

## North York Moors National Park Authority Finance, Risk Audit and Standards Committee

1 September 2020

### Quarter 1 2020/21 Finance Update

#### 1. Purpose of the Report

- 1.1 To provide Members with a budget and reserve update for the financial year 2020/21, report the actual income and expenditure as at 30 June 2020 and to provide the latest forecast outturn for 2020/21.

#### 2. Background

- 2.1 This report details the position of income and expenditure to 30 June 2020 compared with the budget, highlighting any key issues to bring to members' attention, along with a forecast outturn.
- 2.2 The original budget was set at full Authority in March 2020. However, as a result of the coronavirus pandemic, a revised budget has been set which was approved by Members in July. This paper reports progress against the revised budget.
- 2.3 The pandemic has put substantial pressure on earned income in particular, and the revised budget has been set to cater for a 6 months closure of key income earning facilities such as car parks, planning and visitor centres. Changes to the key assumptions underpinning the revised budget will be revisited through forecasts in the quarterly updates. Officers will continue to review forecasts through the year.

#### 3. Budget Changes

- 3.1 The table below shows the current budget summary at Q1 and reflects the movements from the original budget approved in March and the revised budget agreed in July. There has been a matching increase in both income and expenditure of £256k for changes to externally funded projects.

<b>2020/21 Budget Summary</b>				
	<b>2020/21 Original Budget</b>	<b>2020/21 Revised Budget</b>	<b>2020/21 Latest Budget</b>	<b>2020/21 Change in Budget</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>
<b>Gross Income</b>	10,715	10,116	10,372	256
<b>Gross Expenditure</b>	-10,818	-10,493	-10,749	-256
<b>Net Contribution from Reserves</b>	<b>-103</b>	<b>-377</b>	<b>-377</b>	<b>0</b>

#### 4. Financial Performance Overview

- 4.1 The table below summarises the current position as at 30 June 2020.

Income and Expenditure - Q1	Profile Budget	Year to Date Actual	Year to Date Variance	Full Year Current Budget	Full Year Forecast Outturn	Full Year Variance
	Jun-20	Jun-20	Jun-20	Mar-21	Mar-21	Mar-21
<b>Income</b>						
Earned & External Income	457	406	-51	3,541	3,598	57
NPG Grant Income	1,258	1,258	0	4,382	4,382	0
S106 Compensation & Mitigation	755	881	126	2,439	2,439	0
<b>Total Income</b>	<b>2,470</b>	<b>2,545</b>	<b>75</b>	<b>10,362</b>	<b>10,419</b>	<b>57</b>
<b>Expenditure</b>						
Core Expenditure	-1,768	-1,490	278	-8,300	-8,357	-57
S106 Compensation & Mitigation	-483	-403	80	-2,439	-2,439	0
<b>Total Expenditure</b>	<b>-2,251</b>	<b>-1,893</b>	<b>358</b>	<b>-10,739</b>	<b>-10,796</b>	<b>-57</b>
<b>Total Surplus / Deficit</b>	<b>219</b>	<b>652</b>	<b>433</b>	<b>-377</b>	<b>-377</b>	<b>0</b>

- 4.2 The numbers indicate a £433k surplus in the year to date. This surplus has been caused partially as a result of timing issues on S106 and externally funded projects. More details on S106 this can be found in section 8.
- 4.3 Spending in all non essential areas was held in the first quarter of the year whilst a revised budget was set and the implications of the pandemic on income were fully understood. As a result, expenditure is below the levels that would have been expected in the first quarter, but this is expected to catch up now that the revised budget has been approved.
- 4.4 The revised budget is based on the closure of facilities until the end of September. Car park and visitor centre facilities have opened earlier than this, so there is additional income included in the forecast. The forecast ensures that any additional income is allocated to expenditure to minimise the risk of an underspend at the end of the year and to ensure delivery of as much activity as possible in the year.
- 4.5 Key areas of income and expenditure variances are detailed below with additional detail in **Appendices 1 and 2**.
5. **Income**
- 5.1 Non-S106 income is currently £51k lower than the profile budget at the end of quarter 1, but this is driven by the timing of expenditure in external projects and claims accrued at the end of the last financial year where claims have been delayed due to Covid-19. The underlying earned income performance is £38k ahead at the end of June, principally driven by car parking and planning. S106 income is ahead of expectations as more money than originally anticipated has been paid early in the year. Further details on S106 can be found in section 8.
- 5.2 The key earned income streams are illustrated below.

