













Development Committee

Quarterly Finance Report

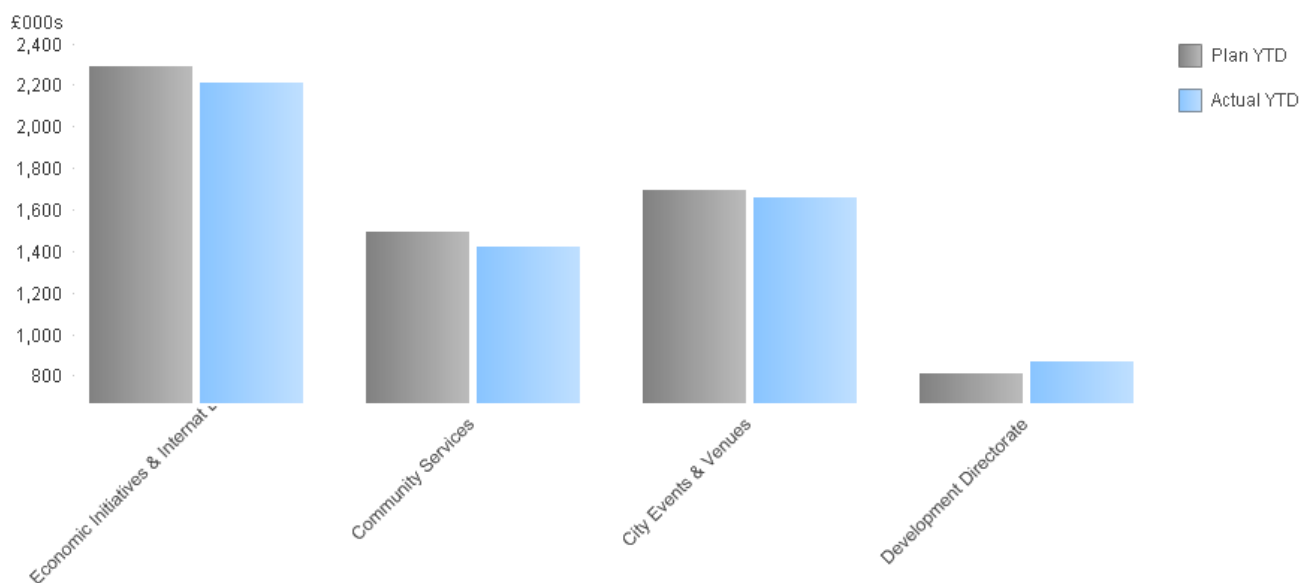
Report Period: Quarter 1, 2013/14

Dashboard

| Revenue Section | | | | | | | Page |
|---------------------------------------|-----------------------------------------------------------------------------------|------------------|---------------|------------------------------------------------------------------------------------|-----------------------|---------------|------|
| Service | YTD | YTD Var £000s | Var % | Forecast | Forecast Var £000s | Var % | |
| Development Directorate |  | 53 | 6.5% |  | 0 | 0.0% | |
| Community Services |  | (68) | (4.6)% |  | (20) | (0.4)% | |
| City Events & Venues |  | (38) | (2.2)% |  | 50 | 1.3% | |
| Economic Initiatives & Internat Devpt |  | (79) | (3.4)% |  | (45) | (0.7)% | |
| Committee Total |  | (132) | (2.1)% |  | (15) | (0.1)% | |

| Key Performance Indicators (KPI) | | | | Page |
|----------------------------------|--------|--------|-------------------------------------------------------------------------------------|------|
| KPI | Actual | Target | | |
| Compliant Purchases | 83.3% | 90.0% |  | 6 |
| Timeliness Of Goods On System | 71.3% | 75.0% |  | 7 |

Committee Net Revenue Expenditure: Year to Date Position



Commentary and action required:

The **Development Department** is under spent by £132,000, or 2.1%, of its net budgeted expenditure of just under £6.3 million at the end of Quarter One 2013-14.

Community Services are under spent by £68,000 (4.6%), City Events and Venues are under spent by £38,000 (2.2%), Economic Initiatives and International Development are under spent by £79,000 (3.4%) and Directorate is over budget by £53,000 (6.5%).

