

## Parks and Leisure Committee

### Quarterly Finance Report

Report Period: Quarter 3 2010/11

DRAFT

## Dashboard: Quarter 3, 2010/11

Strategic Element: Financial Planning	Variance £,000 (under)/ Over Q2	Indicator %  Q2	Variance £,000 (under)/ Over Q3	Indicator %  Q3			Page no
<b>Year to date variance</b>							<b>3</b>
BCC	(1,423)	(2.5%)	(728)	(0.8%)	<span style="background-color: green; color: white;">■</span>	↑	
• Parks & Leisure Committee	213	2.3%	(150)	(0.9%)	<span style="background-color: green; color: white;">■</span>	↑	
○ Leisure	211	5.1%	186	3.0%	<span style="background-color: red; color: white;">■</span>	↑	
○ Parks & Cemeteries	88	2.1%	(221)	(2.6%)	<span style="background-color: green; color: white;">■</span>	↓	
○ Parks & Leisure Directorate	(86)	(8.8%)	(115)	(7.7%)	<span style="background-color: red; color: white;">■</span>	↑	
<b>Forecasted % variance</b>							<b>4</b>
BCC	(2,138)	(1.9%)	(629)	(0.5%)	<span style="background-color: green; color: white;">■</span>	↑	
• Parks & Leisure Committee	193	0.9%	92	0.4%	<span style="background-color: green; color: white;">■</span>	↑	
○ Leisure	206	2.5%	180	2.2%	<span style="background-color: yellow; color: black;">■</span>	↑	
○ Parks & Cemeteries	44	0.4%	21	0.2%	<span style="background-color: green; color: white;">■</span>	↑	
○ Parks & Leisure Directorate	(57)	(2.7%)	(109)	(5.2%)	<span style="background-color: red; color: white;">■</span>	↓	

Notes:

1. Negative variances represent an under spend

2. Movement on last quarter:  Better  Worse  Unchanged

3. Tolerance R/A/G guide for % variances:



## **Executive Summary**

The current performance of the Parks and Leisure department shows an under spend of £150k in quarter three compared to an over spend of £213k in quarter two. This is 1% under the estimated net expenditure for the third quarter. The key contributors to this position are the £186k (3%) overspend in Leisure, the £221k (2.6%) under spend in Parks and an under spend in directorate of £115k (7.7%).

There are 5 key reasons for the current under spend within the department:

The overall employee budget is showing a £500k (3%) overspend at quarter three. £389k (6%) in Leisure; £158k in Parks (2%) and an under spend of £47K (-4%) 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 Parks by £203k and Leisure by £103k. As reported previously bills are in dispute and confirmation has been received of £74k of a refund to be received. This has been reflected in the year end forecast.

The most significant area of under spend in Leisure is in Advertising and Marketing which is reporting an under spend of £89k as the department's approach to marketing activity is currently being reviewed. In addition to this, subs and grants are under spent by £78k at period 9, but funding should be allocated by the year end.

Income from events (£92k), and cemeteries and crematorium (£123k) is up on budget. The income in relation to Leisure also looks more favourable due to an insurance claim in relation to damage at Beechmount Leisure Centre (£110k) which was not accrued from 2009/10.

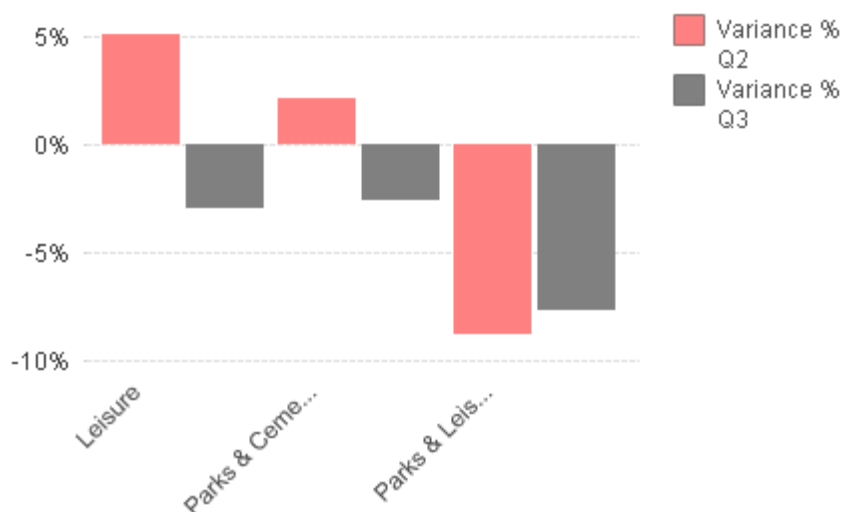
A final issue for Parks relates to the Playground refurbishment budget. Due to procurement issues the majority of the expenditure in this area will take place in the last quarter of the year. £250k was expected to have been spent by quarter three which makes Parks look significantly under spent. This budget is expected to be spent in full and this is reflected in the yearend forecast.

### **Forecast Variance**

The year end forecast position for the department is estimated at £92k (0.4%) over spend at quarter three (quarter two: £193k). This reflects the third quarter position regarding the employee budgets and the operational reviews that are on-going

## **Year to Date % variance**

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 under spend £150k in quarter three compared to £213k overspend in quarter two.

The key areas of under spend are in relation to two key issues; one in Leisure in relation to a insurance claim from 2009/10 not accrued and the other in Parks due to £250k of a playground refurbishment budget expected to have been spent but is now to be spent in the last quarter.

