



Parks and Leisure Committee

Quarterly Finance Report

Report Period: Quarter 2, 2012/13

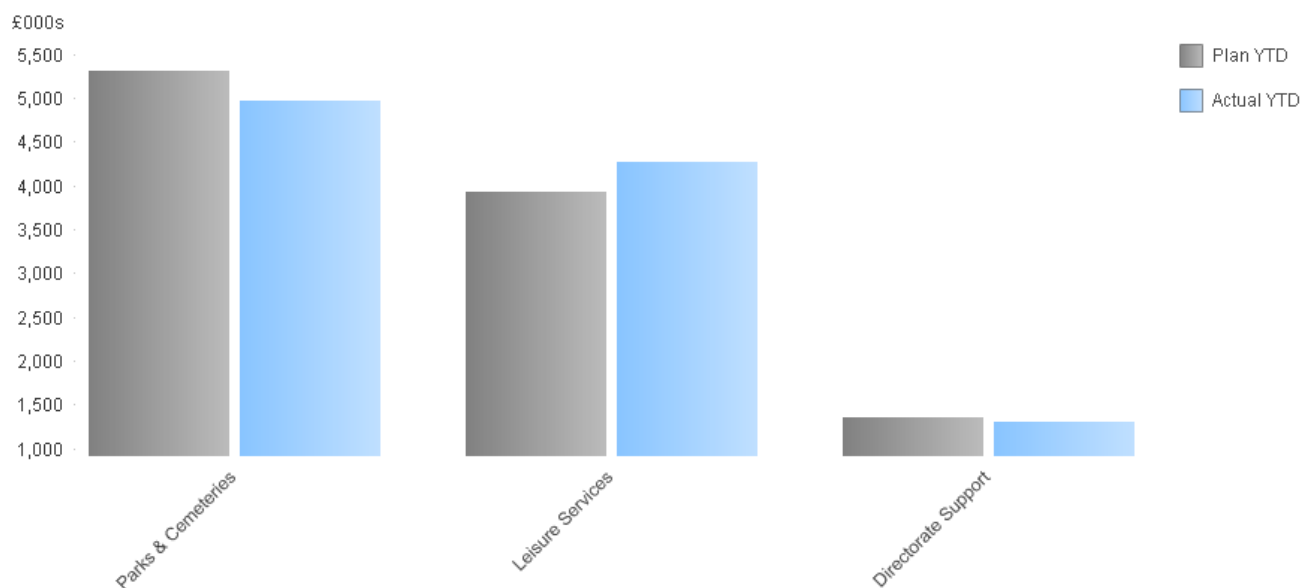
## Dashboard

Revenue Section							Page
Service	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %	3&4
Parks & Cemeteries		(327)	(6.2)%		(70)	(0.6)%	
Directorate Support		(48)	(3.5)%		(30)	(1.1)%	
Leisure Services		349	8.9%		450	5.5%	
<b>Committee Total</b>		<b>(25)</b>	<b>(0.2)%</b>		<b>350</b>	<b>1.5%</b>	
Total of all Committees	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %	
Belfast City Council		(1,228)	(2.1)%		(1,277)	(1.1)%	

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

Key Performance Indicators (KPI)			
KPI	Actual	Target	
Compliant Purchases	82.4%	85.0%	
Timeliness Of Goods On System	49.9%	65.0%	

## Committee Net Revenue Expenditure: Year to Date Position



### *Commentary and action required:*

The current performance in quarter two of the Parks and Leisure department shows a (0.2%) variance against the year to date budget; i.e.; an under spend of £25K

There are a number of key reasons for the financial performance within the department as follows:

Income for the department is down 8% or £443k on budget. Leisure Centres are down by 15% or £190k on the budget for fees and charges. Promotional activity especially around the new membership scheme is ongoing and campaigns have been underway from June.

Income from fees and charges at the Zoo is down 15% or £119k against budget and the income at the shop is also down £81k but this is offset by a reduction on expenditure on supplies. Visitor numbers are currently down slightly on the same period as last year despite 100,000 visitors to the Zoo in July and August. The poor weather and the opening of other prestigious visitor centres have impacted on the Zoo.