There are five main areas which give rise to the current overall £132k (2.1%) under spend within the Department at the end of Quarter One:

- Gross Income was £1,780k, which was £113k (6.8%) higher than the budgeted income of £1,667k. This variance is mainly due to increased income at the Waterfront and Ulster Halls (totalling £117k) during the period.
- Employee costs of £2,413k were £7k (0.3%) more than the budgeted figure of £2,406k.
- Premises costs of £939k were £33k above the budget for the period. This was due to increased electricity, gas and rates charges within the City Venues Unit.
- Supplies and Services expenditure of £1,794k was £131k (6.8%) below the budget of £1,925k. This was mainly due to under spends on equipment, tools and materials, license fees and advertising and marketing expenditure. Most of these variances are due to profiling issues that will self-correct in future periods.
- Subscriptions and Grants paid amounted to £2,488k, which was £72k (3.0%) higher than the budgeted figure of £2,415k. This was due to groups meeting their monitoring requirements earlier than normal and, as a result, monies were paid out sooner than had been originally profiled by the Council.

Community Services is under spent by £68,000 at the end of Quarter One (Budgeted expenditure: £1,490k; Actual expenditure: £1,422k).

The main reasons for this under spend are an under spend of £11k in employee costs; a £5k under spend in premises costs and a £48k under spend in supplies and services expenditure (mainly equipment, tools and materials).

City Events and Venues is under spent by £38,000 at the end of Quarter One (Budgeted expenditure: £1,694k; Actual expenditure: £1,656k).

Within this, City Events was over spent by £36k – in relation to employee costs and supplies and services costs (which will self-correct in future periods). City Venues were under spent by £74k. This was mainly due to the receipt of additional income totalling £117k which was then partially offset by additional employee and increased premises costs. Relevant budgets will be re-profiled, if required, in the next accounting period.

Economic Initiatives and International Development is under spent by £79,000 at the end of Quarter One (Budgeted expenditure: £2,286k; Actual expenditure: £2,207k).

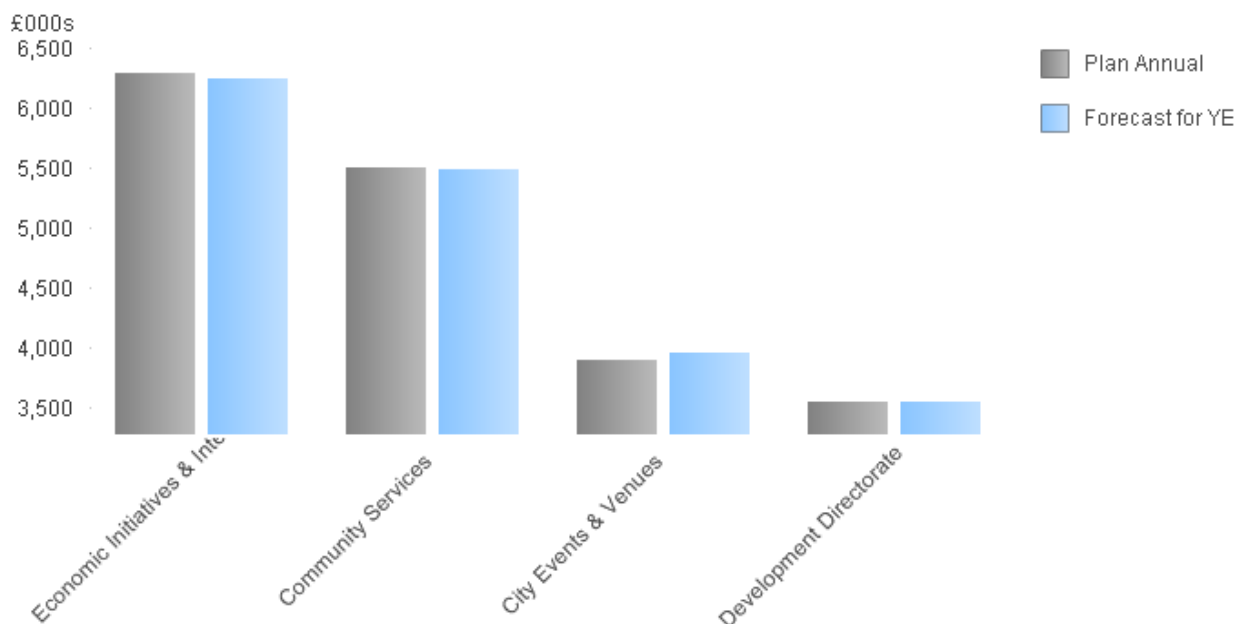
The reason for this variance was an under spend in employee costs of £49k (mainly as a result of a number of vacant posts which are in the process of being filled); premises costs are under spent by £7k due to profiling issues; and supplies and services are under spent by £105k which, again, is due to variations from the budgeted profile. This will also self correct in future periods. Finally, subscriptions and grant are over spent by £82k due to groups meeting their monitoring requirements earlier than normal and, as a result, monies were paid out sooner than had been originally profiled by the Council. Again, these are all profiling issues which will self-correct over the financial year.

