















Development Committee

Quarterly Finance Report

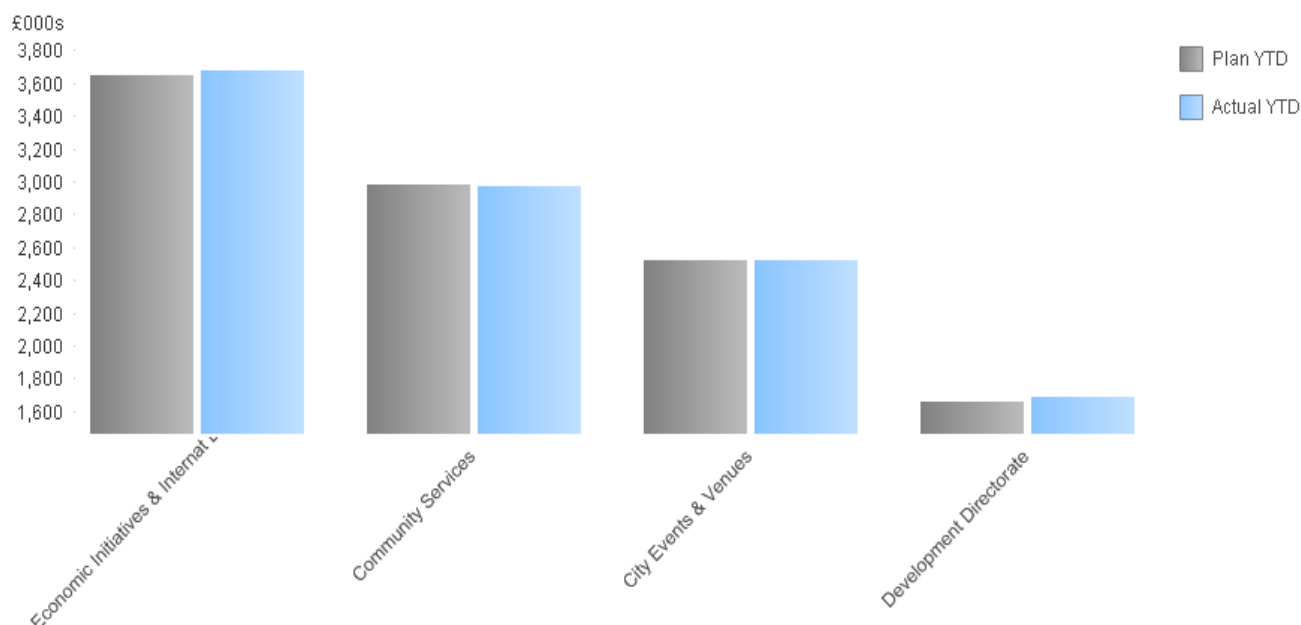
Report Period: Quarter 2, 2013/14

Dashboard

Revenue Section							Page
Service	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %	3&5
Development Directorate		20	1.2%		26	0.7%	
Community Services		(13)	(0.5)%		(55)	(1.0)%	
City Events & Venues		1	0.0%		50	1.3%	
Economic Initiatives & Internat Devpt		20	0.5%		(50)	(0.8)%	
Committee Total		28	0.3%		(29)	(0.1)%	

Key Performance Indicators (KPI)				Page
KPI	Actual	Target		
Compliant Purchases	82.6%	90.0%		6
Timeliness Of Goods On System	72.0%	75.0%		7

Committee Net Revenue Expenditure: Year to Date Position



Commentary and action required:

The **Development Department** is over spent by £27,581, or 0.3%, of its net budgeted expenditure of just over £10.8 million at the end of Quarter Two.

EIID are over spent by £20,026 at the end of Period 6 (Budgeted Net Expenditure: £3,651,694; Actual Net Expenditure: £3,671,719).

