

Parks and Leisure Committee

Quarterly Finance Report

Report Period: Quarter 3 2011/12

Revision Record - Please complete to facilitate version control (table will be deleted in final version)			
Author	Creation Date	Version	Status
C Gillen	12.01.12	1.0	Draft - YTD data only
Changed by	Revision Date		
C Gillen	24.01.12	2.0	Forecasts Included



Dashboard: Quarter 3, 2011/12

Strategic Element: Financial Planning	Variance £,000 (under)/ Over Q2	Indicator % Q2	Variance £,000 (under)/ Over Q3	Indicator % Q3			Page no
Year to date variance							3
BCC	(2,060)	(3.6)	(3,790)	(4.3%)	A	↓	
• Parks & Leisure Committee	61	0.6%	(584)	(3.5%)	A	↓	
○ Leisure	274	7.0%	136	2.2%	R	↑	
○ Parks & Cemeteries	(177)	(3.2%)	(612)	(7.1%)	R	↓	
○ Parks & Leisure Directorate	(36)	(2.9%)	(109)	(5.5%)	R	↓	
Forecasted % variance							4
BCC	(1,054)	(0.9%)	(2,067)	(1.8%)	G	↓	
• Parks & Leisure Committee	265	1.2%	(200)	(0.9%)	G	↑	
○ Leisure	182	2.2%	259	3.2%	R	↓	
○ Parks & Cemeteries	83	0.7%	(284)	(2.3%)	G	↓	
○ Parks & Leisure Directorate	0	0.0%	(175)	(6.4%)	R	↓	

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 in quarter three of the Parks and Leisure department is a 3.5% variance against the year to date budget; i.e.; an under spend of £584k.

There are a number of key reasons for this position as follows:

The direct employee budget is showing a 1% overspend at quarter three which is down from quarter 2. Committee will be aware of the ongoing service reviews within the Department and recommendations will be provided to committee over the next number of months to finalise the structures. Measures regarding overtime and agency staff are currently being implemented to curtail the increase.

The borehole at the Zoo has finally been re-connected which means that the water supply at the zoo can be fully provided without a requirement to connect to the mains supply. However £82k of expenditure over budget has already been spent in this area.

Playground refurbishment is £150k under spent against budget at quarter three and the resurfacing of paths is under by £70k however there are agreed programmes of work in these areas which will be completed by year end.

Grounds Maintenance budgets in Parks are reporting an under spend of £800k which is linked to delays in programmes of work as above some of these will not be completed by year end.

Compensation claims are overspent by £56k in Leisure and £187k in Parks & Cemeteries. Most of these relate to historical claims however the reporting and inspection processes have been improved.

Income from Grants has been received by Leisure Development which were speculative in nature and were therefore not budgeted for. Expenditure against these projects and others has not yet been incurred. Income from Leisure Centres continues to feel the impact of the economic climate and is currently 2.9% or £74k below target. Promotions over the Christmas and New year period have taken place to address this and increase memberships which may improve this situation.

Income from fees and charges at Malone house is down £25k against budget and Belfast Castle £13K which is an improvement on Quarter two. Both sites are currently running promotional campaigns particularly around weddings which will help to address this.

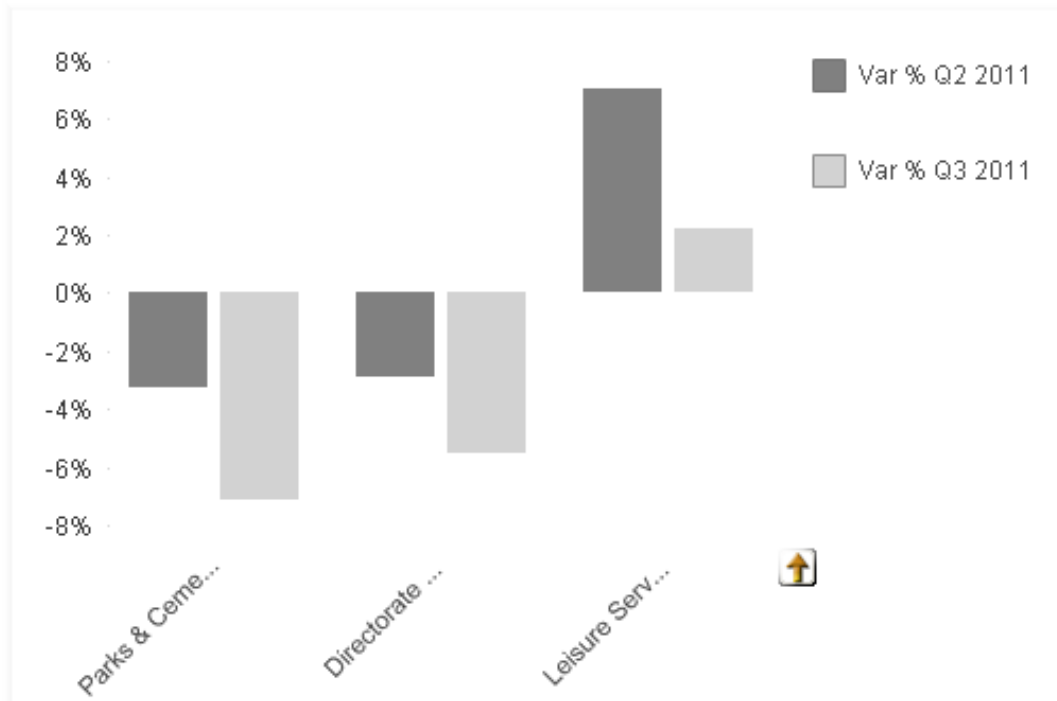
Zoo income is down £155k against the expected income year to date due to a reduction in visitor numbers and poor weather over the summer. Income from the shop is also down however expenditure in the shop has not reduced to balance this and management are currently addressing this issue.

