



Parks and Leisure Committee











Quarterly Finance Report

Report Period: Quarter 2 2010/11











Dashboard: Quarter 2, 2010/11

Strategic Element: Financial Planning	£'000 (under)/ over	Indicator %	Page no
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Year to date % variance

BCC	(1,423)	(3%)	  3
• Parks and Leisure Committee	213	2%	 
○ Leisure	211	5%	 
○ Parks and Cemeteries	88	2%	 
○ Parks and Leisure Directorate	(86)	(9%)	 

Forecasted % variance

BCC	(2,138)	(2%)	  4
• Parks and Leisure Committee	193	1%	 
○ Leisure	206	3%	 
○ Parks and Cemeteries	44	0%	 
○ Parks and Leisure Directorate	(57)	(3%)	 

Note: Negative variances represents an under spend

Executive Summary

Year to Date % Variance

The current performance of the Parks and Leisure department shows an overspend of £213k in quarter 2 compared to £183k in quarter one. This is 2% over the estimated net expenditure for the second quarter. The key contributors to this position are the £211k (5%) overspend in Leisure, the £88k (2%) overspend in Parks and an underspend in directorate of £86k (9%).

There are three key reasons for the current overspend within the department:

The overall employee budget is showing a £368k (4%) overspend at quarter two. £219k (5%) in Leisure; £219k in Parks (4%) and an under spend of £69K (-8%) in Directorate. 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.

Utility costs in both Parks and Leisure specifically in relation to water charges are over budget. As reported previously bills are in dispute and confirmation has been received of £45k of a refund to be received. This has been reflected in the year end forecast.

Members should note also that income from services within the department is under pressure with fees and charges income in leisure centres down by £20k and other sales e.g. Sports consumables down by £20k.

Fees and charges income from the Zoo is also down by £20k and shop sales at the zoo are down by £106k. Belfast Castle and Malone House show a reduction of income of £75k and £50k respectively. This is partially due to the lack of internally generated income. 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. Income from events and Belfast in Bloom; cemeteries and crematorium is up 8% on budget. A report is due to committee this month on proposals regarding the charges at cemeteries and the crematorium.

Forecast Variance

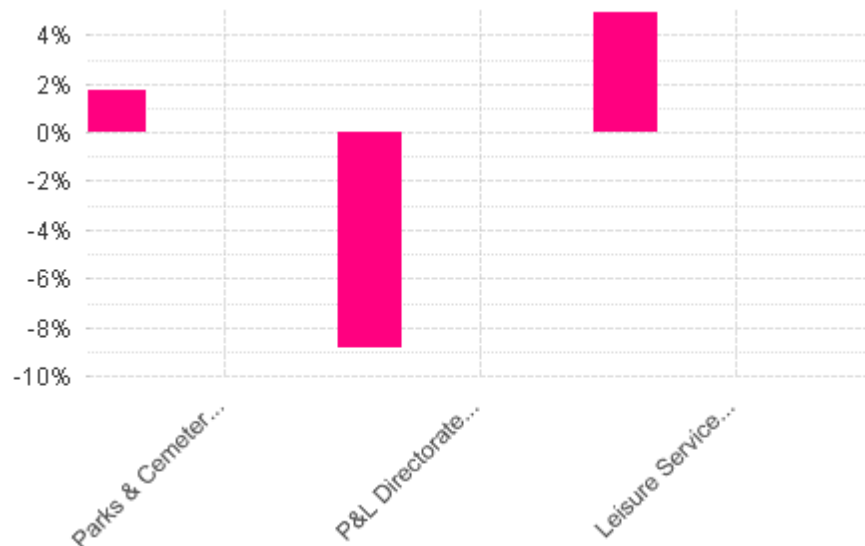
The year end forecast position for the department is estimated at £193k (1%) over spend at quarter two (quarter one: £259k). This reflects the half year position regarding the employee budgets and the operational reviews that are on-going.

Parks and Leisure - Year to Date % variance

Source: SAP

PI definition:

This indicator calculates the difference between the budgeted net expenditure and the actual net expenditure as a percentage. It is reported for the year to date.



Commentary and action required

The current performance of the Parks and Leisure department shows an over spend of £213k in quarter two compared to £183k in quarter one.

The key area of over spend at the half-year is in relation to the employee budget which is showing a £368k (4%) overspend at quarter two. This breaks down into overspends of £219k (5%) in Leisure; and £219k in Parks (4%) and an under spend of £69K (-8%) in Directorate.

The key contributor for Parks and Cemeteries, which is £88k over budget, is the cost of agency staff while staff reviews are ongoing. Operational reviews and audits have highlighted the issues for management to address to reduce this by year end. However this is mitigated by income from events, Belfast in Bloom and cemeteries and the crematorium which is up 8% on budget.

