















Development Committee

Quarterly Finance Report

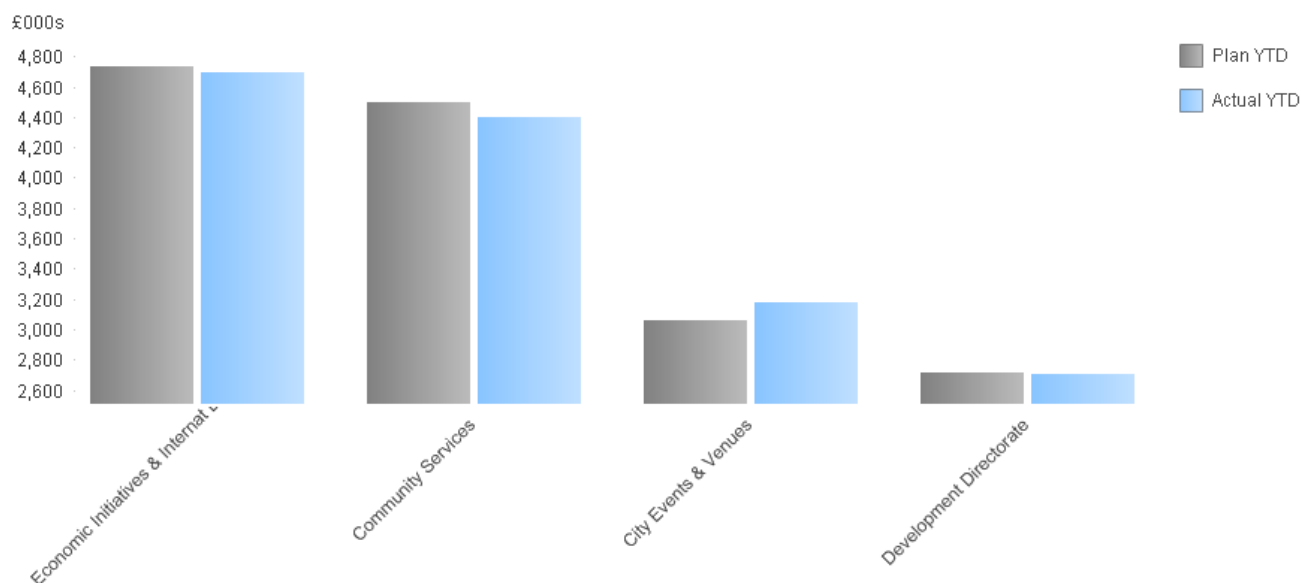
Report Period: Quarter 3, 2013/14

Dashboard

Revenue Section							Page
Service	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %	3&5
Development Directorate		(6)	(0.2)%		17	0.5%	
Community Services		(99)	(2.2)%		(106)	(1.9)%	
City Events & Venues		118	3.8%		80	2.0%	
Economic Initiatives & Internat Devpt		(35)	(0.8)%		(11)	(0.2)%	
Committee Total		(22)	(0.1)%		(20)	(0.1)%	

Key Performance Indicators (KPI)				Page
KPI	Actual	Target		
Compliant Purchases	81.7%	90.0%		6
Timeliness Of Goods On System	72.8%	75.0%		7

Committee Net Revenue Expenditure: Year to Date Position



Commentary and action required:

The **Development Department** is under spent by (£22,174), or (0.1%), of its net budgeted expenditure of just over £14.97 million at the end of Quarter Three.

EIID are under spent by (£35,497) at the end of Period 9 (Budgeted Net Expenditure: £4,729,162; Actual Net Expenditure: £4,693,665).

The reported under spend arose as a consequence of the receipt of more than budgeted income of (£53k). A total of (£38k) is as a result of increased stallage hire within St Georges Market, and a further (£18k) relates to the Economic Development Unit for contributions received in relation to the HARTE programme and the Belfast Business Awards. There is also reduced expenditure of (£61k) in employee costs due to vacant posts during the first half of the year, which are expected to be filled in the last quarter of the financial year, a further (£17k) in premises costs due to reduced spend in Markets which is in relation to profiling. These are then offset by increased costs within supplies and services in Markets of £32k and £12k within Economic Development- these are profiling issues and will self correct in the quarter four. There are also over spends in grants and relate to the Tourism Unit due to the incorrect profile of actual distribution and will self correct, and there is unbudgeted spend of £12k which relates to compensation claims for St Georges Market and an over spend of £4k in transport costs.

