








Development Committee

Quarterly Finance Report

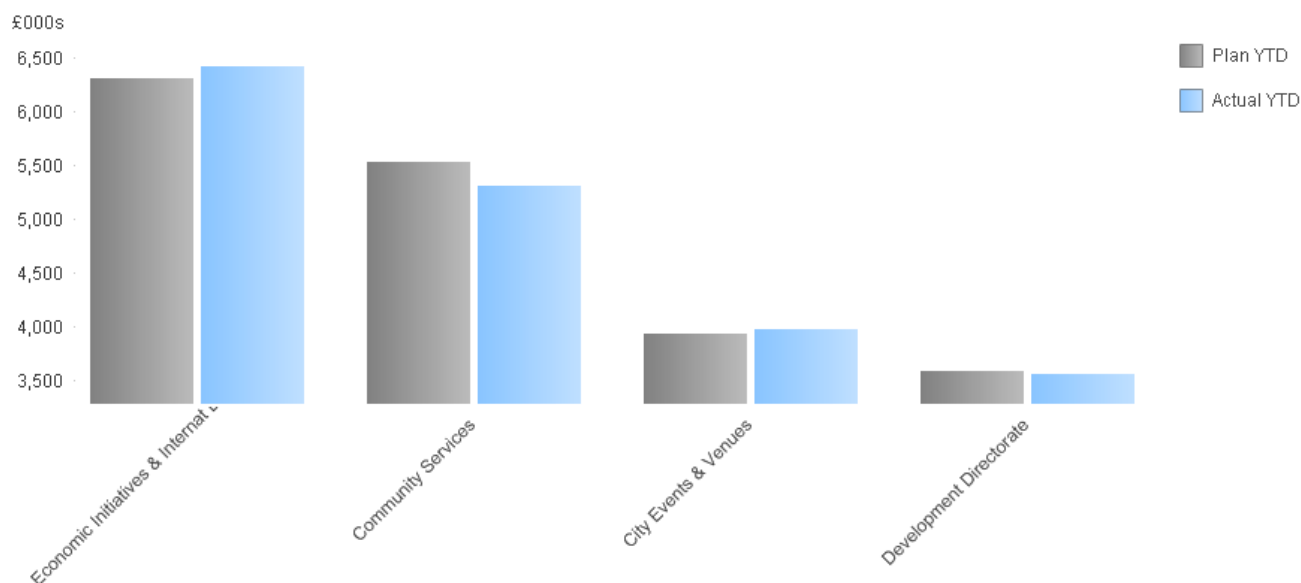
Report Period: Quarter 4, 2013/14

Dashboard

Revenue Section				Page
Service	Year-end Var £000s	Var %	YTD	3&5
Development Directorate	(15)	(0.4)%		
Community Services	(222)	(4.0)%		
City Events & Venues	39	1.0%		
Economic Initiatives & Internat Devpt	107	1.7%		
Committee Total	(91)	(0.5)%		

Key Performance Indicators (KPI)				Page
KPI	Actual	Target		
Compliant Purchases	80.4%	90.0%		6
Timeliness Of Goods On System	72.3%	75.0%		7

Committee Net Revenue Expenditure: Year to Date Position



The **Development Department** is under spent by £91,380, or (0.47%), of its net budgeted expenditure of just over £19.3 million at the end of the 2013-14 financial year.

EIID are over spent by £106,853 at the end of the 2013-14 financial year

(Budgeted Net Expenditure: £6,284,932; Actual Net Expenditure: £6,405,293)

This over spend arose as a consequence of increased spend of £256k, in relation to the Economic Development and Tourism, Culture & Arts Units, within both supplies and services and grant expenditure which relate to increased unmatched programme activity and contributions within EDU for Retail Support and also within TCA for Traders Support at Christmas 2013.

There were also increased transport costs of £8k relating to the Markets additional activity, and the Department also incurred compensation claim costs of £12k which were unbudgeted and unforeseen.

These amounts were then offset by a combination of additional income of £96k - £70k of which relates to additional stallage fees at St Georges Markets for extra market days, a further £20k received within the Economic Development Unit for contributions received in relation to the HARTE programme and the Belfast Business Awards, and £6k received within the European Unit for the Eurocities Forum. In addition there was also reduced expenditure of £59k in employee costs due to vacant posts, and an under spend of £14k in premises costs.

Community Services are under spent by £222,189 at the end the 2013-14 financial year.