Utility costs specifically water and sewerage charges are £150k (18%) over budget. These are currently being challenged with NI Water and confirmation has been received for a refund of £45k which is reflected in the year end forecast. These costs will be added to by the Zoo as the bore hole which has been the sole source of water has collapsed and it has been necessary to link into the water mains in the interim. This could cost up to £50k and has been reflected in the year end forecast.

Fees and charges income from the Zoo is also down by £20k and shop sales at the zoo are down by £106k. This situation will be continually monitored by the manager and tighter stock control and trading accounts have been put in place to manage this.

Belfast Castle and Malone House show a reduction of income of £75k and £50k respectively. This is partially due to the lack of internally generated income.

The Leisure Services £211k over spend on year to date can be attributed to the employee overspend as highlighted above. £200k of overtime costs relate to the operational health and safety demands of the services. These are currently being reviewed as part of the operational improvement plan. The review is also looking at flexibility of the workforce, provision of facilities, pricing and opening hours. Recommendations from the review will be presented to committee at a later date.

Income from Fees and charges in leisure centres down is by £20k and other sales e.g. Sports consumables down by £20k.

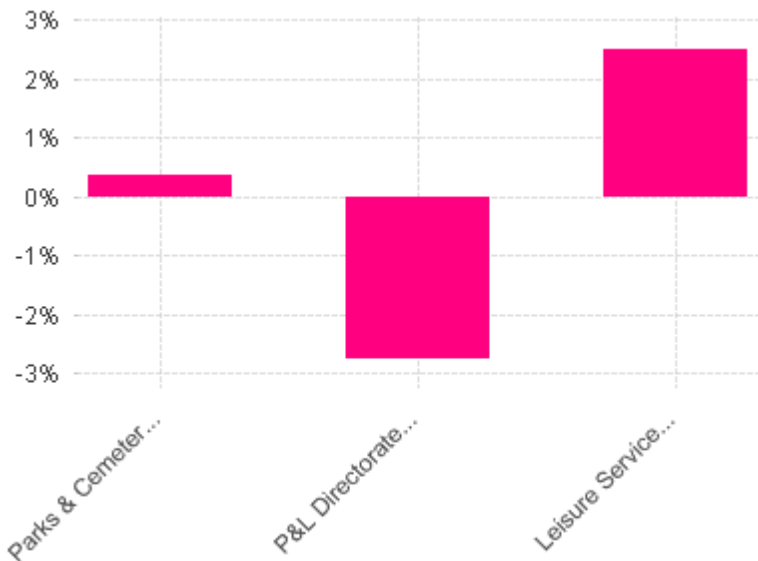
Directorate Support has shown an under spend of £86k or 9% at quarter two. This relates to an under spend on employee costs which is due to the delays in filling posts following the business support review. This under spend has been reflected in the year end forecast as the posts were vacant for up to 6 months.

Forecast % variance

Source: SAP

PI definition:

This indicator calculates the difference between the planned net expenditure and the forecasted net expenditure as a percentage. It is reported as a forecast for the end of the financial year.



Commentary and action required

The year end forecast position for the department is estimated at £193k (1%) over budget at quarter 2 (quarter 1: £259k). This forecast has been revised on the basis that a number of recommendations from the operational reviews will be implemented during 2010/11.

Controls are in place regarding overtime and agency and audits are being completed by Audit Governance and Risk Services this month to identify areas for improvement and action. Operational reviews are underway in both Parks and Leisure regarding operational requirements, to challenge current working practices and to achieve more effective service provision within the most appropriate structures.

Premises cost will continue to be monitored by managers to ensure bills are reviewed and challenged where appropriate.

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. Options include improved programming, addressing customer feedback, events and marketing.

Parks and Leisure Committee - Main Items of Expenditure

	Variance YTD £'000	% Variance	Plan 10/11 £'000	Forecast for Y/E at P6 £'000	Forecast Variance £'000	% Variance
Parks and Leisure Committee	213	2%	22,291	22,484	193	1%
Leisure	211	5%	8,171	8,377	206	3%
Leisure Development	(67)	(13%)	661			
Leisure Centres	279	8%	7,510			
Parks and Cemeteries	88	2%	12,045	12,089	44	0%
Parks & Open Spaces	251	8%	6,482			
Zoo	(36)	47%	933			
Landscape & Planning	(121)	(30%)	809			
Estates Management	67	34%	521			
Cemeteries & Crematorium	(45)	(18%)	434			
P&C Services Unit	(25)	(5%)	1,015			
P&C Development Unit	(6)	(2%)	1,333			
Conservation & Education	4	1%	519			
Parks and Leisure Directorate	(86)	(9%)	2,075	2,018	(57)	(3%)
Antisocial Behaviour	(21)	(33%)	187			
Directorate Support	(65)	(7%)	1,888			

Note: Negative variances represents an under spend