved revised 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 summary of all schemes within the capital programme and this shows that overall net expenditure in the capital programme to the year end is projected to be £4.6 million; resulting in a projected net under spend of £0.7 million below the revised budget, the majority of this variance was reported as part of the third quarters monitoring presented to this committee in February (Paper E/542/18).

The major variances relate to the following projects:

Scheme	£
IT Infrastructure & Communications	(53,000)
Asset Management	(51,000)
Pitch Replacement Lee Valley Hockey & Tennis Centre (Net)	43,000
Dobbs Weir (Final Phase)	(270,000)
Major Infrastructure – Lee Valley Hockey & Tennis Centre	(68,000)
Lee Valley White Water Centre – Kitchen Refurbishment	(248,000)
Other Slippage (Net)	(76,000)
Total Slippage	(723,000)

RECOMMENDATION

Members Note: (1) the provisional capital outturn for 2017/18.

BACKGROUND

- Executive Committee approved a revised capital programme for 2017/18 at its meeting on 14 December 2017 (Paper E/537/17). This report compares the actual expenditure and income 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 2017/18 is £5.34 million net expenditure. The actual net capital expenditure for the year is £4.62 million. This has resulted in a projected variance of £0.72 million for 2017/18.
- 4 Where slippage is projected and reported, those resources remain earmarked for the particular schemes in question into 2018/19. Where an under spend is reported these savings are added back into capital funds.

SPECIFIC SCHEMES

- 5 The main variations in schemes during 2017/18 are summarised below.

- 6 **IT Infrastructure & Communications (£53,000 slippage)**

Expenditure for the Authority's user counter upgrade/replacement was approved at the last Executive Committee (Paper E/559/18) – some monies were set aside in the capital budget for 2017/18 for this project. As there were a number of user counters that required replacing, a need to review the location and specification of the counters, alongside a requirement for a full procurement process to be undertaken, timing of the project has now slipped across into 2018/19.

- 7 **Asset Management (£51,000 slippage)**

A number of schemes within the Asset Management budget have slipped into the new financial year for various reasons such as, planning delays, timing of works and prioritising of other urgent works. These schemes include the car park resurfacing for Myddelton House (£150k), the hot water system upgrade to the original toilet block at Dobbs Weir (£26k) and dredging of the towpath at Old Mill and Meadows (£100k).

As a result a number of other priority schemes from 2018/19 have either been brought forward or new schemes added with higher priorities included to utilise allocated staffing and financial resources. The main new scheme in this regards was the emergency staffing remedial works required as a result of moving staff from Abercrombie Lodge and providing temporary offices at the back of Myddelton House and a new Rangers base at Holyfield Hall Farm. The net result to the 2017/18 budget has been an underspend of £51k which will be carried forward into next year's budget.

- 8 **Pitch Replacement Lee Valley Hockey & Tennis Centre (Net) (£43,000 slippage)**

Expenditure and funding for the pitch replacements will slip across the financial years following signature of the final contract with the suppliers and contractors and subject to confirmation of the funding draw-down from England Hockey.

The current schedule for the hockey pitch replacements is estimated to take around 12 weeks and will be completed by the end of May following a 5 March start date.

9 Dobbs Weir Campsite (Final Phase) (slippage £270,000)

Works to the lodges have been delayed and are subject to final planning permission being received. Planning permission and Environmental Agency consent is required separately due to the proximity of the proposed lodges to the river bank alongside a requirement for a specific lighting plan - as this impacts on a "dark corridor" for bats and other wildlife.

The additional toilet block was delayed and reported as part of the last monitoring report in February 2018 (paper E/542/18) due to contractor difficulties post tender award. Officers have now progressed an alternative option for the toilet block with works finally completed at the beginning of May.

Monies for the main contract are also being held back as retention to deal with snagging issues post contract completion.

10 Major Infrastructure – Lee Valley Hockey & Tennis Centre (£17,000 and £51,000 slippage)

The Centre improvement works which is a joint funding project between the Authority, Sport England and England Hockey (£900,000) is nearing completion but is slightly behind schedule. The storage compound which is the final element of this project has taken time to achieve planning permission due to its proximity to the biodiversity areas on the site. The project is due for completion on 4 June 2018.

Grant funding from Sport England (£315,000) has been received with the remainder to be drawn-down within 12 months of the project being completed. This money will fund the storage compound as above, the Public and Voice Announcement system (PAVA) and sports presentation cabin in the major events infrastructure works (delivered through funding from Sport England and the Authority).

The remaining budgeted work from the major events infrastructure will be completed later in 2018/19 (Western Plaza improvements, Broadband bandwidth increases) whilst further analysis is undertaken as to what should be the final design for these areas.