Community Services are under spent by (£98,682) at the end of Period 9 (Budgeted Net Expenditure: £4,495,544; Actual Net Expenditure: £4,396,861).

This under spend relates to reduced premises costs of (£15k) within Community Facilities and is as a result of profiling and will self correct, further under spends totalling (£94k) in supplies and services within the Area Support, Community Facilities and Children and Young People units- these are under close review and will be included in the year end forecast as appropriate. There is also decreased expenditure within transport costs (£9k) in relation to reduced usage of buses, and a slight increase of income (£3k) as a result of higher than budgeted monies received in fees and charges for Summer Schemes. These are offset by increased employee costs of £7k due to additional salary and wages

payments, and £13k over budget in grant payments due to profiling and will self correct by end of financial year, and a further £2k unbudgeted spend in relation to a compensation claim.

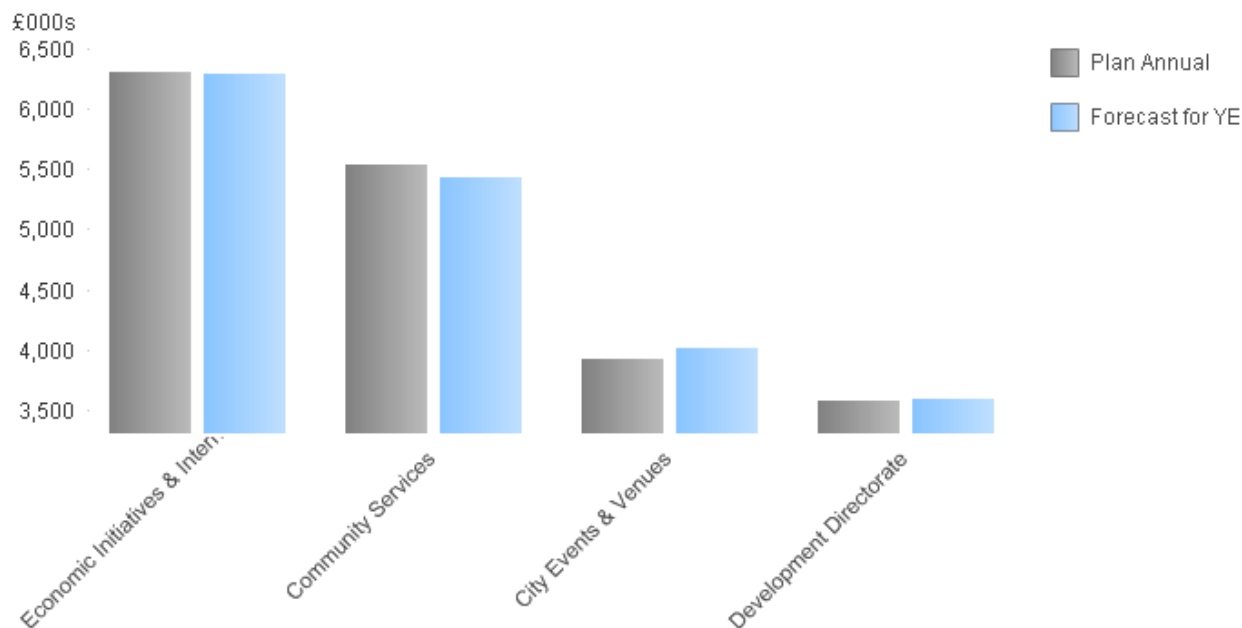
City Events and Venues are over spent by £117,625 at the end of Period 9 (Budgeted Net Expenditure: £3,058,248; Actual Net Expenditure: £3,175,872).

Income has increased within City Events and Venues by (£30k) with an additional (£25k) being received in City Events for the Maritime Festival, and a further (£5k) in relation to the World Police and Fire Games. There are also further under spends of (£7k) within transport costs in City Events, and (£3k) less than planned spend in relation to profiled Support for Sport grants. This was then offset by higher than planned spend of £55k within employee costs due to increased temporary and casual staff and overtime usage as a direct result of increased programme activity. There are also further over spends of £24k in premises costs in relation to City Venues due to increased costs- these are mainly profiling issues and will be monitored closely for the remainder of the year. There are increased costs of £71k in supplies and services and relates to profiling and will also be monitored and included in forecasting as appropriate, along with an unbudgeted spend of £8k in relation to a compensation claim for the Waterfront Hall.

