

Q2 CAPITAL PROGRAMME BUDGET MONITORING 2016/17

Presented by Director of Finance & Resources

EXECUTIVE SUMMARY

This report summarises capital spending to 25 September 2016, 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 under the approved budget £5.4 million; resulting in a projected net under spend of £1.5m.

The main areas of slippage are:

Scheme	£
Land Acquisition	196,000
Park Development Proposals	25,000
IT Infrastructure Enhancements	51,000
Lee Valley Hockey & Tennis Centre Improvements & Grant (Net)	123,000
Dobbs Weir Final Phase	800,000
Holyfield Hall Farm Redevelopment	150,000
Major Events Infrastructure	200,000
Other	(2,000)
Total Slippage	1,543,000

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- Executive Committee approved a capital programme for 2016/17 at its meeting on 22 October 2015 (Paper E/417/15). This report compares the actual spend with that approved 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 annual budget for 2016/17 is £5.4 million net expenditure. The projected net capital expenditure for the year is £3.9million. This has resulted in a projected variance of £1.5 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 slippage is anticipated to occur during 2016/17 are detailed below:

- 6 **Land Acquisition – £196,000 Slippage**

Members approved the purchase of two properties in 2015/16; the bungalow, Aquaside, at Cathagena and Waverley Nursery at Wharf Road being used as a waste transfer site, both of which have now been completed. At Waverley Nursery, a retention of £125,000 is being withheld pending site clearance and other land remediation which is to be carried out to the Authority's satisfaction. Completion of this is not anticipated until 2017/18.

- 7 **Park Development Framework Proposals - £25,000 Slippage**

Due to the late start in developing and commissioning, this budget will not complete spending until early into 2017/18.

- 8 **IT Infrastructure Enhancements - £51,000 Slippage**

As part of the 2016-19 business plan a key corporate priority is to review the IT and communications infrastructure and systems for decoupling of the data and systems requirements for both the Authority and the Trust. The first part of this work has commenced with the development of an IT strategy and action plan that will be subject to Member consideration and approval. Subject to this approval overall implementation will span the whole life of the business plan up to the end of 2019. While this project is developing investment and maintenance will deal only with essential and normal on-going maintenance with any new investment limited to what is already contractually committed.

- 9 **Lee Valley Hockey & Tennis Centre Improvements & Grant (Net) - £123,000 Slippage**

The jointly funded enhancement project (between the Authority, England Hockey and Sport England) for the Lee Valley Hockey & Tennis Centre (£900,000) is completed with the exception of the storage compound (circa £200K). Officers are finalising designs to present to planners with a planned completion by December 2017. The works will not be possible before July 2017 due to the events programme on the venue starting in April 2017. Sport England has agreed an extended deadline to December 2017 for all the enhancement works to be completed. They have agreed to pay a stage payment of the grant (£230,000) for works completed to date and will release the final payment

(£70,000) on completion.

10 Dobbs Weir Final Phase – £800,000 slippage

Dobbs Weir Final Phase – Members approved the final phase for the redevelopment of Dobbs Weir (Paper E/451/16) in May 2016. This is subject to a detailed programming exercise on completion of the tendering. The project is out to tender with works provisionally planned to commence on site on 17 January 2017 with the project due for completion by July 2017.

11 Holyfield Hall Farm Redevelopment – £150,000 slippage

A planned small redevelopment scheme to consider whether the North Ranger team can be relocated to the currently under-utilised and semi derelict listed top barns at Holyfield Farm and/or secure additional staff/holiday accommodation on this site has resources earmarked in the capital programme, the progression of this scheme is subject to preliminary survey works which are underway and to Member approval of a full business case. The projected outturn is dependent on a decision whether to proceed or not which is subject to the business case and survey work.

12 Major Events Infrastructure – £200,000 slippage

A planned investment at the Hockey & Tennis Centre to build in permanent event infrastructure has resources earmarked in the capital programme. The progression of this scheme is subject to detailed specification and Member approval of a full business case. It is unlikely this sum will be spent in 2016/17.

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 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.

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 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/455/16	Q1 Capital Programme Budget Monitoring	21 July 2016
Executive Committee	E/451/16	Dobbs Weir Campsite Proposed Development – Final Phase Part II	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

APPENDIX ATTACHED

Appendix A Capital Monitoring 2016/17 Second Quarter

Lee Valley Regional Park Authority Capital Monitoring Quarter 2 2016/17

Project Name	Accountable Officer	Project Manager	Budget 2016/17		Actual To 25/09/2016		Estimated Outturn at 31/03/2017	Projected Variance	Comment
			£000	£000	£000	£000			
Land Acquisition & Remediation	Director Corp. Services	Head of Property	1,456	737	1,260	196	See Main report		
Signage	Chief Executive	Head of Comms	18	0	18	0	On Target		
Park Development Proposals	Director Corp. Services	Head of Planning & SP	109	0	84	25	See Main Report		
BAP	Director Corp. Services	Head of Parklands	51	10	51	0	On Target		
Infrastructure & Communications Enhancement	Director Fin & Resources	IT Manager (Trust)	231	8	180	51	See Main Report		
Asset Management	Director Corp. Services	APMD Section Manager	946	163	946	0	On Target		
LV White Water Centre Legacy Project	Director Corp. Services	APMD Section Manager	28	27	28	0	Scheme Complete		
LV Hockey & Tennis Centre Improvements	Chief Executive	Head of Sport & Leisure	300	107	107	193	See Main report		
LV Hockey & Tennis Centre SE Grant	Chief Executive	Head of Sport & Leisure	(300)	0	(230)	(70)	See Main report		
Landscaping (Eton Manor Allotments Site)	Director Corp. Services	Head of Parklands	57	(6)	57	0	On Target		
Landscaping Contributions(Eton Manor Allotments Site)	Director Corp. Services	Head of Parklands	(146)	(141)	(146)	0	Scheme Complete		
Dobbs Weir Campsite Re-opening Phase 2-6	Director Fin & Resources	APMD Section Manager	1,900	4	1,100	800	See Main Report		
Three Mills Development	Director Corp. Services	Head of Parklands	5	5	5	0	Scheme Complete		
River Lee Country Park - Natural Play	Director Corp. Services	Head of Parklands	5	7	7	(2)	Scheme Complete		
Holyfield Hall Farm - Redevelopment	Director Corp. Services	Head of Parklands	200	0	50	150	See Main report		
Major Events Infrastructure	Chief Executive	Head of Sport & Leisure	200	0	0	200	See Main report		
Small Schemes Development Fund - Trust	Chief Executive	MD Trust	409	99	409	0	On Target		
Net Programme			5,469	1,020	3,926	1,543			
Total Capital Expenditure			5,915	1,161	4,302	1,613			
Total Capital Income			(446)	(141)	(376)	(70)			
Net Programme			5,469	1,020	3,926	1,543			

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