The key contributor for Parks and Cemeteries, which is £221k under budget, is the timing of the expenditure on the Playground refurbishment budget due to procurement issues and ongoing consultation with communities. Other Operational overspends in relation to staff and utilities and by income from events, outdoor leisure and cemeteries and the crematorium which are up on budget have been mitigated by this under spend.

Key areas of overspend continue to be Agency and Overtime and reviews and audits are currently being concluded and recommendations will be actioned. Utility costs, specifically water and sewerage charges, are £131k (20%) over budget. These are currently being challenged with NI Water and confirmation has been received of a significant refund which is reflected in the year end forecast.

Fees and charges income from the Zoo is also down by £35k and shop sales at the zoo are down by £119k. 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 £94k and £63k

respectively. This is partially due to the lack of internally generated income and other promotional activities are being developed to address this situation. However, income from cemeteries and crematorium (£123k) is up on budget, which in part helps to balance this.

The Leisure Services £186k over spend on year to date can be attributed to the employee overspend as highlighted above. The service is currently awaiting audit recommendations on its overtime and agency review. 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.

The most significant area of under spend in Leisure is in Advertising and Marketing which is reporting an under spend of £89k as the department's approach to marketing activity is currently being reviewed. In addition to this, subs and grants are under spent by £78k at period 9, but funding should be allocated by the year end.

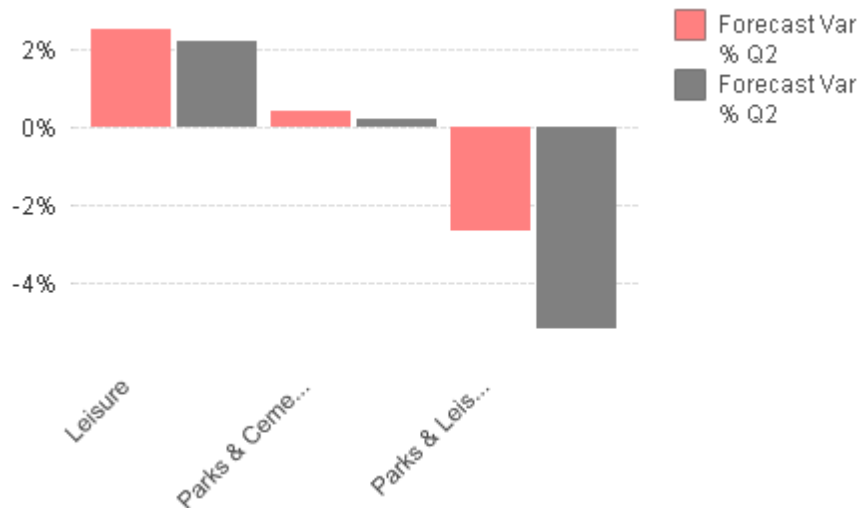
Income from Fees and charges in leisure centres down is by £45k and other sales e.g. Sports consumables down by £33k. However, income from events (£92k) is up on budget, which in part helps to balance this.

A significant insurance claim has been received by the service in relation to fire damage and vandalism in relation to the former Beechmount Leisure centre (£110k). This was not accrued for in 2009/10.

Directorate Support has shown an under spend of £115k or 8% at quarter three. This partially 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. Other activities around antisocial behaviour are yet to commence however it is expected that this budget will be spent by year end.

## Forecast % variance

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 £92k (0.4%) over budget at quarter 3 (quarter 2: £193k). 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 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. Negotiations are continuing with NI Water Services around disputed bills.

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.

Procurement processes are underway regarding the remainder of the Playground Refurbishment programme and orders are currently being processed to reflect the commitment.

## Parks and Leisure Committee - Main Items of Expenditure

	Plan YTD £'000	Actual YTD £'000	Variance YTD £'000	% Variance	Plan 10/11 £'000	Forecast for Y/E at P9 £'000	Forecast Variance £'000	% Variance
<b>Parks and Leisure Committee</b>	<b>16,330</b>	<b>16,180</b>	<b>( 150)</b>	<b>(0.9%)</b>	<b>22,291</b>	<b>22,382</b>	<b>92</b>	<b>0.4%</b>
<b>Leisure</b>	<b>6,252</b>	<b>6,438</b>	<b>186</b>	<b>3.0%</b>	<b>8,171</b>	<b>8,350</b>	<b>180</b>	<b>2.2%</b>
Leisure Development	747	630	( 117)	(15.6%)	661			
Leisure Centres	5,505	5,808	303	5.5%	7,510			
<b>Parks and Cemeteries</b>	<b>8,579</b>	<b>8,358</b>	<b>( 221)</b>	<b>(2.6%)</b>	<b>12,045</b>	<b>12,066</b>	<b>21</b>	<b>0.2%</b>
Parks & Open Spaces	4,907	5,090	183	3.7%	6,482			
Zoo	468	412	( 57)	(12.1%)	933			
Landscape & Planning	602	468	( 134)	(22.3%)	809			
Estates Management	384	367	( 17)	(4.5%)	521			
Cemeteries & Crematorium	378	273	( 105)	(27.8%)	434			
P&C Services Unit	755	810	55	7.3%	1,015			
P&C Development Unit	650	551	( 99)	(15.2%)	1,333			
Conservation & Education	434	387	( 47)	(10.9%)	519			
<b>Parks and Leisure Directorate</b>	<b>1,499</b>	<b>1,384</b>	<b>( 115)</b>	<b>(7.7%)</b>	<b>2,075</b>	<b>1,966</b>	<b>( 109)</b>	<b>(5.2%)</b>
Antisocial Behaviour	113	76	( 38)	(33.4%)	187			
Directorate Support	1,386	1,309	( 77)	(5.6%)	1,888			

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