



## Belfast City Council

<b>Report to:</b>	Parks and Leisure Committee
<b>Subject:</b>	Financial Reporting – Quarter 4 2011/12
<b>Date:</b>	9 August 2012
<b>Reporting officer:</b>	Andrew Hassard, Director of Parks and Leisure
<b>Contact officer:</b>	Jacqueline Wilson, Business Support Manager

<b>1.</b>	<b>Relevant background information</b>
	<p>The Strategic Policy and Resources Committee agreed on 18 June 2010 that:</p> <ul style="list-style-type: none"><li>• the council would produce financial reporting packs for the Strategic Policy and Resources Committee and each Standing Committee on a quarterly basis</li><li>• the Budget and Transformation Panel would also receive monthly financial updates if there were any significant issues to report.</li></ul> <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>The style and layout reflect much of the discussion and feedback arising from the members' financial training at the end of September 2010. As we previously advised the committee, we will continue to develop the style and contents of the reports in liaison with members.</p> <p>Central finance and our departmental management team have worked together to develop the information within this financial reporting pack.</p>

<b>2.</b>	<b>Key issues</b>
	<p><i>Final year-end financial position 2011/12</i></p> <p>The year-end performance of the Parks and Leisure department is a 0.1% variance</p>

against total budget; i.e.; an over spend of £33k.

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

The direct employee budget is showing a 1% overspend at year end the same as reported in quarter 3. 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 reduce expenditure in these areas.

Utilities costs for the department were overspent by 18%. Leisure was £250k over in water and electricity costs specifically and there have been ongoing issues with the combined heat and power units at the number of centres which has increased the consumption of electricity. This is being addressed with the Property and Projects Department. Parks were £179k over spent on utilities specifically water charges. 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 and this accounts for £78k of the overspend. These budgets have been increased for 2012/13 but due to the level of increases being experienced this may still be an issue for the department going forward.

Compensation claims were overspent by £62k in Leisure and £304k in Parks & Cemeteries. The department has been working closely with Legal Services to improve the reporting and inspection processes around these. However the majority of these claims are historical and take time to settle.

Directorate support was under spent due to delays in marketing and promotions activities due largely to the review of the leisure membership scheme. However the department has now agreed a marketing plan for the year ahead for the new scheme.

Income from Leisure Centres has improved from quarter 3 and has exceeded its target by £10k. However two of the centres had planned to close for repairs in 2011-12 and their income targets were reduced to reflect this. The maintenance plans were delayed and the centres did not close. As discussed above; extensive marketing plans have been developed to promote the new leisure membership scheme and retain existing members.

Income from fees and charges at Malone house was down £10k and Belfast Castle £36K against budget which was an improvement on Quarter three for Malone House. Although the fees and charges for events have dropped the income from the franchise agreements is improving. Both sites have also had a tighter control on their expenditure to reduce the impact on the overall subsidy of the facilities.

Zoo income was down £150k against the expected income at year end as reported in quarter three. This was largely due to a reduction in visitor numbers and poor weather over the summer. This included income from the shop however expenditure in shop supplies has also reduced to balance this issue.

Income from Fees & Charges for Parks and Open Spaces was up by 13% or £267k due to price increases not reflected in budgets and increased usage.

	<p>Income from fees and charges for Cremations was up by (8%) £88k on budget and burials were on target against 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.</p>
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<b>3.</b>	<b>Resource Implications</b>
	There was an over spend of £33k for the financial year ending 31 <sup>st</sup> March 2012.

<b>4.</b>	<b>Equality and Good Relations Implications</b>
	None.

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

<b>6.</b>	<b>Decision Tracking</b>
	N/A

<b>7..</b>	<b>Key to abbreviations</b>
	None.

<b>8.</b>	<b>Documents Attached</b>
	Appendix 1: Financial reporting pack