















Development Committee



Quarterly Finance Report

Report Period: Quarter 1, 2012/13

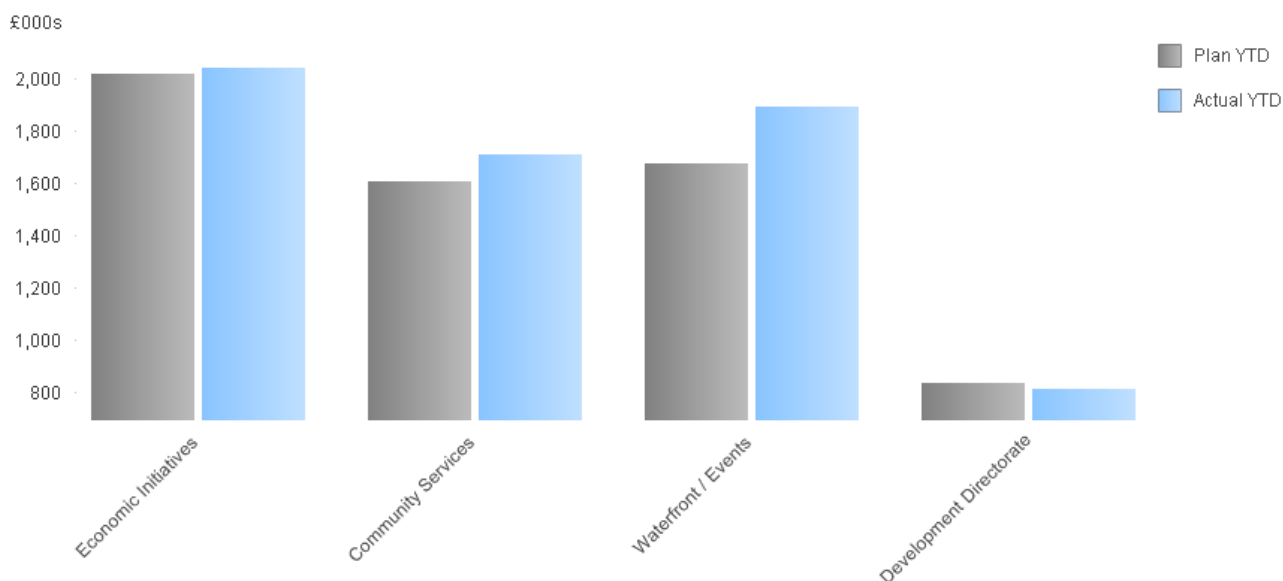
Dashboard

Revenue Section							Page
Service	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %	3&4
Development Directorate		(20)	(2.4)%		(70)	(1.8)%	
Community Services		100	6.2%		(50)	(0.9)%	
Waterfront / Events		215	12.8%		0	0.0%	
Economic Initiatives		20	1.0%		0	0.0%	
Committee Total		315	5.1%		(120)	(0.6)%	
Total of all Committees	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %	
Belfast City Council		(1,014)	(3.3)%		(927)	(0.8)%	

Note: Total of all committees is draft until ratified by SP&R.

Key Performance Indicators (KPI)				Page
KPI	Actual	Target		
Compliant Purchases	66.8%	85.0%		5
Timeliness Of Goods On System	47.2%	75.0%		6

Committee Net Revenue Expenditure: Year to Date Position



Commentary and action required:

Community Services is over spent by £100,000 at the end of Quarter 1 (Budgeted expenditure: £1,606,655; Actual expenditure: £1,706,755).

The primary reason for this over spend is that grant payments have been made earlier than anticipated in relation to budget profiles resulting in a variance of £240k which is offset by under spends of £97k in employee costs and £43k in supplies and services.

City Events and Venues is over spent by £215,000 at the end of Quarter 1 (Budgeted expenditure: £1,675,464; Actual expenditure: £1,890,224).

This over spend was as a result of profiling issues due to variations in spend and income against profiles. Relevant budgets will be reprofiled in the next accounting period.

Economic Initiatives is over spent by £20,000 at the end of Quarter 1.