The reported over spend arose as a consequence of the receipt of less than budgeted income of £119k as a result of the prioritisation of the Retail and Employability programmes which are purely funded by BCC and not match funded. This will self correct in the last six months of the financial year. This is then offset by reduced expenditure of (£67k) in employee costs due to vacant posts during the first half of the year and are expected to be filled in the last quarter of the financial year, a further (£20k) in premises costs due to reduced spend in Markets which is in relation to profiling, and (£12k) within supplies and services within the Tourism Unit and is due to profiling and will self correct.

Community Services are under spent by (£13,415) at the end of Period 6 (Budgeted Net Expenditure: £2,979,794; Actual Net Expenditure: £2,966,379).

This under spend relates to reduced premises costs of (£12k) within Community Facilities and is as a result of profiling and will self correct, further under spends throughout the service in supplies and services of (£9k), and decreased expenditure within transport costs (£7k) in relation to reduced usage of buses. These are offset by increased employee costs of £15k due to additional salary and wages payments in the first six months of the financial year.

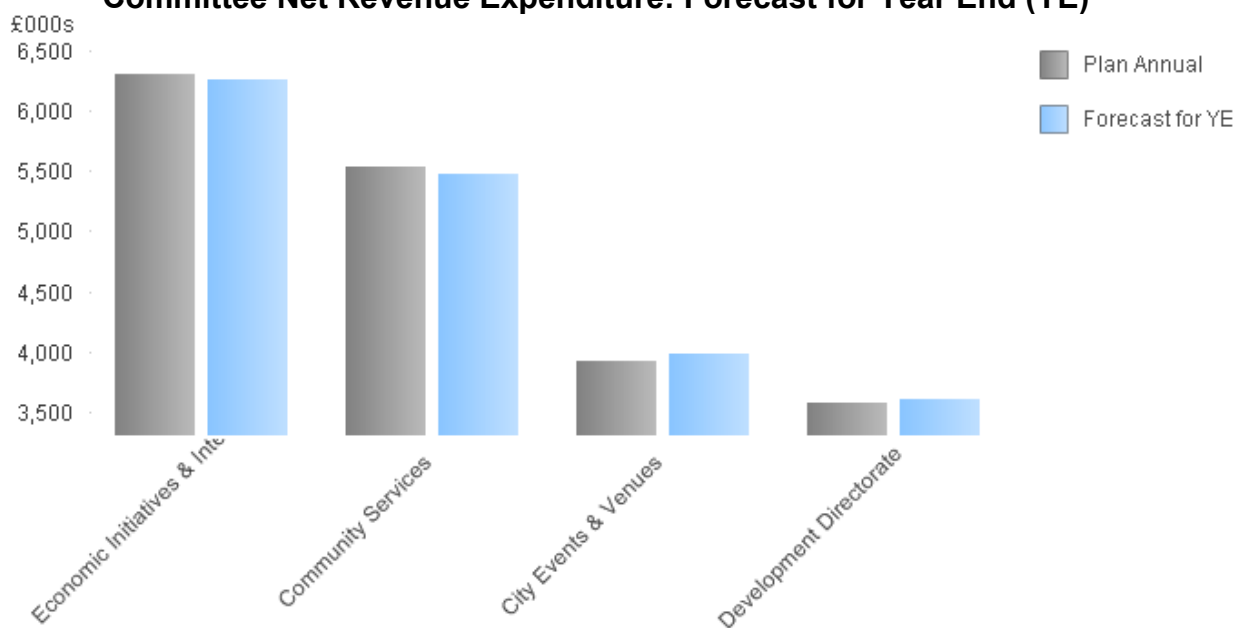
City Events and Venues are over spent by £545 at the end of Period 6 (Budgeted Net Expenditure: £2,518,074; Actual Net Expenditure: £2,518,619).

Income has increased within City Events and Venues by (£63.5k) with an additional (£53.5k) being received in City Venues, and a further (£10k) in Events. This is as a result of increased income in relation to the World, Police and Fire Games in August 2013. This was then offset by higher than planned spend of £64k within employee costs due to increased temporary and casual staff and overtime usage as a direct result of increased programme activity.

