



Belfast City Council

Report to:	Parks and Leisure Committee
Subject:	Financial Reporting – Quarter 1 2012/13
Date:	13 September 2012
Reporting officer:	Andrew Hassard, Director of Parks and Leisure
Contact officer:	Jacqueline Wilson, Business Support Manager

1. Relevant background information
<p>The Strategic Policy and Resources Committee agreed on 18 June 2010 that:</p> <ul style="list-style-type: none">• the council would produce financial reporting packs for the Strategic Policy and Resources Committee and each Standing Committee on a quarterly basis• the Budget and Transformation Panel would also receive monthly financial updates if there were any significant issues to report. <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>

2. Key issues

Current and forecast financial position 2012/13

The current performance in quarter one of the Parks and Leisure department shows a -9.9% variance against the year to date budget; i.e.; an under spend of £514k.

There are a number of key reasons for the under spend within the department as follows:

Income overall is down 4% or £100k on budget. Leisure Centres are down by 11% or £90k on budget. Promotional activity especially around the new membership scheme is ongoing and summer campaigns have been underway from June.

Income from fees and charges at the Zoo is down 14% or £77k against budget and the income at the shop is also down £40k but this is offset by a reduction on expenditure on supplies. Visitor numbers are currently down by 21% on the same period as last year. The poor weather and the opening of other prestigious visitor centres have impacted on the Zoo.

Income from Grants is also outstanding by £50k and officers are working with funding bodies to ensure all monies are claimed in a timely manner. Income from fees and charges in Parks is up by 3% or £50k which is mainly from the crematorium.

The direct employee budget is showing a 2% (£133k) under spend at quarter one however this is mainly due to vacancies being filled by agency staff and the impact on the superannuation budget being unspent. 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. Recommendations regarding overtime and agency staff are currently being implemented.

Utility costs although currently on budget are a concern for the department. Services are reporting that water charges are slow to come through and they are experiencing issues with some sites. For example there are problems with the CHP (combined heat and power) units which mean centres are paying more to revert to electricity.

Grounds Maintenance expenditure is under spent against budget by £256k. £95k of this relates to the maintenance of paths and although work has been completed there has been an issue with the contractor over the rate of payment which has now been resolved. There is £70k of payments processed in period 4 in relation to paths. Other programmes of work are currently being agreed and procured.

Supplies and Services within the department are under spent by £227k. This expenditure relates to a number of programmes of work that are

	<p>being developed and also programmes of work with external partners that are underway and are being monitored on a monthly basis. This also refers to the issue of the Zoo shop referred to above which has reduced its supplies for resale by £60k.</p> <p>Vehicle costs within the department are overspent by £49k against budget in quarter one and budgets have been centralised to help to monitor and control levels of expenditure. This budget will also be re-profiled.</p> <p>Compensation claims are £35k above budget for both services but significantly in Parks by over £30k. Grants within the department are currently under claimed by £28k and officers will continue to work with community groups and clubs to ensure monies are effectively drawn down.</p> <p>The department will continue to monitor the variance between actual and budgeted expenditure/income during quarter 2.</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>
--	--

3.	Resource Implications
	There is a year to date under-spend of £0.51m and a forecast over-spend of some £0.2m or 1% by year end.

4.	Equality and Good Relations Implications
	None.

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

6.	Decision Tracking
	N/A

7..	Key to abbreviations
	None.

8.	Documents Attached
	Appendix 1: Financial reporting pack