



Belfast City Council

Report to:	Parks and Leisure Committee
Subject:	Financial Reporting – Quarter 2 2010/11
Date:	9 December 2010
Reporting officer:	Andrew Hassard, Director of Parks and Leisure
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1.	Relevant background information
	<p>The Strategic Policy and Resources Committee agreed at on 18 June 2010 that:</p> <ul style="list-style-type: none">• the council would produce financial reporting packs for the Strategic Policy and Resources Committee and each Standing Committee on a quarterly basis• the Budget and Transformation Panel would also receive monthly financial updates if there were any significant issues to report. <p>The reporting pack (Appendix 1) contains a summary dashboard of the financial indicators and an executive summary explaining the financial performance of Parks and Leisure Committee in the context of the financial performance of the overall council. It also provides a more detailed explanation of each of the relevant indicators covering the year to date and the year end forecast position.</p> <p>As we previously advised the committee, we will continue to develop the style and contents of the reports in liaison with members. In particular, the members' financial training at the end of September 2010 provided a good opportunity for discussion and feedback on the reports. It is therefore intended to make some amendments to style and layout for the quarter 3 financial reports.</p> <p>Central finance and our departmental management team have worked together to develop the information within this financial reporting pack.</p>
2.	Key issues
	<p><i>Current and forecast financial position 2010/11</i></p> <p>The current year to date financial position as at quarter 2 for Parks and Leisure Committee is an over-spend of some £0.2m, or 2% of budget (quarter one: £0.2m), with a forecast end of year over-spend of some £0.19m, or 0.9% of budget (quarter 1: £0.3m). The reasons for this over-spend relate to:</p> <ol style="list-style-type: none">1. An overall employee budget over-spend at quarter two. As reported last quarter, operational reviews are underway within the department and recommendations will be presented to committee over the next number of months to finalise structures and methods of working to help reduce the need for agency and overtime. The reduction from quarter one in the forecast end-of-year over-spend takes account of the impact of these operational reviews.

	<p>2. Utility costs in both Parks and Leisure are over budget. As reported last quarter, we have disputed bills, specifically for water charges. We can now report that Northern Ireland Water has confirmed that a refund of £45k will be made and this has been reflected in the year end forecast.</p> <p>3. Income from services within the department is under pressure. Income from fees and charges is down at leisure centres, the Zoo, especially in shop sales, Belfast Castle and Malone House. Managers are reviewing the uptake of their services and generating options to retain customers and promote their services to new customers to improve this situation.</p> <p>However it should be noted that income from events and Belfast in Bloom, cemeteries and crematorium is up 8% on budget.</p> <p>The financial reporting pack contains more detail on both the overall council position and the financial performance in each of the Services within the Department. It should be emphasised that the end of the financial year is still several months away and that there are significant uncertainties which could impact on the forecast. Nevertheless, a half-year forecast is helpful to members in making financial decisions for the remainder of 2010/11 and to inform the 2011/12 rates setting exercise.</p>
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3.	Resource Implications
	There is a year to date overspend of £0.2m and a forecast overspend of some £0.2m or 1% by year end. This reflects the half year position regarding the employee budgets and the operational reviews that are on-going. As set out in the attached report actions are being taken to reduce this overspend.

4.	Equality and Good Relations Implications
	None.

5.	Recommendations
	Members are recommended to note the above report and associated financial reporting pack.

6.	Decision Tracking
	N/A

7.	Key to abbreviations
	None.

8.	Documents Attached
	Appendix 1: Financial Reporting Pack