Directorate are over spent by £20,426 at the end of Period 6 (Budgeted Net Expenditure: £1,661,978; Actual Net Expenditure: £1,682,404).

This over spend is mainly attributable to increased employee costs totalling £30k due to various temporary posts throughout the service. These amounts were offset by reduced premises costs of (£4k) and Grants and Subscriptions of (£6k) during the first six months of the financial year.

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 (£28,500) (or 0.1%) at the end of the 2013 – 2014 financial year.

The Economic Initiatives and International Development section is forecast to be under spent by a total of (£50,000) (or 0.8%). The projected variance relates to reduced employee costs of (£27k) as a result of a number of vacant posts within the Economic Development unit in the first nine months of the financial year, and also reduced expenditure of (£23k) within their scheduled programmes of work.

The Community Services budget is forecast to have an under spend of (£54,500) (or 1.0%) at the end of the year. This under spend relates to staff vacancies within Play Centres, and also to lower than planned expenditure within supplies and services during the year.

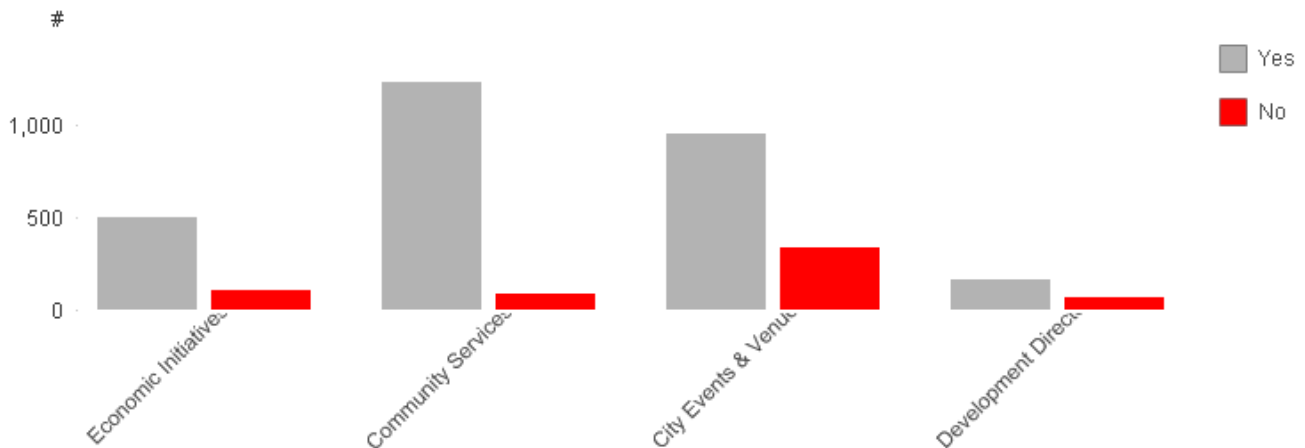
The City Events and Venues section is forecast to have an over spend of £50,000 (or 1.3%) at the end of the year. This is as a result of increased salary and overtime costs within the City Events unit due to temporary posts, and also increased programme activity within Major Events, World, Police and Fire Games, and All Ireland Irish Dance Championships.

Directorate is forecast to have an over spend of £26,000 (or 0.7%) at the end of the financial year. This is as a result of additional staff within the Business Research and Development unit being employed to cover for long-term sickness absence.

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
	2,848	598	3446	82.6%
Economic Initiatives & Int...	502	109	611	82.2%
Community Services	1,234	85	1319	93.6%
City Events & Venues	949	338	1287	73.7%
Development Directorate	163	66	229	71.2%

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.