## 5.3

Earned Income	Profile Budget	Year to Date Actual	Year to Date Variance	Full Year Current Budget	Full Year Forecast Outturn	Full Year Variance
	Jun-20	Jun-20	Jun-20	Mar-21	Mar-21	Mar-21
	£k	£k	£k	£k	£k	£k
Car Parking	0	32	32	186	275	89
Visitor Centres	0	0	0	80	87	7
Planning Fees	50	64	14	199	199	0
Other	19	11	-8	198	203	5
<b>Total</b>	<b>69</b>	<b>107</b>	<b>38</b>	<b>663</b>	<b>764</b>	<b>101</b>

- 5.4 The revised budget assumes that car parking facilities will remain closed until end of September. As a result of changes to lockdown, the car parks opened up in early June, resulting in some income in the quarter. Forecasts for car parking are conservative and based on the trend from June and July. Given the value of car parking income, it has been considered too risky to forecast car park income for the remainder of the year. Therefore a second period of lockdown has been assumed with no income in the final quarter of the year to ensure that we don't overcommit funds at this early stage of the year. This will be revisited at quarter 2.
- 5.5 Visitor centre retail facilities had not reopened at the end of the quarter, but have now done so in a limited way. Whilst the assumption in the budget is that these would remain closed until September, some caution is taken in this forecast as an indoor environment and restrictions on numbers allowed into the retail space may impact on retail sales and footfall for much of the year. No increase in the budget is assumed in the forecast at this stage.
- 5.6 The reopening of these facilities means that many of the staff that were placed on furlough have now returned to work, which will result in less money being claimed from the furlough scheme than expected in the revised budget. More on the furlough scheme can be found in section 7.
- 5.7 Planning application fees have shown little sign of slowing and are up and indeed are up against the original budget. The revised budget was reduced to 80%, and forecasts remain at this level for now whilst the full economic impacts of the pandemic are uncertain. This will be revisited at quarter 2.
- 5.8 The gallery exhibitions and events remain closed throughout the quarter 1 and have just reopened in August though many events and all the guided walks programme are cancelled for the full year.
- 5.9 At the end of quarter 1, income from rentals of Authority owned land and property are expected to be unaffected. Donations are currently exceeding expectation, but capacity to deliver third party income for staff time or sponsorship is expected to be limited and has been reforecast at £11k reduction in income. Interest returns were higher than anticipated, as there is a tapering effect from the reductions in the Bank of England base rate resulting in an additional £10k of income for the year. It has been confirmed that an additional £6k of archaeology income will be received in year.

## 6. Expenditure

6.1 Expenditure is below the profile budget by £358k at the end of the quarter. This is mainly due to non-essential spending being held whilst the full impacts of the pandemic were understood and a revised budget could be set. In addition, lockdown meant there were some restrictions on what could be delivered in this period and it has created substantial pressures on staff resources. It is expected that the majority of all year to date expenditure variances are down to timing and will catch up. There are two exceptions which are listed below :-

- Business rates. It is now confirmed that the visitor centres will receive rate relief for the current financial year. This will reduce expenditure by £34k in the current financial year.
- The saving in business rates will help to fund a couple of areas where costs are higher than anticipated. An additional budget of £25k has been provided to assist with covid-19 support including PPE and additional IT support. Also, with the visitor centres having reopened, the additional cleaning and staffing requirements to meet the new standards will cost an additional £5k in the year.

6.2 A forecast has been made at quarter 1 which increases the costs by £57k. The key movements are :-

- Additional £30k of costs relating to additional spend for reopening of facilities and office spaces and £34k of business rates savings as mentioned in 6.1.
- A further £38k of costs will be incurred due to earlier opening of facilities. This includes restoration of maintenance budgets at all sites which were coming under increasing pressure.
- The Authority has leased a green vehicle rather than acquiring one. This saves £2.5k overall with a reduction to reserve contributions being partly offset by the lease costs which are expected to commence in August.
- The balance in the forecast of £23k has been added to the rural recovery pot, bringing this up to £264k.

