

Development Committee

Quarterly Finance Report

Report Period: Quarter 4 2011/12



Dashboard: Quarter 4, 2011/12

| Strategic Element: Financial Planning | Variance £,000 (under)/ Over Q3 | Indicator % Q3 | Variance £,000 (under)/ Over Q4 | Indicator % Q4 | | | Page no |
|---------------------------------------|---|--------------------------|---|--------------------------|---|---|------------|
| Year to date variance | | | | | | | 3 |
| BCC | (3,240) | (3.7)% | (1,870) | (1.6)% | G | ↑ | |
| • Development Committee | (12) | (0.1)% | (125) | (0.6)% | G | ↓ | |
| ○ Community Services | (133) | (2.8)% | (122) | (2.2)% | G | ↑ | |
| ○ City Events and Venues | 93 | 2.7% | 224 | 5.4% | R | ↓ | |
| ○ Economic Initiatives | 34 | 0.7% | (41) | (0.7)% | G | ↓ | |
| ○ Directorate | (5) | (0.2)% | (185) | (4.8)% | A | ↓ | |

Executive Summary

The 2011/12 Quarter Four Dashboard indicates that the Development Department as a whole recorded a net under spend of £125k (0.6%) for the 2011/12 Financial Year – under spends of £122k in Community Services; £41k in Economic Initiatives; £185k in Directorate are offset by an over spend of £224k in City Events & venues.

Further analysis indicated that there are four key reasons for the Department's combined net under spend for the year:

- In relation to income, the Development Department earned or generated an additional £1,202,000 (15.5%) of income in 2011/12 in excess of its original income budget for the year.

Within the additional £1,202,000, there was £602,000 which was generated as a result of additional EU funding and was matched by expenditure.

The Development Department earned an additional £600,000 of income which was not budgeted, this was achieved by taking advantage of external grant funding opportunities, having increased bookings of hire facilities at Whiterock and Finaghy Community Centres plus additional income from the Summer Scheme programmes, and increased revenue earned from the Continental Christmas Market and Sunday market days. At the end of the year, this exceptional income was transferred to specified reserves as a provision for future city events.

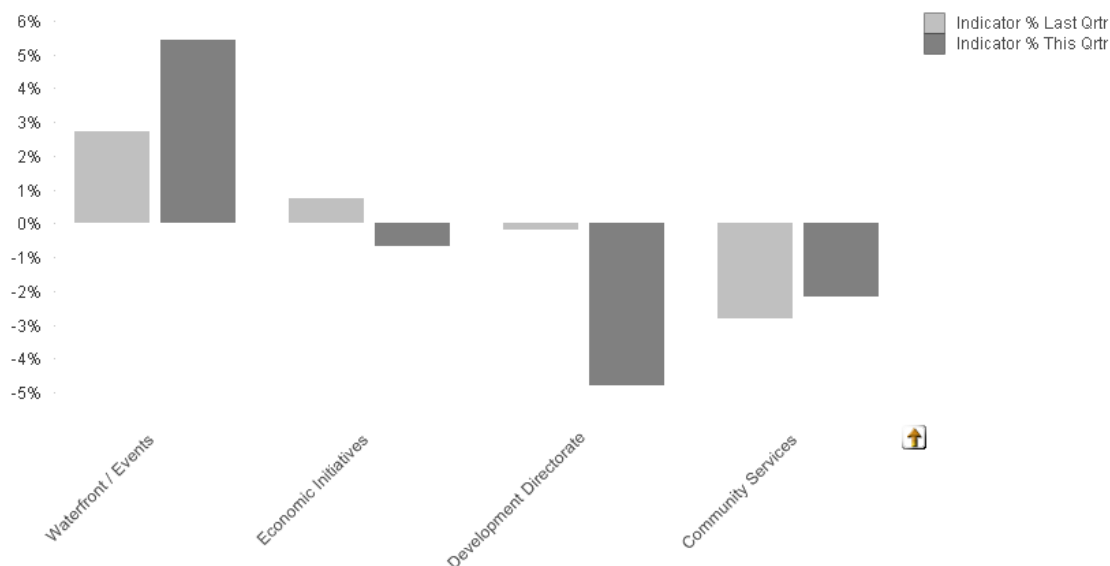
Gross expenditure for the year was over spent by £476,000. The main reasons were :

- Subscriptions and Grants were over spent by £633,000 which is matched by additional income, in relation to Open Cities and B Team partner payments.
- Employee costs were over spent by £47,000 as a result of unbudgeted staff costs in regards to EU grant funded projects and overtime costs for the Sunday markets which is matched by additional income as detailed above.
- There are savings in Supplies and Services costs totalling £222,000, this is in relation to an under spend in hired and contracted services due to reduced project costs. There are also under spends in licence and operational consumable costs.

During the year, the Department have also been able to plan and make provision for future projects and events and to this end a total of £420k was transferred in year to Specified Reserves and this includes £275k for Renewing the Routes, £75k for the Olympic Torch and £70k for Neighbourhood Renewal Pilots.

Year End % variance

This indicator calculates the difference between the budgeted net expenditure and the actual net expenditure as a percentage. It is reported for the year to date.



Commentary and action required

- Community Services** is £122k (2.2%) under spent against net budget of £5.7million at the end of the 2011/2012 financial year.