The reason for this variance was an increased spend in supplies and services which varied from the original profile, this will self correct in future periods.

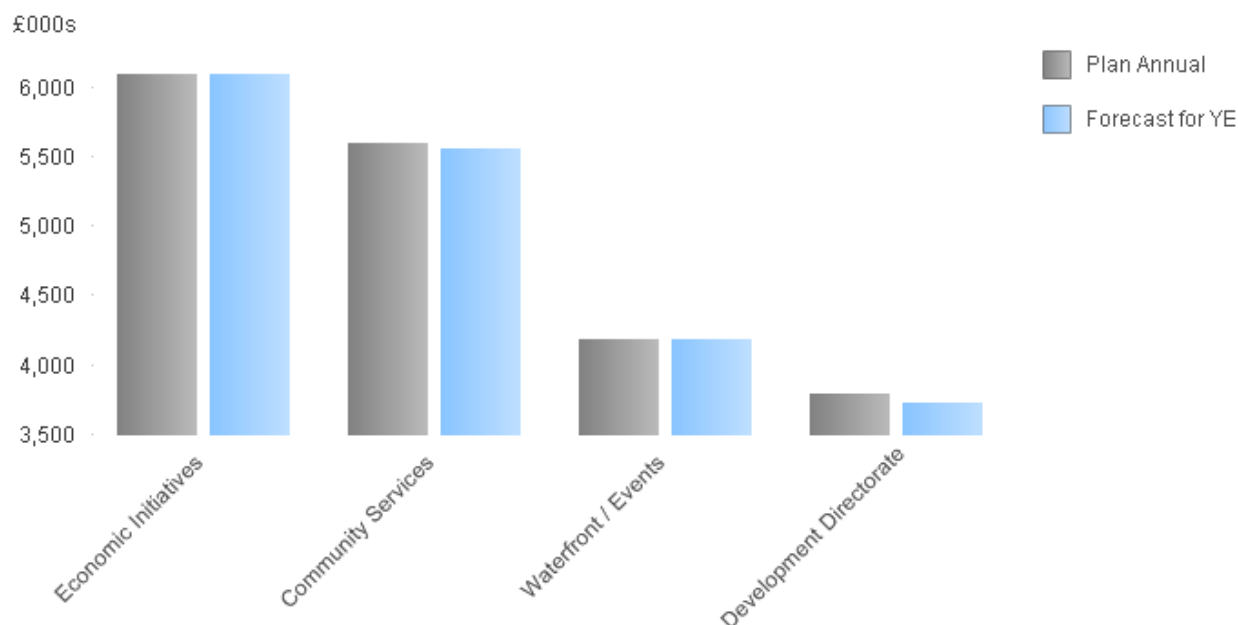
Directorate is under spent by £20,000 at the end of Quarter 1.

(Budgeted expenditure: £833,331; Actual expenditure: £813,476).

The under spend can be attributed to the following factors:

- A £51,000 under spend due to a number of vacant posts £40k and training £11k.
- A £29,000 over spend in hired and contracted services due to expenditure being out of line with profile and this will self correct in future periods.

Committee Net Revenue Expenditure: Forecast for Year End (YE)



Commentary and action required:

It is currently forecast that the Development Department will be under spent by £120k (0.6%) at year end.

- Community Services is forecast to be £50k (0.9%) under budget at year end as a result of vacant posts within Community Facilities at the beginning of the year.
- Economic Initiatives is forecast to be on budget at the year-end.
- Directorate is forecast to be £70k (1.8%) under budget at year end as a result of vacant posts in Business Support, Policy and SNAP units.
- Finally, the City Events and Venues Section are forecast to be on budget at year end.

Forecast for Reserves:

Renewing the Routes and SNAP: £645k.

The programme is in the process of being developed as part of the investment programme and work is under way at present. Contracts are in place and are expecting the next phase of expenditure to take place in the near future. This will be subject to Property & Projects being able to facilitate the delivery of these projects. It is anticipated 50% of this money will be utilised by the end of this financial year, with the remaining being utilised in 2013/14.