## 7. Furlough Scheme and Government Support

7.1 The revised budget includes income from schemes run by Central Government to support the economy through the pandemic. The Authority has received £70k in business grants relating to the visitor centres and Spout House properties and will receive £34k full rates relief on these for the 2020/21 financial year.

7.2 In addition, the Authority has accessed the Coronavirus Job Retention Scheme for furloughed staff who work in areas directly funded by earned income streams. In the budget this was expected to raise £110k on the basis of staff being furloughed until the end of September. Staff have been returning to work earlier than anticipated, and claims are expected to end from August onwards. Forecast indicates £44k less being claimed than anticipated in the year, which will be more than offset by the increase in car park income.

## 8. S106 – Polyhalite Update

8.1 Expenditure in Q1 was slightly lower than budget at £403k against £483k.

8.2 The main variance in expenditure is related to a payment due to be made to Welcome to Yorkshire of £220k being retained by the Authority due to ongoing capacity issues within Welcome to Yorkshire. The programme of work due under this contribution will be organised by the Authority and delivered by contractors for 2020/21.

8.3 The remaining variance is due to issues related to the timing of projects to be delivered under Landscape & Ecology due to delays related to Covid19.

## 9. Reserves

9.1 The opening reserves balance for 2020/21 is £2.578m and is detailed in the table below.

Reserve Summary (£k)	2020/21 Opening Position	Movement in Reserves at Q1	2020/21 Current Position
Emergency Reserve	385	0	385
TELI Match Funding	381	0	381
Section 106 Reserve	628	0	628
<b>Restricted and Committed Reserves</b>	<b>1,394</b>	<b>0</b>	<b>1,394</b>
Capital : Sutton Bank Visitor Centre	50	0	50
Capital : Vehicle Replacements	60	0	60
Capital : IT Replacements	55	0	55
Capital : Office Building Works	280	0	280
Projects : Ryevitalise Match Funding	153	0	153
Projects : Asset Income Generation	80	-5	75
Projects : Climate change post	18	0	18
Projects : Car park machines	115	0	115
Projects : Disability access routes	8	0	8
Allocated to support 20/21	115	0	115
2019/20 carry forwards	52	-8	44
<b>Committee Approved Reserves</b>	<b>986</b>	<b>-13</b>	<b>973</b>
General Unallocated Reserve	198	0	198
<b>Total Reserve Balance</b>	<b>2,578</b>	<b>-13</b>	<b>2,565</b>

9.2 The TEL, Rye and S106 reserves is balanced at the end of the year when the activity for the year and the income in advance is recalculated.

9.3 Due to limited spend and activity on many projects in the first quarter, no reserves have been released against spend at this point, but it is expected that this will change in quarter 2.

9.4 The use of reserves as approved in the July budget paper is now shown within the committee approved reserves.

## 10. Major Project Financial Updates

### 10.1 Land of Iron

10.1.1 Work has started on the Rail Trail Bridges building conservation work, under a £150k contract with UK Restoration Services.

- 10.1.2 Work planned for Warren Moor Mine was cancelled at the last minute due to coronavirus and public access concerns from the landowner. The budget has subsequently been reallocated under the waivers and work is underway on these sites.
- 10.1.3 Interpretation work is now all complete with the cast iron models in place and Moors Centre finished.
- 10.1.4 Land management and other work continues to meet profile and is on target to be completed by project end of 31 March 2021.
- 10.1.5 Final project evaluation is underway with largely video conference and telephone interviews rather than face to face meetings.
- 10.1.6 Total spend in Q1 was £144k and a grant of £115k from the Heritage Fund will be received towards this. £715k remains to be spent in 2020/21, all of which is committed or allocated to works. The total project value is £3.9m or £4.3m including volunteer time.