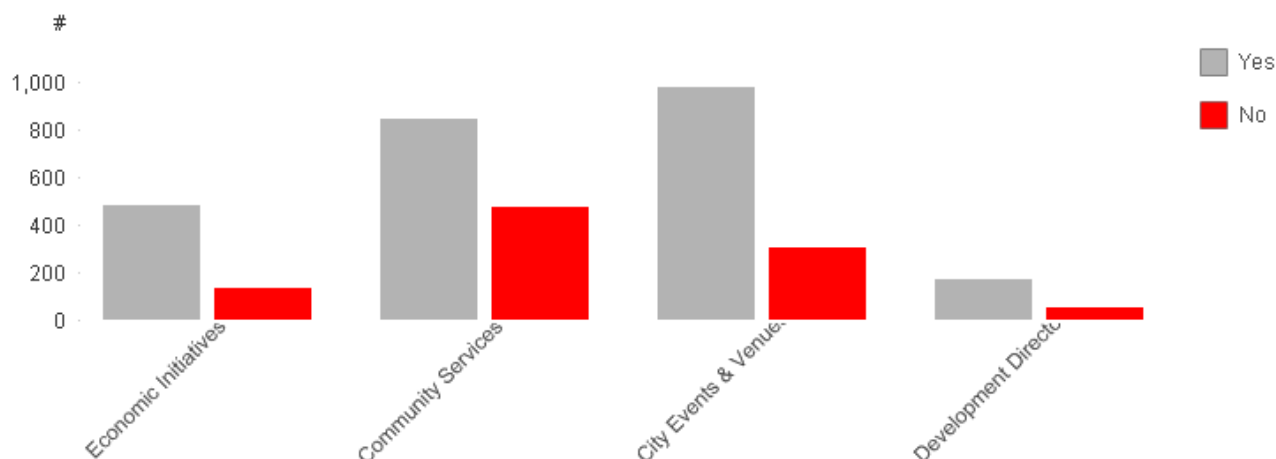
The Department is currently working to implement and roll out the SRM system to all services within the department. The Department is also fully participative in systems improvement via the SAP Improvement Group, the identification of hot spots and the provision of training for staff.

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
	2,481	965	3446	72.0%
Economic Initiatives & Int...	480	131	611	78.6%
Community Services	843	476	1319	63.9%
City Events & Venues	984	303	1287	76.5%
Development Directorate	174	55	229	76.0%

The Development Department is currently 72% 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 for Y/E at P6 £000s	Forecast Variance £000s	% Variance
Total		10,812	10,839	28	0.3%	19,325	19,297	(29)	(0.1)%
Development Directorate	Total	1,662	1,682	20	1.2%	3,575	3,601	26	0.7%
Development Directorate	Business Research & Development	295	301	6	2.0%	550			
Development Directorate	City Development	90	146	56	61.7%	251			
Development Directorate	Development Business Support	893	914	21	2.4%	1,822			
Development Directorate	SNAP	0	0	0	0.0%	0			
Development Directorate	Urban Development Unit	384	321	(62)	(16.3)%	952			
Community Services	Total	2,980	2,966	(13)	(0.5)%	5,527	5,472	(55)	(1.0)%
Community Services	Community Services	2,980	2,966	(13)	(0.5)%	5,527			
City Events & Venues	Total	2,518	2,519	1	0.0%	3,925	3,975	50	1.3%
City Events & Venues	Events	911	960	49	5.4%	1,503			
City Events & Venues	Waterfront Hall	1,607	1,559	(48)	(3.0)%	2,421			
Economic Initiatives & Internat Devpt	Total	3,652	3,672	20	0.5%	6,298	6,248	(50)	(0.8)%
Economic Initiatives & Internat Devpt	City Markets	47	44	(3)	(5.5)%	(21)			
Economic Initiatives & Internat Devpt	Economic Development Unit	269	377	107	39.8%	1,332			
Economic Initiatives & Internat Devpt	European Unit	129	127	(3)	(2.1)%	232			
Economic Initiatives & Internat Devpt	Tourism Unit	3,207	3,125	(82)	(2.6)%	4,755			