

Parks and Leisure Committee

Quarterly Finance Report

Report Period: Quarter 4 2011/12

Revision Record - Please complete to facilitate version control (table will be deleted in final version)			
Author	Creation Date	Version	Status
C Gillen	30.04.2012	1.0	
Changed by	Revision Date		
J Wilson	10.05.2012		



Dashboard: Quarter 4, 2011/12

Strategic Element: Financial Planning	Variance £,000 (under)/ Over Q3	Indicator % Q3	Variance £,000 (under)/ Over Q4	Indicator % Q4			Page no
Year end variance							3
BCC	(3,240)	(3.7)%	(1,870)	(1.6)%	G	↑	
• Parks & Leisure Committee	(584)	(3.5)%	33	0.1%	G	↑	
o Leisure	136	2.2%	307	3.8%	R	↓	
o Parks & Cemeteries	(612)	(7.1)%	(46)	(0.4)%	G	↑	
o Parks & Leisure Directorate	(109)	(5.5)%	(228)	(8.3)%	R	↓	

Executive Summary

The performance for year ending March 2012 of the Parks and Leisure department is a 0.1% variance against 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 this area.

Utilities costs for the department were overspent by 18%. Leisure is £250k over in water and electricity costs specifically and there have been ongoing issues with the CHP units at the number of centres which has increased the consumption of electricity. This is being addressed with the Property and Projects Department. Parks are £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 are 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 is 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 promotion the new leisure membership scheme and retain existing members.

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

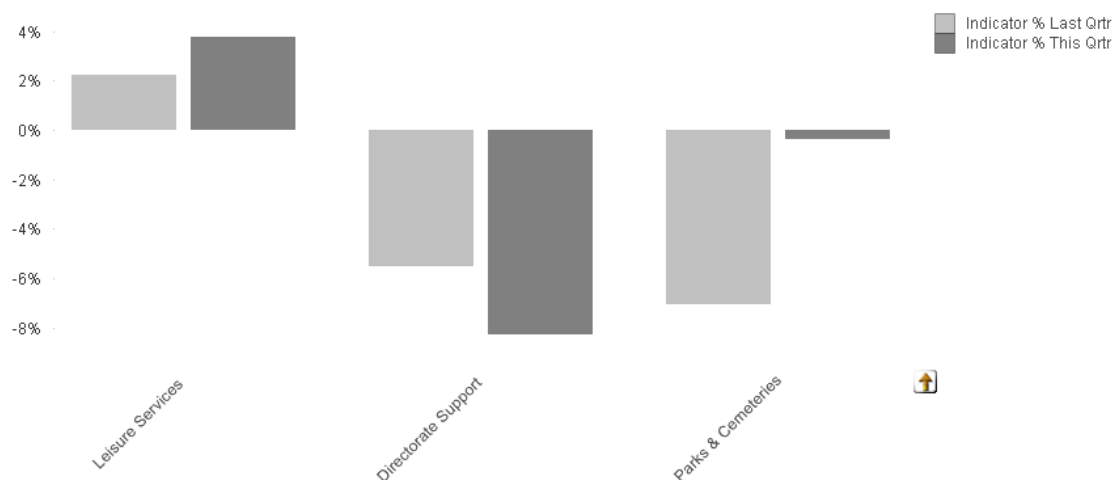
Zoo income is down £150k against the expected income at year end as reported in quarter three. This is largely due to a reduction in visitor numbers

and poor weather over the summer. This includes 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 is up by 13% or £267k due to price increases not reflected in budgets and increased usage. Income from fees and charges for Cremations is up by (8%) £88k on budget and burials are on target against budget.

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 £307k or 3% over spend. 2% is overspent on employee budgets due to overtime and agency costs as reported in quarter 3. 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 18% over spent in leisure centres i.e. £249k. Consumption is being monitored regularly by managers and issues with CHP units are being addressed.

Due to a delays in setting up a new contract no significant uniform purchases took place, resulting in an under spend of £38k. Claims for compensation reports an over spend of £62k (52%). The department has been working with legal services to resolve claims more effectively and ensure there are adequate inspections systems in place. However most of these relate to historical claims and are difficult to estimate for.

Leisure Operations Income is reported as reaching the annual target. However, 2 Centres had budgeted for planned maintenance closures of 2 months in 11/12. These closures didn't occur, meaning that each Centre is showing, in effect, 2 months additional income. If this is factored in, the Service would not have reached its income target, reflecting the wider economic conditions.

Parks & Cemetery Services budget is showing a variance of £46k or 0.4% under spent. Direct employee expenditure is on target which is an improvement on quarter 3 performance which was 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 costs are reported at £179k (18%) above estimate. This primarily relates to Water & Sewerage Charges. The main location of overspend in this category has been at the Zoo. The failure of the borehole resulted in a water charge £78k higher than budgeted. This has now been rectified and is not anticipated as an issue in 12/13.

Fuel costs are also overspent by £85k reflecting the increasing costs of petrol and diesel. Claims for compensation are above estimate, by £304k (150%). The Service is looking at measures to manage inspections and fault reporting more effectively to address this situation, however as with leisure, a large number of these claims are historical.

Parks; DSD Street Trees income accounts for £1.5m of the £1.7m of income over the budgeted estimate. If this is discounted the Service exceeded income targets by £300k. Parks and Open Spaces exceeded income targets by £267k. This is partly due to increased usage but also due to variability of the SLA related work year on year for public realm areas and the gasworks.

The crematorium income is reported at £88k above target, with income from burials being on budget.

Malone House, Belfast Castle, and the Zoo continue to struggle in the current economic climate. Income at the Zoo was £154k (8%) below target, This includes income from the shop however expenditure in shop supplies has also reduced to balance this issue. Malone House and Belfast Castle were £10k and £36k respectively below target. Both sites, though, managed expenditure during the year to ensure that the bottom line was as close to estimate as possible.

£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 Support's overall position is showing an under spend of 8% or £228k The improvement budget was under spent by £98k due to some delay in implementation or commencement dates of projects. The marketing and communications budget was under spent by £129k. Delays in the development of the new Boost product had a knock on effect in relation to marketing and communications activity. In addition, some budgeted activity was undertaken in house, resulting in an under spend in this area but an over spend in agency costs (£38k). Payroll costs in Directorate Support are reported at £35k (2%) below Estimate. This is due to some planned posts, not being filled in 11/12.

Parks and Leisure Committee - Main Items of Expenditure

	Plan Annual £'000	Actual at Year End £'000	Variance £'000	% Variance
Parks and Leisure Committee	22,955	22,989	33	0.1%
Leisure	8,094	8,400	307	3.8%
Leisure Development	559	460	(98)	(17.6)%
Leisure Centres	7,535	7,940	405	5.4%
Parks and Cemeteries	12,121	12,075	(46)	(0.4)%
Parks & Cemetery Services	9,303	9,087	(216)	(2.3)%
Zoo	866	1,041	175	20.2%
Landscape & Planning	1,750	1,709	(41)	(2.4)%
P&C Development Unit	202	238	37	18.3%
Parks and Leisure Directorate	2,741	2,513	(228)	(8.3)%
Policy and Business Development	942	758	(184)	(19.5)%
Directorate Support	1,799	1,755	(44)	(2.4)%