(Budgeted Net Expenditure: £5,526,819; Actual Net Expenditure: £5,304,630).

The primary reason for this under spend is in relation to supplies and services expenditure which is £128k under spent- this is as a result of additional income being made available from DSD which match funded expenditure spent within Community Services.

There were also transport costs which are £12k under spent, premises costs which are £11k under spent, due to a reduction in utility costs; employee costs of £18k due to vacant posts throughout the year which are now filled, and £36k in subscriptions and grants expenditure relating to a decrease in the distribution of Revenue Grants.

Income received was £19k higher than budget due to additional fees and charges being received within Community Facilities for the hire of the venues. This is then offset by a £2k unbudgeted spend in relation to compensation claims.

City Events and Venues are over spent by £39,423 at the end of the 2013-2014 financial year.

(Budgeted Net Expenditure: £3,924,951; Actual Net Expenditure: £3,964,374).

City Events is under spent by £25k and City Venues is overspent by £64k at the end of the financial year.

City Events is under spent by £25k.

Income received was higher than budgeted in City Events of £30k in relation to Maritime Festival and fees and charges for WPFG. There were also under spends within Transport costs of £9k and £34k in subscriptions and grants in relation to Support for Sport grant distribution. This was then reduced by the City Events unit having an over spend in employee costs of £48k due to a temporary post for the WPFG event and additional overtime due to increased programme activity.

City Venues is over spent by £64k.

The Belfast Waterfront/Ulster Hall is over spent by £46k in premises costs and relates to increased contracted cleaning costs and an uncontrollable rates increase for 2013-14. There are additional costs in supplies and service totalling £10k which is in relation to increased phones charges- this is as a result of a planned efficiency not being achieved in regards to the installation of a VOIP system due to technical difficulties. There was also a total of £8k incurred for compensation claims which were unbudgeted and unforeseen.

Directorate are under spent by £15,468 at the end of the 2013-14 financial year.

(Budgeted Net Expenditure: £3,575,221; Actual Net Expenditure: £3,559,753).

The under spend within Directorate is attributable to increased income received in the Urban Development Unit of £50k for Hannahstown Regeneration programme, further under spends of £10k in premises costs, £16k in subscriptions and grants and £2k in supplies and services. These are then offset by additional employee expenditure of £46k in respect of various temporary posts throughout the service covering sickness and the Investment programme, a further £1k in transport costs and unbudgeted compensation claims of £16k.

Period 9 Forecast Vs Year-end Actual Outturn

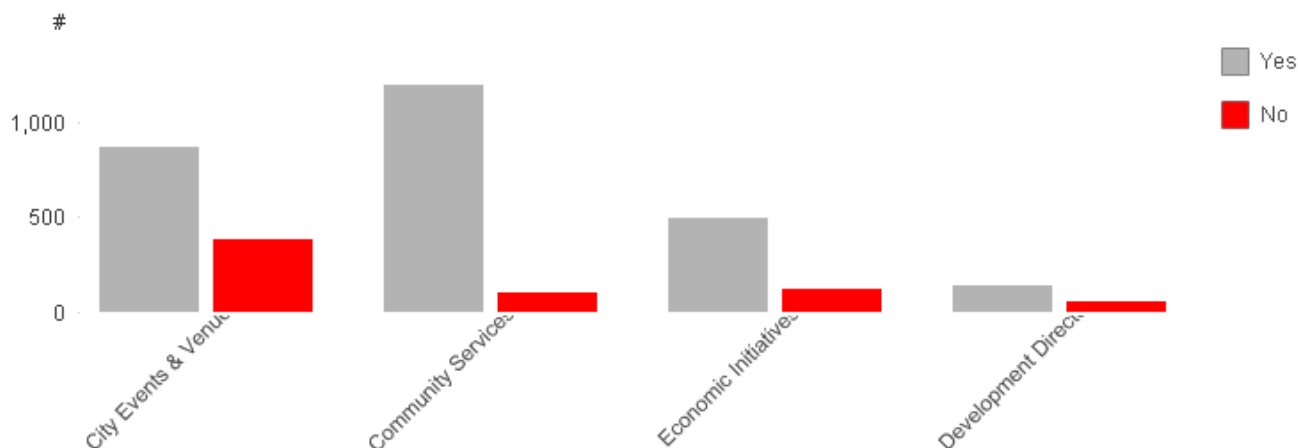
In terms of forecast, the initial Period 9 year-end forecast under spend of £20k increased to £91k by the year-end.