Directorate is over spent by £53,000 at the end of Quarter One. (Budgeted expenditure: £813k; Actual expenditure: £866k).

The over spend can be attributed to the following factors:

- A £27k over spend in employee costs due to additional agency staff costs as a result of the structural review implementation to give required business continuity; and
- A £26k over spend in hired and contracted services due to expenditure being out of line with profile. This will self-correct in future periods.

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



Commentary and action required:

Forecast for Revenue Expenditure:

It is currently forecast that the Development Department will be under spent by £15,000 at the end of the 2013 – 2014 financial year.

The Community Services budget is forecast to have an under spend of £20,000 at the end of the year. This is in relation to lower than planned spend within supplies and services.

The Economic Initiatives and International Development unit are forecast to be under spent by a total of £45,000. This relates to reduced employee costs as a result of a number of vacant posts within the structure in the first quarter of the financial year.

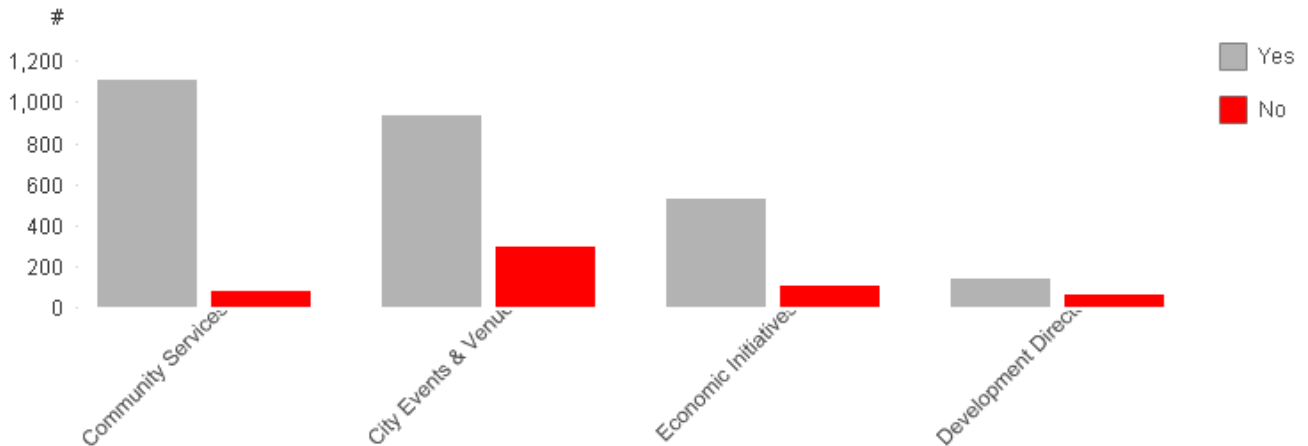
The City Events and Venues unit are forecast to have an over spend of £50,000 at the end of the year. This is as a result of increased cleaning and telephone costs within the Waterfront and Ulster Hall, and increased overtime costs in the City Events team.

Directorate are forecast to be on budget at the end of the financial year.

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:

| | Yes | No | Total | % Compliant |
|-------------------------------|--------------|------------|-------------|--------------|
| | 2,710 | 543 | 3253 | 83.3% |
| Community Services | 1,110 | 80 | 1190 | 93.3% |
| City Events & Venues | 935 | 298 | 1233 | 75.8% |
| Economic Initiatives & Int... | 524 | 105 | 629 | 83.3% |
| Development Directorate | 141 | 60 | 201 | 70.1% |

The Development Department is currently 83% compliant in terms of the Purchase Order being raised before the supplier invoice date. The Development Department is slightly above the Council average which is 82% 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.