## 10.2 **Ryevitalise**

- 10.2.1 The Ryevitalise Field Officer was successfully recruited; Samantha Lewsey joined the project team on 20/04/2020 and has integrated into the team really well, picking up several large projects such as our Citizen Science programme which is fantastic, especially under the unusual circumstances of joining the team during Covid-19 lockdown.
- 10.2.2 With the Ryevitalise project team working from home due to Covid-19 restrictions, efforts this quarter were focussed on procuring consultants for a range of works:
- Appointed the BTO to undertake the citizen science bat survey coordination contract, including website hosting, acoustic data processing and validation for *Small and Tall*
  - Invited and assessed written quotations for contractors to carry out INNS control work; over 90 land owners were contacted through June to secure access permissions to control Himalayan balsam
  - Invited and assessed written quotations for contractors to carry out general conservation works, creating a list of ranked (by price and experience) local contractors we can use throughout the project
  - Invitation to Quote document advertised through My Tenders to procure the services of consultant to lead and support delivery of *Rye Reflections*
  - Invitation to quote document drafted to appoint interpretation specialist to develop Sutton Bank National Park Centre interior design and engagement work; an updated Ryevitalise Interpretation plan has also been produced
- 10.2.3 Despite some delays due to Covid-19 the majority of Conservation and Woodland Agreements are underway and grant claims are being received. As lockdown restrictions are easing the team have been able to re-start site visits to potential Year 2 Agreement holders, being mindful of the local community's sensitivities in granting access permissions at this time.
- 10.2.4 Our Lidar Landscape volunteering initiative has been a great example of adapting to new ways of working during lockdown, altering training from group workshops to online resources; 35 volunteers have been allocated 1KM grid squares to commence phase one of our historic landscape assessment. As we begin a phased return to other volunteering in line with NYMNP guidelines all volunteer role profiles and risk assessments have been updated to reflect risks posed by Covid-19. Eight Riverfly Monitoring volunteers as of June 2020 returned to monitoring, carrying out their first

visit with our Field Officer or Education and Engagement Officer (socially distancing of course). The Woodland Trust have also been developing digital training resources for our **Small and Tall** volunteer veteran tree surveyors which we hope to re-launch in summer/autumn.

10.2.5 The Ryevitalise Newsletter was launched in April and this regular publication has already engaged with 461 people. The Ryevitalise Facebook Group launched in June; this is our principal social media channel and we are beginning to build our following as well as continuing to contribute to key NYMNPA media channels. A communications strategy and supporting 'Communications Guide' has been developed to help integrate and coordinate communications between partner organisations to better engage with key audiences.

10.2.6 From week commencing 16 March all activities were put on hold in a response to Covid-19 with all project staff working from home as of 18 March.

10.2.7 A comprehensive events plan was about to pick up pace but all such events had to be cancelled, these included the National Trust's Rivers Easter Weekend (10-13 April), World Fish Migration Day (16 May), and our Ryevitalise Launch week which was confirmed for 25-29 May 2020, with the following activities planned;

- 25 May – Ryevitalise launch at Sutton Bank
- 25 May – evening bat walk at Rievaulx Terrace (bookable event)
- 26 May – Mapping with Chris Goddard (bookable event)
- 27 May – River Discovery Day (Riverfly Monitoring, fly tying and casting)
- 28 – Heritage Day (bookable event)
- 29 – Woodland wander in Helmsley Deer Park (bookable event)

10.2.8 A summary of the safety measures put in place by Ryevitalise and lead partner the North York Moors National Park Authority with regard to Covid-19 are as follows:

- Ryevitalise team are all still working from home and no site visits were undertaken by staff between 20/03/2020 and 11/05/2020, however site visits were permitted (providing social distancing measures could be followed) from 12/05/2020.
- Between 20/03/2020 and 20/05/2020 Ryevitalise did not award any new contracts, and no contractor work was carried out on site (except for a few agreement holders who were undertaking their own work as long as social distancing can be followed).
- All volunteering and training activities were cancelled, with only home-based volunteering opportunities permitted until 03/06/2020 when a phased return to volunteering was agreed for specific roles only.

10.2.9 Spend: £97,423 (cash) was spent from April - June 2020, principally on; salary costs, Conservation/Conservation Woodland Agreement grant claims, Citizen Science equipment, staff training and IT equipment.

Income: The 'Blue Corridors' ERDF first round expression of interest (to try to secure £200K of match funding) was approved and a full application was subsequently submitted on 31 March. The decision process was delayed in light of Covid-19 but our application is now being reviewed.

