

Parks and Leisure Committee

Quarterly Finance Report

Report Period: Quarter 1, 2012/13

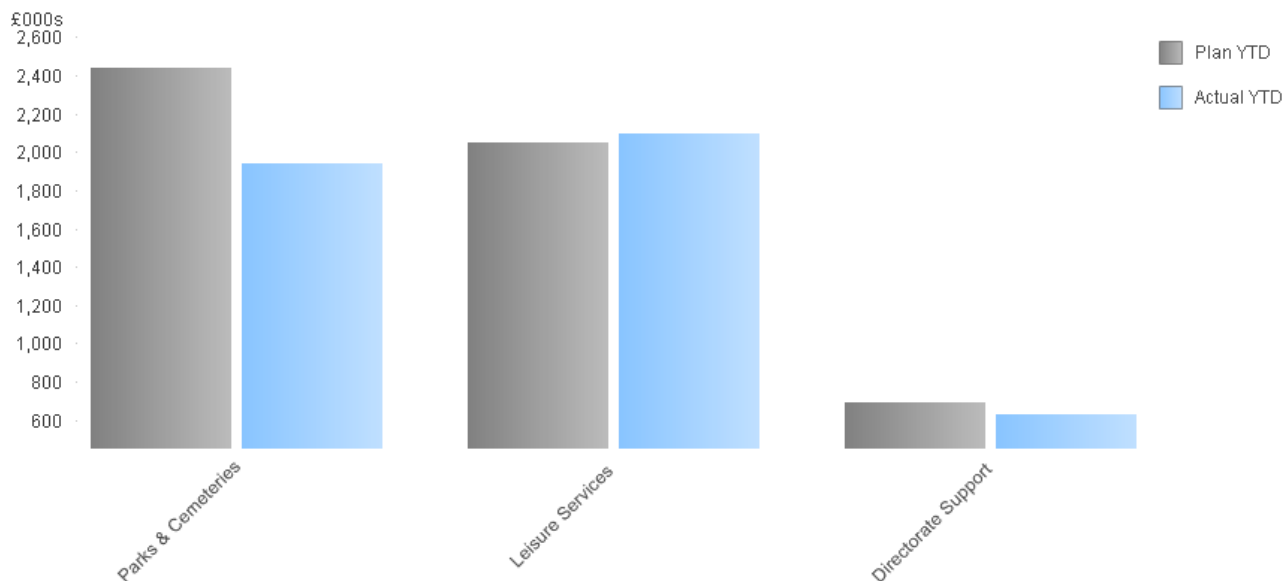
Dashboard

Revenue Section							Page
Service	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %	3&5
Parks & Cemeteries		(494)	(20.3)%		(200)	(1.6)%	
Directorate Support		(62)	(8.9)%		0	0.0%	
Leisure Services		42	2.0%		400	4.9%	
Committee Total		(514)	(9.9)%		200	0.9%	
Total of all Committees	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %	
Belfast City Council		(1,014)	(3.3)%		(927)	(0.8)%	

Note: Total of all committees is draft until ratified by SP&R.

Key Performance Indicators (KPI)			
KPI	Actual	Target	
Compliant Purchases	84.7%	85.0%	
Timeliness Of Goods On System	47.1%	75.0%	

Committee Net Revenue Expenditure: Year to Date Position



Commentary and action required:

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: 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 at 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 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 below which has reduced its supplies for resale by £60k.

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.