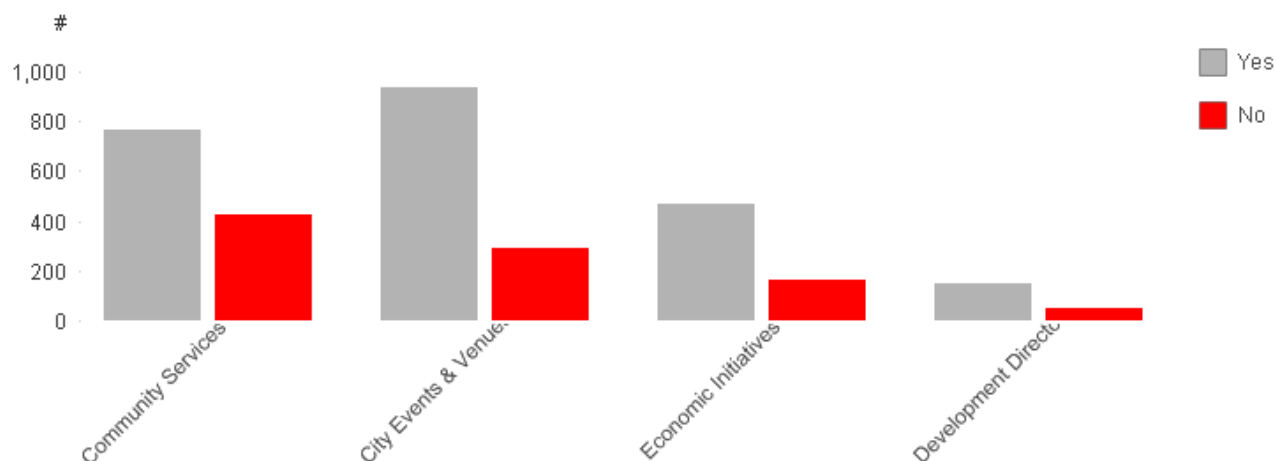
The Department is currently working to implement and roll out the SRM system to all services within the department. The Department is also fully participative in systems improvement via the SAP Improvement Group, the identification of hot spots and the provision of training for staff.

The department has recently implemented a new initiative that will monitor, identify and resolve specific instances of non-compliance at Unit level.

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:

| | Yes | No | Total | % Compliant |
|-------------------------------|--------------|------------|-------------|--------------|
| | 2,319 | 934 | 3253 | 71.3% |
| Community Services | 762 | 428 | 1190 | 64.0% |
| City Events & Venues | 939 | 294 | 1233 | 76.2% |
| Economic Initiatives & Int... | 468 | 161 | 629 | 74.4% |
| Development Directorate | 150 | 51 | 201 | 74.6% |

The Development Department is currently 71% compliant in terms of the goods received note (GRN) being created before the supplier raises the invoice. The Development Department is slightly above the Council average which is 70% compliant.

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 department has recently implemented a new initiative that will monitor, identify and resolve specific instances of non-compliance at Unit level.

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 2013/2014 £000s | Forecast Y/E at P3 £000s | Forecast Variance £000s | % Variance |
|---------------------------------------|---------------------------------|-------------------|----------------------|--------------------------|---------------|-----------------------------------|--------------------------------|-------------------------------|---------------|
| Total | | 6,284 | 6,152 | (132) | (2.1)% | 19,239 | 19,224 | (15) | (0.1)% |
| Development Directorate | Total | 813 | 866 | 53 | 6.5% | 3,551 | 3,551 | 0 | 0.0% |
| Development Directorate | Business Research & Development | 118 | 136 | 18 | 15.2% | 546 | | | |
| Development Directorate | City Development | 15 | 28 | 13 | 87.2% | 251 | | | |
| Development Directorate | Development Business Support | 456 | 449 | (7) | (1.5)% | 1,807 | | | |
| Development Directorate | SNAP | 0 | 0 | 0 | 0.0% | 0 | | | |
| Development Directorate | Urban Development Unit | 224 | 252 | 28 | 12.6% | 947 | | | |
| Community Services | Total | 1,490 | 1,422 | (68) | (4.6)% | 5,499 | 5,479 | (20) | (0.4)% |
| Community Services | Community Services | 1,490 | 1,422 | (68) | (4.6)% | 5,499 | | | |
| City Events & Venues | Total | 1,694 | 1,656 | (38) | (2.2)% | 3,904 | 3,954 | 50 | 1.3% |
| City Events & Venues | Events | 601 | 637 | 36 | 6.0% | 1,500 | | | |
| City Events & Venues | Waterfront Hall | 1,094 | 1,020 | (74) | (6.7)% | 2,404 | | | |
| Economic Initiatives & Internat Devpt | Total | 2,286 | 2,207 | (79) | (3.4)% | 6,285 | 6,240 | (45) | (0.7)% |
| Economic Initiatives & Internat Devpt | City Markets | 55 | 53 | (2) | (3.5)% | (24) | | | |
| Economic Initiatives & Internat Devpt | Economic Development Unit | 89 | 130 | 42 | 47.3% | 1,328 | | | |
| Economic Initiatives & Internat Devpt | European Unit | 65 | 59 | (6) | (9.0)% | 230 | | | |
| Economic Initiatives & Internat Devpt | Tourism Unit | 2,077 | 1,965 | (113) | (5.4)% | 4,751 | | | |