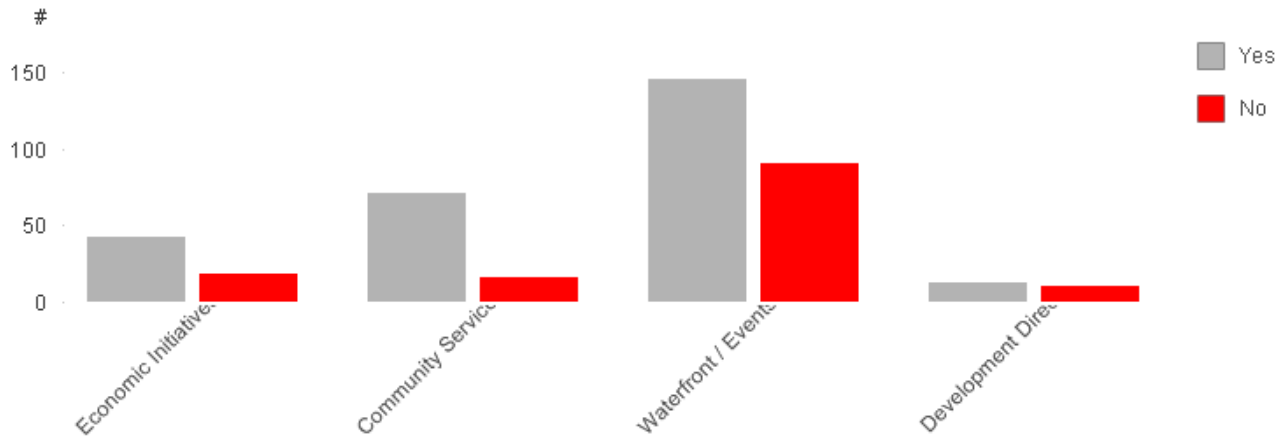
Olympic Torch: £75k.

These reserves have been utilised, and will be transferred from reserves to the Profit & Loss statements in the next accounting period.

Key Performance Indicators (KPIs): Procurement Compliance

Procurement Compliance refers to the purchases that are made in compliance with the standard procure to pay process in BCC. These processes help ensure that our creditors are paid in a timely fashion and our accounts are accurate and up to date. The following indicators are intended to give a flavour of how well we are doing at adhering to the processes.

Indicator 1: Compliant Purchases (Purchase order created on system before ordering goods)



The impact of ordering goods without a purchase order being created on the system are that a) the authorisation for purchasing goods has not gone through the proper channels, b) incomplete records are available and decisions are being made based on information that is not correct and c) suppliers whose invoices do not have purchase orders take longer to pay and this contravenes an objective of the investment programme, negatively affecting supplier relationships with BCC.

Commentary and action required:

Belfast City Council is currently 80% compliant in terms of the Purchase Order being raised before the supplier invoice date. The Development Department is slightly below the Council average, and is 70% compliant.

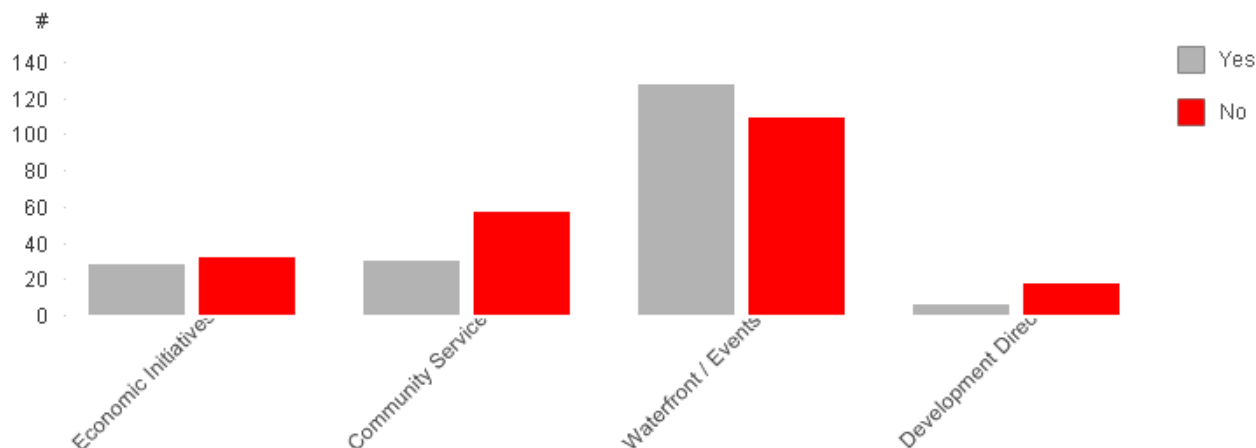
Departmental compliance is affected by the continuous reliance on manual requisitions and processes, collections and delivery of manual requisitions from remote locations, increased processing time as a result of "sourcing" which elongates the approval process and the recent implementation of the SRM system to specific services.