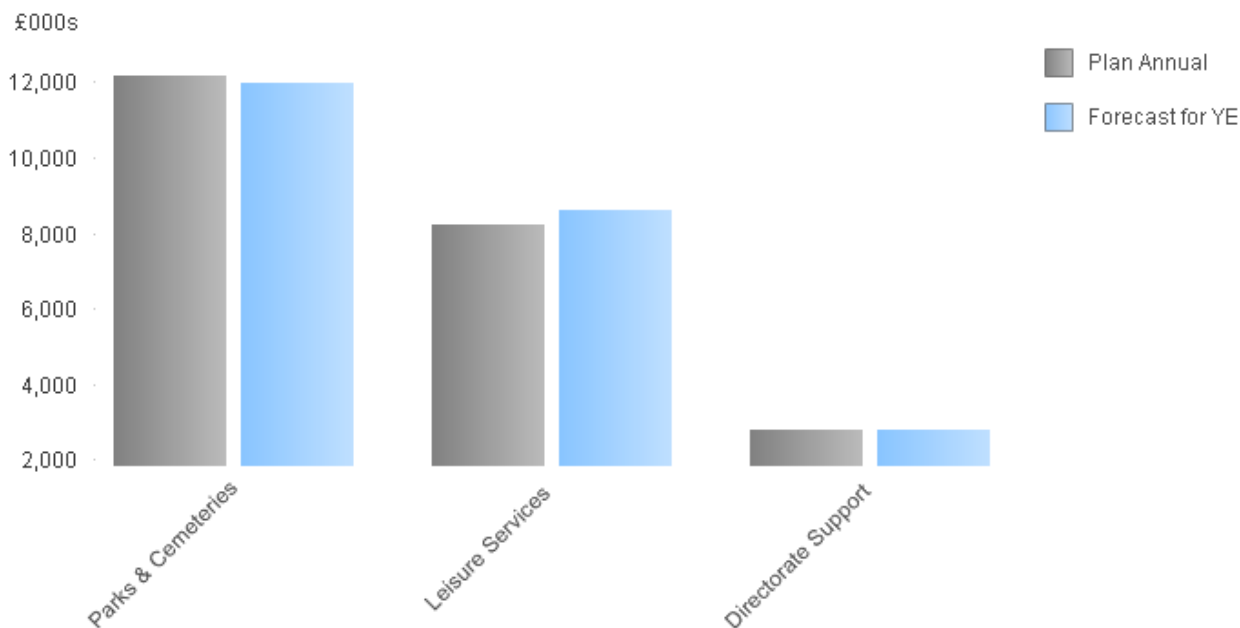
Compensation claims are £35k above budget for both services but significantly in Parks by over £30k. Grants within the department are currently under claimed by £28k and officers will continue to work with community groups and clubs to ensure monies are effectively drawn down.

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.

Committee Net Revenue Expenditure: Forecast for Year End (YE)



Commentary and action required:

The year-end forecast for the department at Quarter one is reported as a £200k overspend.

The main issues for Leisure are in relation to Utility costs and it is expected that Gas and electricity will be over spent by almost £200k. Staffing costs in relation to restructuring, sickness and overtime could potentially increase the over spend by £100k. In relation to income the service is forecasting that its performance will be £140k down on budget however promotional work is ongoing to improve membership and the Participation Manager is now in post and will be implementing an improvement programme across the city.

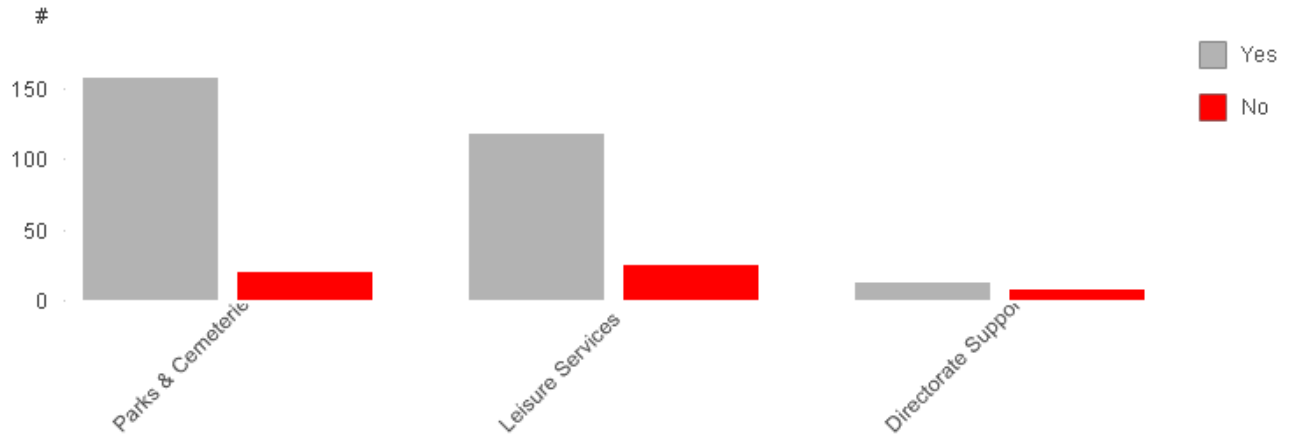
For Parks a number of programmes of works are currently being implemented but have experienced delays which may result in an under spend of approximately £150k. Also the zoo is forecasting approximately £110k reduction in income due to a fall in throughput which it will not be able to pick up during the year. However promotional activities are on going to respond to this.

Fees and charges in the crematorium and from pitch hire are looking more favourable and the service is forecasting approximately £200k of additional income by year end.

Key Performance Indicators (KPIs): Procurement Compliance

Procurement Compliance refers to the purchases that are made in compliance with the standard procure to pay process in BCC. These processes help ensure that our creditors are paid in a timely fashion and our accounts are accurate and up to date. The following indicators are intended to give a flavour of how well we are doing at adhering to the processes.