11 Lee Valley White Water Centre – Kitchen Refurbishment (slippage £248,000)

Due to detailed discussions with the Borough of Broxbourne colleagues during the planning process, there was slippage on the kitchen re-development project at Lee Valley White Water Centre. These proposals are now finalised and planning approval received. Works commenced on 30 April and are due for completion in mid-June. The full costs of this project will be incurred in 2018/19 aside from any early deposits for equipment which were spent in 2017/18. Ahead of this scheme the works on the T-bar were completed by the end of April, so again early deposits for equipment were spent in 2017/18.

ENVIRONMENTAL IMPLICATIONS

12 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

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

FINANCIAL IMPLICATIONS

- 14 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.

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/559/18	Proposed upgrade and Modernisation of the Existing User Counters	26 April 2018
Executive Committee	E/542/18	Q3 Capital Programme Budget Monitoring 2017/18	22 February 2018
Executive Committee	E/537/17	Proposed Capital Programme 2017/18 (Revised) to 2021/22	14 December 2017
Executive Committee	E/525/17	Q2 Capital Programme Budget Monitoring 2017/18	23 November 2017
Executive Committee	E/514/17	Q1 Capital Programme Budget Monitoring 2017/18	21 September 2017

Executive Committee	E/512/17	Capital Programme Update – Small Investment Schemes	20 July 2017
Executive Committee	E/511/17	LVWWC Food & Beverage Serving Counter Redevelopment	22 June 2017
Executive Committee	E/502/17	Potential Ice Pad, Cooling System and Barrier Repair	25 May 2017

APPENDIX ATTACHED

Appendix A Capital Monitoring 2017/18 Projected Outturn

LVRPA CAPITAL PROGRAMME MONITORING 2017/18 QUARTER 4 OUTTURN

Project Name	Accountable Officer	Project Manager	Revised Budget 2017/18	Actual to 31 March 2018	Projected Variance	Comment
			£000	£000	£000	
Land Acquisition & Remediation	Director Corp Ser	Head of Property	162	162	0	Scheme Complete
Land Sales	Director Corp Ser	Head of Property	(75)	(78)	(3)	Scheme Complete
Signage	Chief Executive	Head of Comms	14	0	(14)	Slippage
Park Development Proposals	Director Corp Ser	Head of Planning	137	113	(24)	Slippage
BAP	Director Corp Ser	Head of Parklands	60	59	(1)	Scheme Complete
IT Infrastructure & Communications	Director of F & R	IT Manager (Trust)	228	175	(53)	Slippage - See Main Report
Asset Management	Director Corp Ser	AMPD Manager	1,011	960	(51)	Slippage - See Main Report
LV Hockey & Tennis Centre Pitch Replacement	Chief Executive	Head of Sport/Leisure	368	99	(269)	Slippage - See Main Report
LV Hockey & Tennis Centre Pitch Replacement	Chief Executive	Head of Sport/Leisure	(312)	0	312	Slippage - See Main Report
LV Hockey & Tennis Centre Improvements	Chief Executive	Head of Sport/Leisure	193	106	(87)	Slippage - See Main Report
LV Hockey & Tennis Centre - SE Grant	Chief Executive	Head of Sport/Leisure	(70)	0	70	Slippage - See Main Report
Landscaping (Eton Manor/Alotments Site)	Director Corp Ser	Head of Parklands	8	0	(8)	Provision Not Required
Dobbs Weir Campsite Final Phase	Director Corp Ser	AMPD Manager	1,316	1,046	(270)	Slippage - See Main Report
Holyfield Hall Farm - Photovoltaic Cells	Head of Parklands	AMPD Manager	34	21	(13)	Scheme Complete
Ice Centre Pad/Cooling System & Barrier	Head of Sport/Leisure	AMPD Manager	500	485	(15)	Scheme Complete
Holyfield Hall Farm - Redevelopment	Director Corp Ser	Head of Parklands	100	94	(6)	Scheme Complete
Major Events Infrastructure - LVH&TC	Chief Executive	Head of Sport/Leisure	550	464	(86)	Slippage - See Main Report
Major Events Infrastructure - LVH&TC -Grant	Chief Executive	Head of Sport/Leisure	(350)	(315)	35	Slippage - See Main Report
LWVWC Area 4 Attraction - Inflatables	Chief Executive	MD Trust	480	454	(26)	Scheme Complete
LWVWC Kitchen Refurbishment	Chief Executive	MD Trust	250	2	(248)	Slippage - See Main Report
LWVWC - T- Bar Refurbishment	Chief Executive	MD Trust	0	2	2	Advanced Works re 18/19 spend
LWVWC Play Area Near Pavillion	Chief Executive	MD Trust	55	57	2	Scheme Complete
LWVWC Office Accommodation	Chief Executive	MD Trust	75	68	(7)	Scheme Complete
LWVWC Swale Building	Chief Executive	MD Trust	64	64	0	Scheme Complete
LWVWC Café Counter Project	Chief Executive	MD Trust	560	577	17	Scheme Complete
Net Programme			5,338	4,615	(723)	
Total Capital Expenditure			6,145	5,008	(1,137)	
Total Capital Income			(807)	(393)	414	
Net Programme			5,338	4,615	(723)	