Directorate are under spent by (£5,619) at the end of Period 9 (Budgeted Net Expenditure: £2,714,803; Actual Net Expenditure: £2,709,184).

This under spend is mainly attributable to increased income received for Urban Development unit of (£50k) relating to Hannahstown Regeneration programme, under spends in premises of (£10k), and supplies and services of (£12k)- these both are profiling issues and will self correct by end of financial year. These amounts are offset by employee costs totalling £78k due to various temporary posts throughout the service covering sickness and the Investment Programme.

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 (£20,000) (or 0.5%) 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 (£11,000) (or 0.2%). This projected net variance relates to additional income received within the Markets unit of (£21,000) for increased stallage fees, and is then offset by increased project costs of £10,000 within the Economic Development unit.

The Community Services budget is forecast to have an under spend of (£106,000) (or 1.9%) at the end of the year. This under spend relates to staff vacancies within Play Centres of (£35,000) and a vacant post within the Travellers unit of (£30,000) which is now filled, and also to lower than planned expenditure of (£41,000) in relation to project costs during the year.

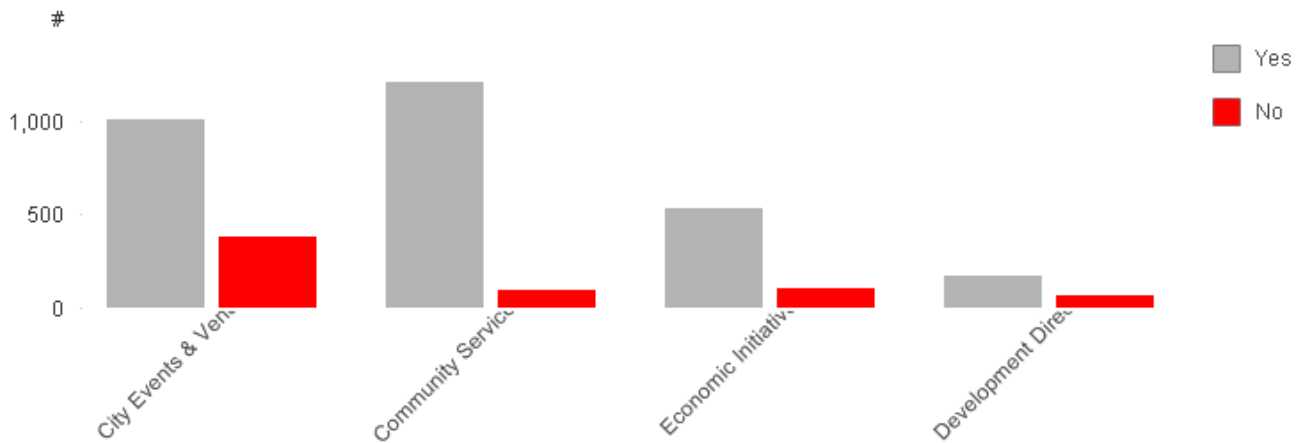
The City Events and Venues section is forecast to have an over spend of £80,000 (or 2.0%) at the end of the year. City Events is projected to be over budget by £15,000 and City Venues by £65,000 at the year-end. The over spend in City Events Unit of £15,000 is as a result of temporary staffing costs due to increased programme activity for World, Police and Fire Games and All Ireland Irish Dance Championships. The over spend of £65,000 in City Venues relates to increased premises costs in regards to a higher rates bill received of £10,000 and increased cleaning costs of £36,000. There has also been unbudgeted spend within compensation claims and associated legal costs of £19,000.

Directorate is forecast to have an over spend of £17,000 (or 0.5%) 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
	2,911	652	3563	81.7%
City Events & Venues	1,004	384	1388	72.3%
Community Services	1,210	93	1303	92.9%
Economic Initiatives & Int...	530	107	637	83.2%
Development Directorate	167	68	235	71.1%

The Development Department is currently 81.7% compliant in terms of the Purchase Order being raised before the supplier invoice date. The Development Department is exactly in line with the Council average compliance rate.

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.