10.2.10 An application was also submitted to Clif Bar for £10K to support the Ryevitalise bat monitoring Citizen Science project; we are delighted to announce we have been successful. Match-funding secured since the Stage 2 bid was submitted is as follows;

<b>Funding Source</b>	<b>Match contribution (£)</b>
National Park (underspend from 2018/19)	1,513
Woodland Trust (due to sign up as official partner)	8,432
Environment Agency	5,620
Howardian Hills AONB	649
Natural England	649
East Yorkshire Rivers Trust	432
Forest Holidays	9,413
Clif Bar	10,000
<b>Total</b>	<b>36,708</b>

### 10.3 Sutton Bank Project

10.3.1 The successful funding bid to ERDF for the Sutton Bank project is nearly 100% funded to the value of £702k with match funding of £8.2k which will deliver cycling trails, dark skies hide and additional car parking for C55 cars.

10.3.2 To date, the Cycle tracks and pump track are complete and due to open to the public in August, though publicity will not be undertaken until feedback has been received, issues rectified and the surface properly bedded in. The car park is also completed and should be open for use in late August. It remains to; sow seed on bare areas in September; erect the building (due September); install the interpretation (due November); agree the footpath diversion (due November).

10.3.3 The first grant claim for £325k has been submitted and approved. Deadline for completion of the whole project and submission of the final claim is 10 December 2020.

### 11. Waivers and Virements

11.1 There were two waivers in quarter 1 on the Land of Iron project. Details of these can be found in **Appendix 3**.

11.2 There have been no virements over £50k in the first quarter to report to FRASC.

### 12. Conclusion

12.1 The first quarter has been heavily disrupted by the pandemic, both in terms of spend, facilities and staff resources. As a result, some areas of spend are a little behind but this is expected to catch up.

12.2 The revised budget was set at the end of July with a number of assumptions including facilities remaining closed until the end of September. As some of these facilities have opened earlier, this update includes a forecast for additional income from car parks. In line with facilities reopening there will be also be additional costs including reduced claims from the Coronavirus Job Retention Scheme as staff coming back from furlough. A net additional surplus of £23k has been added to the rural recovery pot at the end of quarter 1, increasing this to £264k.



12.3 As far as is possible with covid-19 restrictions, S106 and externally funded projects have continued throughout the period. There will be some delays to projects as a result of the pandemic and reassurances have been sought from external funders in terms of providing flexibility in timescales and outcomes should they be affected.

13. **Recommendations**

13.1 That Members note the report.

## 2020/21 Income and Expenditure Summary as at 30th June 2020

Income	Budget Quarter 1	Actual Quarter 1	Variance Quarter 1	Revised Budget	Forecast Outturn	Full Year Variance	Forecast commentary
	£k	£k	£k	£k	£k	£k	
Natural Environment	244	226	-18	1,240	1,246	6	Confirmation of higher archaeology income.
Cultural Heritage	0	1	1	515	515	0	
Recreation Management	25	19	-7	430	519	89	Car park income due to earlier reopening.
Promoting Understanding	0	-22	-22	904	911	7	Sutton Bank spend (claim in July). Forecast for retail sales with earlier opening offset by increased expenditure.
Rangers and Volunteers	0	0	0	0	0	0	
Development Management	50	64	14	211	211	0	Planning fees ahead of profile at quarter 1.
Forward Planning	0	0	0	15	15	0	
Corporate and Democratic Core	138	119	-18	226	181	-45	Lower claim from CJRS scheme plus sponsorship and third party income forecasts reduced. Offset by higher investment interest.
DEFRA Grant	1,258	1,258	0	4,382	4,382	0	
<b>Total Function Income</b>	<b>1,715</b>	<b>1,665</b>	<b>-50</b>	<b>7,922</b>	<b>7,979</b>	<b>57</b>	
S106 Compensation & Mitigation	755	881	126	2,440	2,440	0	
<b>Total Income</b>	<b>2,470</b>	<b>2,546</b>	<b>75</b>	<b>10,362</b>	<b>10,419</b>	<b>57</b>	
<b>Expenditure</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	
Natural Environment	-319	-201	118	-1,857	-1,857	0	Delays in WEG project at Q1.
Cultural Heritage	-167	-155	12	-717	-717	0	Delays in MFF project at Q1.
Recreation Management	-209	-128	80	-1,297	-1,306	-9	Delay in paying 19/20 creditors due to covid and underspend on access routes expected to catch up. Forecast for maintenance and reopening spend plus website redevelopment offset by savings on vehicles and car park machine replacement.
Promoting Understanding	-395	-356	39	-2,078	-2,070	8	Rates relief at visitor centres partly offset by increase in costs of reopening facilities earlier.
Rangers and Volunteers	-133	-133	0	-766	-774	-9	Costs of fuel, tools and maintenance associated with reopening earlier.
Development Management	-141	-127	14	-750	-750	0	Underspend on legal costs at Q1.
Forward Planning	-31	-25	5	-292	-292	0	
Corporate and Democratic Core	-372	-364	8	-542	-589	-48	IT spend slightly lower at Q1, expected to catch up. Forecast for additional covid expenditure and increase in the rural recovery pot value.
<b>Total Function Expenditure</b>	<b>-1,768</b>	<b>-1,490</b>	<b>278</b>	<b>-8,300</b>	<b>-8,357</b>	<b>-57</b>	
S106 Compensation & Mitigation	-483	-403	80	-2,440	-2,440	0	
<b>Total Expenditure</b>	<b>-2,251</b>	<b>-1,893</b>	<b>358</b>	<b>-10,739</b>	<b>-10,796</b>	<b>-57</b>	
<b>NET SURPLUS/ DEFICIT</b>	<b>219</b>	<b>653</b>	<b>433</b>	<b>-377</b>	<b>-377</b>	<b>0</b>	