The Department are currently working to implement and roll out the SRM system to all services within the department, are fully participative in systems improvement via the SAP Improvement Group, the identification of hot spots and the provision of training and re-training of staff.

The Procurement compliance is kept under constant review and is reported on a monthly basis to the Departmental Management Team.

Key Performance Indicators (KPIs): Procurement Compliance

Indicator 2: Timeliness of Goods on System (Goods received and marked received on system within 5 days)



The impact of not marking goods as received onto the system is that a) BCC records of goods on site are not up to date and b) there is a risk that a department might overspend its budget as goods have been received but are not showing against the budget and c) it can take longer to pay the suppliers invoices and this contravenes an objective of the investment programme, negatively affecting supplier relationships with BCC.

Commentary and action required:

Belfast City Council is currently 55% compliant in terms of the goods received note (GRN) being created before the supplier raises the invoice. The Development Department is slightly below the Council average at 48% compliance.

Departmental compliance is affected by the continued reliance on manual processes and paperwork, collections and delivery of manual goods received notes from remote locations and the recent implementation of the SRM system to specific services.

The Department are currently working to implement and roll out the SRM system to all services within the department, are fully participative in systems improvement via the SAP Improvement Group, the identification of hot spots and the provision of training and re-training of staff.

The Procurement compliance is kept under constant review and is reported on a monthly basis to the Departmental Management Team.

Development Committee

Service	Section	Plan YTD £000s	Actuals YTD £000s	Variance YTD £000s	% Variance	Annual Plan 2012/2013 £000s	Forecast for Y/E at P3 £000s	Forecast Variance £000s	% Variance
Total		6,131	6,446	315	5.1%	19,660	19,540	(120)	(0.6)%
Development Directorate	Total	833	813	(20)	(2.4)%	3,791	3,721	(70)	(1.8)%
Development Directorate	City Development	125	139	14	11.2%	877			
Development Directorate	Development Business Support	454	443	(11)	(2.3)%	1,811			
Development Directorate	European Unit	72	74	2	2.8%	236			
Development Directorate	Policy & Research	104	80	(24)	(23.4)%	510			
Development Directorate	SNAP	78	77	(1)	(1.0)%	358			
Community Services	Total	1,607	1,707	100	6.2%	5,598	5,548	(50)	(0.9)%
Community Services	Community Services	1,607	1,707	100	6.2%	5,598			
Waterfront / Events	Total	1,675	1,890	215	12.8%	4,182	4,182	0	0.0%
Waterfront / Events	Events	912	940	28	3.1%	1,703			
Waterfront / Events	Waterfront Hall	763	950	187	24.5%	2,478			
Economic Initiatives	Total	2,015	2,036	20	1.0%	6,089	6,089	0	0.0%
Economic Initiatives	Economic Development Unit	153	189	36	23.7%	1,173			
Economic Initiatives	Planning & Development	21	15	(6)	(29.7)%	(22)			
Economic Initiatives	Planning & Transport	161	146	(16)	(9.8)%	875			
Economic Initiatives	Tourism Unit	1,680	1,686	6	0.4%	4,062			