Income from Fees & Charges for Parks and Open Spaces is up by 10.9% or £136k due to price increases not reflected in budgets and increased usage. Income from Cremations is up by (7%) £53k on budget however burials is down by £25k or 5% against budget.

Directorate support is currently under spent due to delays in filling budgeted posts and the timing of marketing and promotions activities however this should be reduced by year end.

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

Leisure's variance is £136k or 2% over spend. 2% is overspent on employee budgets due to overtime and agency costs however this has decreased since quarter 2 from 5% over. A review of leisure is underway and recommendations on reducing agency and overtime costs are currently being implemented.

Utility costs specifically water, oil and electricity costs are currently 5% over spent in leisure centres i.e. £55k. Consumption is being monitored regularly by managers.

Within leisure Development project costs of £100k have yet to be incurred however these are planned to take place before the end of the financial year. Support for Sport grants are also currently under claimed by £34k.

Compensation claims are overspent by £56k most of these relate to historical claims however the reporting and inspection processes have been improved.

Income from fees and charges are down on target by £74k and there has been an extensive marketing campaign over the Christmas and new year to generate income from new memberships. Income from rents is under claimed at this stage and is being addressed.

Parks & Cemetery Services budget is showing a variance of £612k or 7% under spent. Direct employee expenditure is overspent by 1% due to overtime and agency costs. A review of Parks is underway and recommendations on reducing agency and overtime costs are currently being implemented.

Utility expenditure is over spent by 5% mainly due water charges which are overspent by £117k due to the issue at the Zoo. Grounds Maintenance charges, in Parks, are reporting an under spend of £800k which is linked to delays in programmes of work. Supplies & Services expenditure is over spent by £270k however expenditure on street trees contract with DSD relates to £336k of and £324k of income has been received in relation to this. The Playground refurbishment is £150k under spent against budget at quarter three however the agreed programme of work will be completed by year end.

The resurfacing of paths programme has under spent by £70k in quarter three and was budgeted to grounds maintenance however the main activities around this programme have been provided by external supplies and services.

Fuel costs are also overspent by £20k and compensation claims are over budget by £187k and improved controls and reporting processes are being implemented. The parks grants are also currently under claimed by £53k and this should be resolved by year end.

Income is £293k above target, however £324k relates to the Street Trees contract giving an overall reduction on income of 0.8% on target. There is a £110k reduction on income from the Zoo from visitors and a further £40k from the zoo shop.

Parks and Playing fields, has exceed budgeted income by £168k with an

additional £50k from pitch hire. In relation to cemeteries, the increase has predominantly been at the Crematorium. Income from cremations is up by £53k however income from burials at Roselawn is down by £25k. Malone House and Belfast Castle, income is down by £25k and £13k respectively. Weddings continue to perform well at these sites but it is an increasing challenge in relation to securing business use. This is an improved position from quarter 2.

£42k of grant income from the Public Health Authority which was not budgeted for has also been received for the community gardens and allotments project.