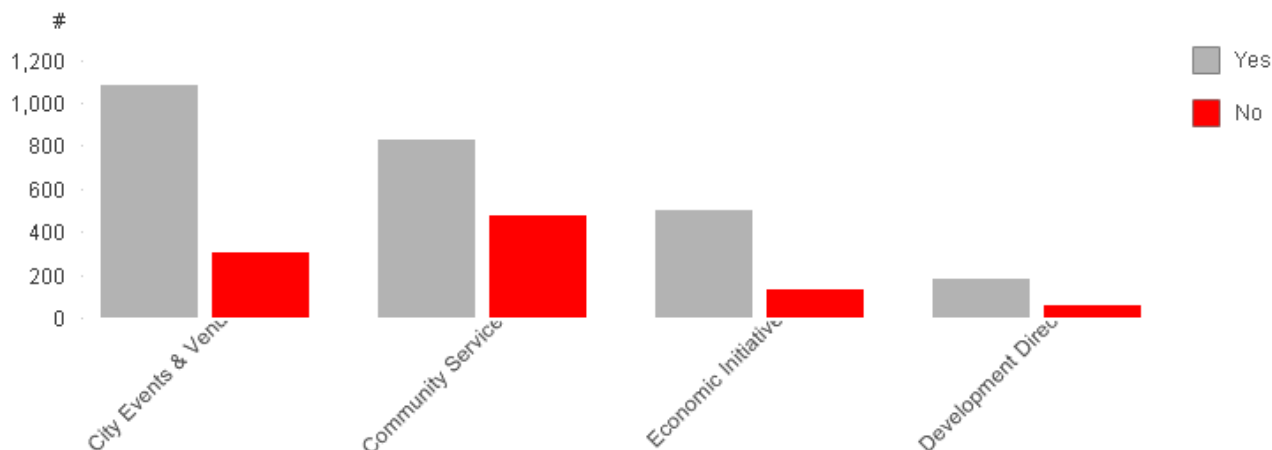
The Department is currently working to implement and roll out the SRM system to all services within the department. The Department is also fully participative in systems improvement via the SAP Improvement Group, the identification of hot spots and the provision of training for staff.

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
	2,594	969	3563	72.8%
City Events & Venues	1,086	302	1388	78.2%
Community Services	827	476	1303	63.5%
Economic Initiatives & Int...	504	133	637	79.1%
Development Directorate	177	58	235	75.3%

The Development Department is currently 72.8% compliant in terms of the goods received note (GRN) being created before the supplier raises the invoice. The Development Department is marginally above the Council average which is 72% 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	Actual YTD £000s	Variance YTD £000s	% Variance	Annual Plan 2013/2014 £000s	Forecast for Y/E at P9 £000s	Forecast Variance £000s	% Variance
Total		14,998	14,976	(22)	(0.1)%	19,325	19,305	(20)	(0.1)%
Development Directorate	Total	2,715	2,709	(6)	(0.2)%	3,575	3,592	17	0.5%
Development Directorate	Business Research & Development	426	438	12	2.8%	550			
Development Directorate	City Development	202	252	51	25.2%	251			
Development Directorate	Development Business Support	1,376	1,419	43	3.1%	1,822			
Development Directorate	SNAP	0	0	0	0.0%	0			
Development Directorate	Urban Development Unit	711	600	(111)	(15.6)%	952			
Community Services	Total	4,496	4,397	(99)	(2.2)%	5,527	5,421	(106)	(1.9)%
Community Services	Community Services	4,496	4,397	(99)	(2.2)%	5,527			
City Events & Venues	Total	3,058	3,176	118	3.8%	3,925	4,005	80	2.0%
City Events & Venues	Events	1,167	1,222	55	4.7%	1,503			
City Events & Venues	Waterfront Hall	1,891	1,954	63	3.3%	2,421			
Economic Initiatives & Internat Devpt	Total	4,729	4,694	(35)	(0.8)%	6,298	6,287	(11)	(0.2)%
Economic Initiatives & Internat Devpt	City Markets	46	33	(14)	(29.4)%	(21)			
Economic Initiatives & Internat Devpt	Economic Development Unit	733	713	(20)	(2.8)%	1,332			
Economic Initiatives & Internat Devpt	European Unit	197	183	(14)	(7.2)%	232			
Economic Initiatives & Internat Devpt	Tourism Unit	3,752	3,765	13	0.3%	4,755			