This forecast was slightly under stated as a result of increased income in Community Services; and a reduction in the anticipated value of grants distributed through Support for Sport both of which increased the under spend and was then offset by greater than planned expenditure in relation to the Traders Support Campaign at Christmas 2013

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
	2,695	656	3351	80.4%
City Events & Venues	864	383	1247	69.3%
Community Services	1,196	99	1295	92.4%
Economic Initiatives & Int...	497	117	614	80.9%
Development Directorate	138	57	195	70.8%

The Development Department is currently 80.4% 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.

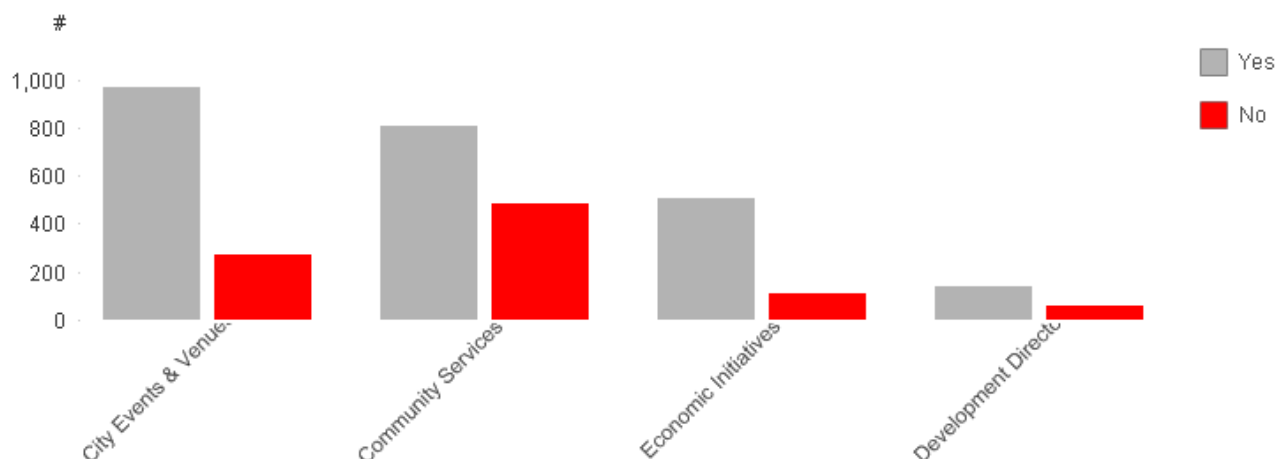
The Department is currently working to implement and roll out the SRM system to all services within the department. The Department is also fully participative in systems improvement via the SAP Improvement Group, the identification of hot spots and the provision of training for staff.

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
	2,423	928	3351	72.3%
City Events & Venues	972	275	1247	77.9%
Community Services	809	486	1295	62.5%
Economic Initiatives & Int...	506	108	614	82.4%
Development Directorate	136	59	195	69.7%

The Development Department is currently 72.3% 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	Actuals YTD £000s	Variance YTD £000s	% Variance
Total		19,325	19,234	(91)	(0.5)%
Development Directorate	Total	3,575	3,560	(15)	(0.4)%
Development Directorate	Business Research & Development	550	534	(16)	(2.9)%
Development Directorate	City Development	251	255	4	1.6%
Development Directorate	Development Business Support	1,822	1,822	(0)	(0.0)%
Development Directorate	Urban Development Unit	952	948	(3)	(0.3)%
Community Services	Total	5,527	5,305	(222)	(4.0)%
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City Events & Venues	Total	3,925	3,964	39	1.0%
City Events & Venues	Events	1,503	1,479	(25)	(1.6)%
City Events & Venues	Waterfront Hall	2,421	2,486	64	2.6%
Economic Initiatives & Internat Devpt	Total	6,298	6,405	107	1.7%
Economic Initiatives & Internat Devpt	City Markets	(21)	(73)	(52)	243.3%
Economic Initiatives & Internat Devpt	Economic Development Unit	1,332	1,390	58	4.4%
Economic Initiatives & Internat Devpt	European Unit	232	230	(2)	(0.8)%
Economic Initiatives & Internat Devpt	Tourism Unit	4,755	4,858	102	2.1%