During the year the Service generated an additional £18,000 from grant funding and was matched by expenditure.

The Service gross expenditure budget of £7.4m is under spent by £104,000 (1.4%). This is related to an under spend in Supplies and Services which includes licence costs, uniforms, operational consumables and printing and stationery costs. Transport costs were also under- utilised within the financial year.

Exceptional income of £24,000 was identified as a result of increased bookings of hire facilities at Whiterock and Finaghy Community Centres, and also additional income from the Summer Scheme programmes. This was transferred to specified reserves at year end.

- City Events and Venues** is over spent by £224,000 against net budget of £4.1 million at the end of the 2011/2012 financial year.

Income is more than budgeted by £638,000. Within this, City Events income is more than budgeted by £602,000 (669%) and WFH/UH income is more than budgeted by £36,000 (1.1%).

City Events - From the £602,000, a total of £467,000 was mainly related to the MTV EMAs and was matched by expenditure.

In addition, City Events and Venues were able to generate a total of £185,000 of income which was above budget and did not incur any additional expenditure. This was in relation to an additional £100,000 for the MTV EMA's, £35,000 in relation to the finalisation of the Tall Ships Events 2009 and £50,000 relating to WFH/UH income. This exceptional income was transferred to specified reserve at the end of the financial year.

The Service gross expenditure budget of £7.5m is over spent by £677,000 (9%) Within this, an overspend of £456,000 (25%) relates to City Events and an overspend of £221,000 (3.9%) relates to the Waterfront and Ulster Halls.

City Events had an over spend of £456,000, the majority of which relates to expenditure for the MTV EMA's which was not budgeted but was matched by additional income as detailed above. Other areas of over spend were as a result of variations from the normal schedule of events.

The WFH/UH over spend of £221,000 relates to an increase in supplies and services to include hired and contracted services, legal fees and compensation claims which were not budgeted.

- **Economic Initiatives** is under spent by £41,000 (0.7%) against net budget of £6.1 million at the end of the 2011/12 financial year.

Income is more than budgeted by £400,000 (16%). Within this, £380,000 additional income was generated by continuing to take advantage of funding opportunities and successfully levered an additional £190,000 in a contribution from the NITB in relation to Titanic and Maritime Signage. Additional revenue of £116,000 was also generated from the Christmas Continental Market and Sunday market days. Planning and Transport received income of £65,000 in relation to an internal trading charge not being raised from Property and Projects. This exceptional income was transferred to specified reserves at the end of the financial year.

Gross expenditure is under spent by £20,000 which relates to under utilisation in hired and contracted services.

Within expenditure, £275,000 was moved in year to the specified reserves account in relation to the Renewing the Routes programme.

- **Directorate** is £185,000 under spent against net budget of £3.9 million at the end of the 2011/2012 financial year.

Income is £122,000 (66%) more than budgeted.

There is an additional £107,000 of income which relates to Open Cities and Intereg grants and is matched by expenditure.

A total of £15,000 generated from the Department receiving income for staff secondments to external bodies and small rental claims. The exceptional income was transferred to specified reserve at year end.

The service gross expenditure budget of £4.1m is under spent by £77,000 (1.9%). Employee costs are under spent by £162,000 due to vacant posts not

being filled and the training budget not being utilised as a result of this. The Department has an over spend in grants totalling £72,000 in relation to Open Cities partner payments.

Within expenditure, £145,000 was moved in year to the specified reserves account in relation to £75,000 for the Olympic Torch and £70,000 for Neighbourhood Renewal Pilots.

Period 9 Forecast Vs Year-end Actual Outturn

In terms of forecasting, the initial Period 9 year-end forecast under spend of £350k reduced to £125k by the year-end.

The £350k included exceptional income of £203k in the European Unit, Business Support, Markets and Community Services, and was transferred to specified reserves at the end of the financial year.

Development Committee - Main Items of Expenditure

| | Plan | Actual | Variance | |
|-------------------------------------|---------------|---------------|--------------|---------------|
| | Annual | At Year End | YTD | |
| | £'000 | £'000 | £'000 | % Variance |
| Development Committee | 19,815 | 19,690 | (125) | (0.6)% |
| Community Services | 5,666 | 5,544 | (122) | (2.2)% |
| City Events and Venues | 4,128 | 4,351 | 223 | 5.4% |
| Waterfront/Ulster Hall | 2,425 | 2,660 | 235 | 9.7% |
| City Events | 1,703 | 1,691 | (12) | (0.7)% |
| Economic Initiatives Section | 6,141 | 6,100 | (41) | (0.7)% |
| Tourism Unit | 4,092 | 4,367 | 275 | 6.7% |
| Economic Development | 1,127 | 909 | (218) | (19.3)% |
| Planning and Transport | 881 | 794 | (87) | (9.9)% |
| Planning and Development | 41 | 30 | (11) | (26.8)% |
| Directorate | 3,881 | 3,696 | (185) | (4.8)% |
| City Development | 878 | 891 | 13 | 1.5% |
| Development Business Support | 1,865 | 1,794 | (71) | (3.8)% |
| European Unit | 246 | 232 | (14) | (5.7)% |
| Policy and Research | 536 | 466 | (70) | (13.1)% |
| SNAP | 356 | 313 | (43) | (12.1)% |