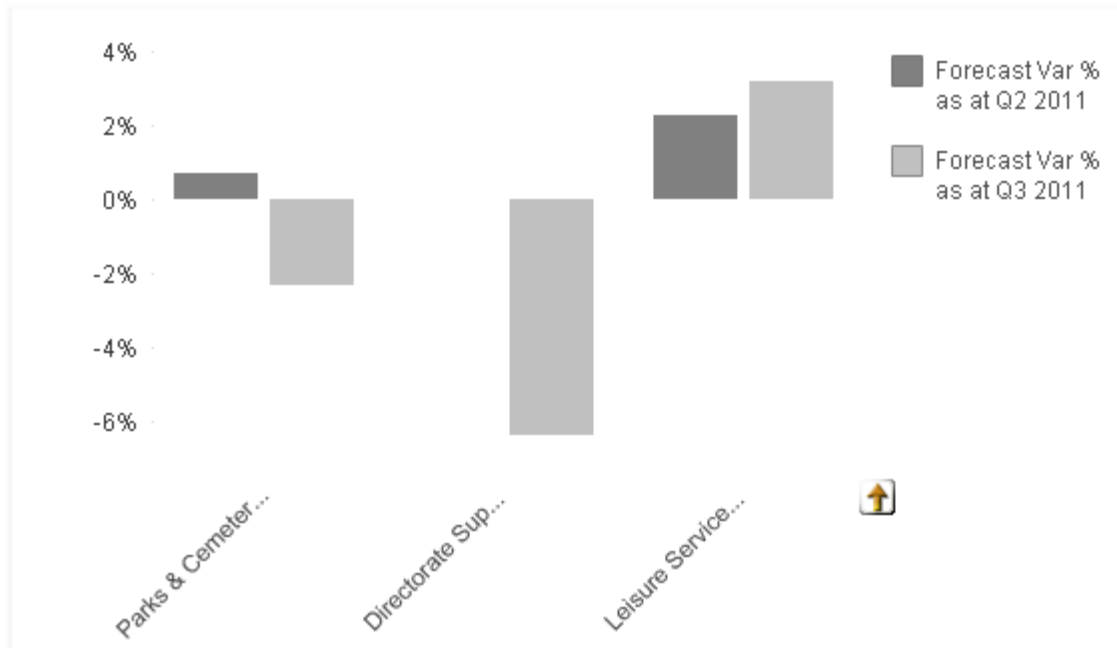
Directorate Supports overall position is showing an under spend of 6% or £108k £25k is due to delays in recruitment of posts and subsequent training. Delays in marketing and promotions expenditure which is under by £78k and departmental improvements have also contributed. There are projects currently underway that will progress this expenditure

Other specific actions have also been agreed including;

- Promotional campaigns for leisure centre activities
- Promotional campaigns for Malone House and Belfast Castle
- A detailed project plan for playground improvement / refurbishment
- Implementation of a more effective procurement process (SRM) for parks managers, which will ensure a more accurate reporting of commitment
- Improved project monitoring and grant draw down processes

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

At quarter three the forecasted outturn is £200,000 under spent or 1%. ~ £258k over in Leisure in relation to staff costs, and potential reduction in income; In Parks £283k under spent overall in relation to work programmes offset by increased income from crematorium and Parks and Open spaces and grants. These under spends are offset by overspends on staff costs, utilities and compensation claims.

Directorate support is also under spent at year end by £175k which is partly due to delays in filling posts and delays in marketing and promotions expenditure under by £78k and departmental improvements. There are projects currently underway that will progress this expenditure.

- Agency and overtime costs. Both are reporting an overspend and, while an action plan to effectively manage this is now in place, this may not show a significant reduction for a number of months
- Staff restructuring, especially in leisure. This could result in short term increases in costs before anticipated savings are realised
- The impact of the wider economic downturn on income generation at leisure centres and at Malone House / Belfast Castle.
- Increasing utility costs, particularly in relation to: fuel, water and sewerage.
- Connswater Community Greenway project was expected to be handed over in October 2011 however there have been unforeseen delays which could result in approximately £250k not being spent.

The department continues to closely monitor expenditure and income and budget holders are required to report monthly on variances. In addition, formal meetings take place each month between members of DMT, senior operational managers, and business support, to ensure that any required corrective action is identified and action plans developed.

Parks and Leisure Committee - Main Items of Expenditure

	Plan YTD £'000	Actual YTD £'000	Variance YTD £'000	% Variance	Plan 11/12 £'000	Forecast for Y/E at P9 £'000	Forecast Variance £'000	% Variance
Parks and Leisure Committee	16,718	16,134	(584)	(3.5%)	22,955	22,755	(200)	(0.9%)
Leisure	6,122	6,258	136	2.2%	8,094	8,353	259	3.2%
Leisure Development	529	417	(112)	(21.1%)				
Leisure Centres	5,593	5,841	248	4.4%				
Parks and Cemeteries	8,634	8,022	(612)	(7.1%)	12,121	11,837	(284)	(2.3%)
Parks & Cemetery Services	7,003	6,446	(557)	(8.0%)				
Zoo	446	594	149	33.3%				
Landscape & Planning	1,034	875	(159)	(15.4%)				
P&C Development Unit	151	107	(44)	(29.3%)				
				0.0%				
Parks and Leisure Directorate	1,962	1,853	(109)	(5.5%)	2,741	2,566	(175)	(6.4%)
Policy and Business Development	605	555	(49)	(8.2%)				
Directorate Support	1,357	1,298	(59)	(4.4%)				