Indicator 1: Compliant Purchases (Purchase order created on system before ordering goods)



The impact of ordering goods without a purchase order being created on the system are that a) the authorisation for purchasing goods has not gone through the proper channels, b) incomplete records are available and decisions are being made based on information that is not correct and c) suppliers whose invoices do not have purchase orders take longer to pay and this contravenes an objective of the investment programme, negatively affecting supplier relationships with BCC.

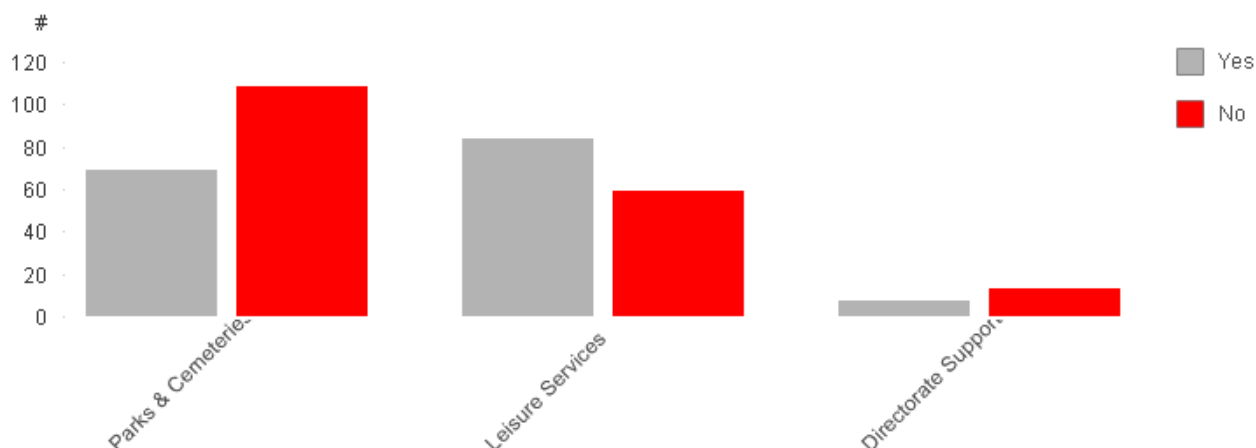
Commentary and action required:

The Parks and Leisure Department is over 80% compliant in relation to raising purchase orders on the system prior to receiving goods and the supplier providing an invoice for them.

The department is monitoring performance on a monthly basis and identifying any areas where there is none compliance and reinforcing the policy.

Key Performance Indicators (KPIs): Procurement Compliance

Indicator 2: Timeliness of Goods on System (Goods received and marked received on system within 5 days)



The impact of not marking goods as received onto the system is that a) BCC records of goods on site are not up to date and b) there is a risk that a department might overspend its budget as goods have been received but are not showing against the budget and c) it can take longer to pay the suppliers invoices and this contravenes an objective of the investment programme, negatively affecting supplier relationships with BCC.

Commentary and action required:

The Parks and Leisure Department is approx 50% compliant in relation to goods receiving orders on the system prior to the invoice being received.

The department is monitoring performance on a monthly basis and identifying any areas where there is non-compliance and reinforcing the policy. On occasions the delivery note is also the invoice and this note would normally generate the goods received on the system. Also in relation to supply of services the receipt of the invoice is the document that informs managers that the service has been completed. The department is working on addressing these issues and also reinforcing the process with our suppliers.

Parks & Leisure Committee

Service	Section	Plan YTD £000s	Actuals YTD £000s	Variance YTD £000s	% Variance	Annual Plan 2012/2013 £000s	Forecast for Y/E at P3 £000s	Forecast Variance £000s	% Variance
Total		5,180	4,666	(514)	(9.9)%	23,166	23,366	200	0.9%
Parks & Cemeteries	Total	2,438	1,943	(494)	(20.3)%	12,178	11,978	(200)	(1.6)%
Parks & Cemeteries	Landscape & Planning	324	129	(195)	(60.2)%	1,848			
Parks & Cemeteries	P&C Development	44	45	1	2.2%	178			
Parks & Cemeteries	Parks & Cemetery Services	2,117	1,781	(336)	(15.9)%	9,358			
Parks & Cemeteries	Zoo	(48)	(12)	36	(75.0)%	795			
Directorate Support	Total	692	630	(62)	(8.9)%	2,768	2,768	0	0.0%
Directorate Support	P&L Directorate Support	441	425	(17)	(3.7)%	1,770			
Directorate Support	Policy & Business Development	250	205	(45)	(18.0)%	998			
Leisure Services	Total	2,051	2,093	42	2.0%	8,220	8,620	400	4.9%
Leisure Services	Leisure Centres	1,800	1,843	43	2.4%	7,671			
Leisure Services	Leisure Development	251	250	(1)	(0.3)%	549			