<b>Appendix 2</b>	<b>Budget Quarter 1</b>	<b>Actual Quarter 1</b>	<b>Variance Quarter 1</b>	<b>Revised Budget</b>	<b>Forecast Outturn</b>	<b>Full Year Variance</b>
<b>Income Type</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>
Other External Grants (Excluding DEFRA)	328	244	-84	2584	2584	0
Retail Sales	0	1	1	83	90	7
Planning Fee Income (including planning S106)	50	64	14	211	211	0
Car Park Income	0	31	31	186	275	89
Donations	0	5	5	8	8	0
Other Income	13	12	-1	163	114	-49
Match Funding	66	64	-2	282	282	0
Capital Receipts	0	0	0	15	15	0
Investment Income	0	0	0	8	18	10
Section 106 Income	755	866	111	2439	2439	0
DEFRA GRANT	1258	1258	0	4382	4382	0
<b>Total Income</b>	<b>2470</b>	<b>2545</b>	<b>75</b>	<b>10361</b>	<b>10418</b>	<b>57</b>
<b>Expenditure Type</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>
Employees (excluding S106 employees)	-877	-944	-67	-3534	-3534	0
Premises	-69	-32	37	-299	-299	0
Transport	-16	-10	6	-108	-108	0
Supplies and Services	-722	-441	281	-4032	-4089	-57
Third Party Payments	-84	-63	21	-378	-378	0
Section 106 Expenditure	-483	-403	80	-2439	-2439	0
<b>Total Expenditure</b>	<b>-2251</b>	<b>-1893</b>	<b>358</b>	<b>-10790</b>	<b>-10847</b>	<b>-57</b>

Appendix 3 – Waivers 2019/20			
Waiver Period	Description	Final contract price	Reason for Waiver
Q1	Farm Access Bridge – Land of Iron Project	£23,296	The time required for seeking 3 quotes (3-4 weeks) and contractor mobilisation (4-5 weeks) mean that the only option for successfully completing additional building conservation works in 2020 is to utilise the existing contractor on site at Twin Arch Bridge. Furthermore, work to Farm Access Bridge is in such close proximity to Twin Arch Bridge that it would be almost impossible for a separate contractor to work on these sites at the same time as UKRS are working on Twin Arch Bridge, and to achieve this would require additional payments to UKRS for unanticipated restrictions in their delivery.
Q1	North Bridge – Land of Iron Project	£37,424	The time required for seeking 3 quotes (3-4 weeks) and contractor mobilisation (4-5 weeks) mean that the only option for successfully completing additional building conservation works in 2020 is to utilise the existing contractor on site at Twin Arch Bridge. Furthermore, work to North Bridge is in such close proximity to Twin Arch Bridge that it would be almost impossible for a separate contractor to work on these sites at the same time as UKRS are working on Twin Arch Bridge, and to achieve this would require additional payments to UKRS for unanticipated restrictions in their delivery.