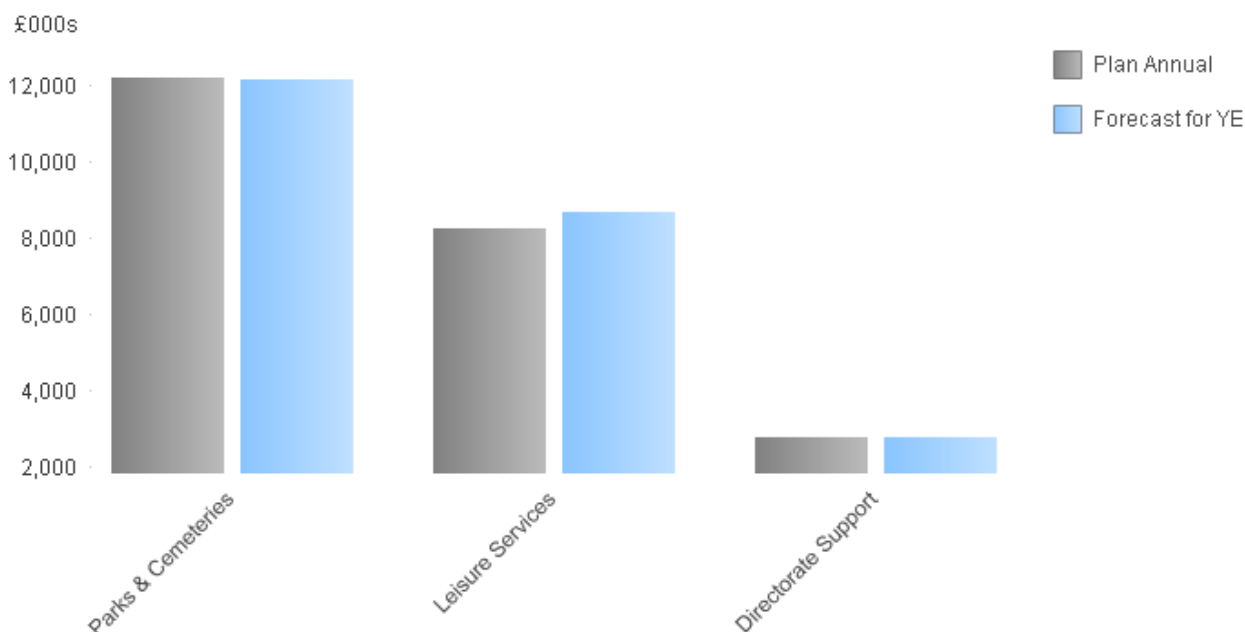
Income from fees and charges in Parks and Open Spaces are up by 8.2% largely in relation to events and pitch hire and the Crematorium which is up on budget by £55k.

Utility costs although currently on budget are a concern the department. However the borehole at the Zoo has also been experiencing problems which has resulted in the Zoo being reconnected to the mains which will have financial consequences.

Grounds Maintenance expenditure is under spent against budget by £320k. £106k of this relates to the maintenance of paths and £85k in relation to playgrounds but both projects are on schedule to be completed by the end of the year.

Supplies and Services within the department are under spent by £125k. 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 above which has reduced its supplies for resale by £60k in response to poor sales.

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



### *Commentary and action required:*

The yearend forecast for the department at Quarter two is reported as £350k overspent.

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 £150k 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.

Avoniel Pool is currently undergoing maintenance which may require it to be closed for the remainder of the financial year. This could result in a loss of income of up to £70k and this is reflected in the figure above.

For Parks a number of programmes of work are currently being implemented but have experienced delays which may result in an under spend of approximately £150k. Management may also want to delay projects to try and reduce the level of overspends experienced by the department. Also the zoo is forecasting approximately £200k reduction (11%) 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. The Zoo shop sales have also fallen however the supplies for resale have been reduced to balance this out.

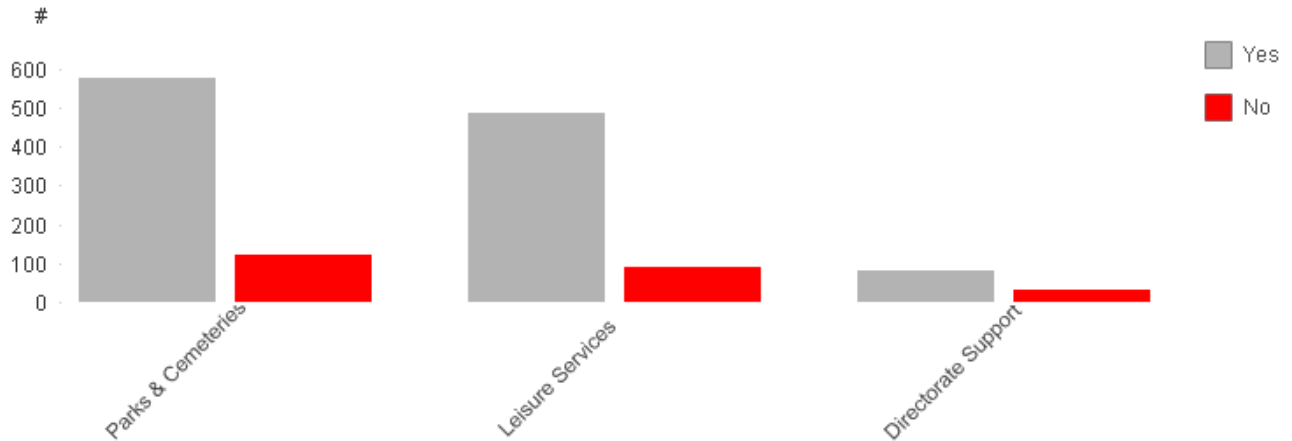
The issue of the borehole at the zoo and the requirement to link to the mains for a period of time could incur charges of up to £120k

Fees and charges in the crematorium and from pitch hire are looking more favourable and the service is forecasting approximately £240k 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.

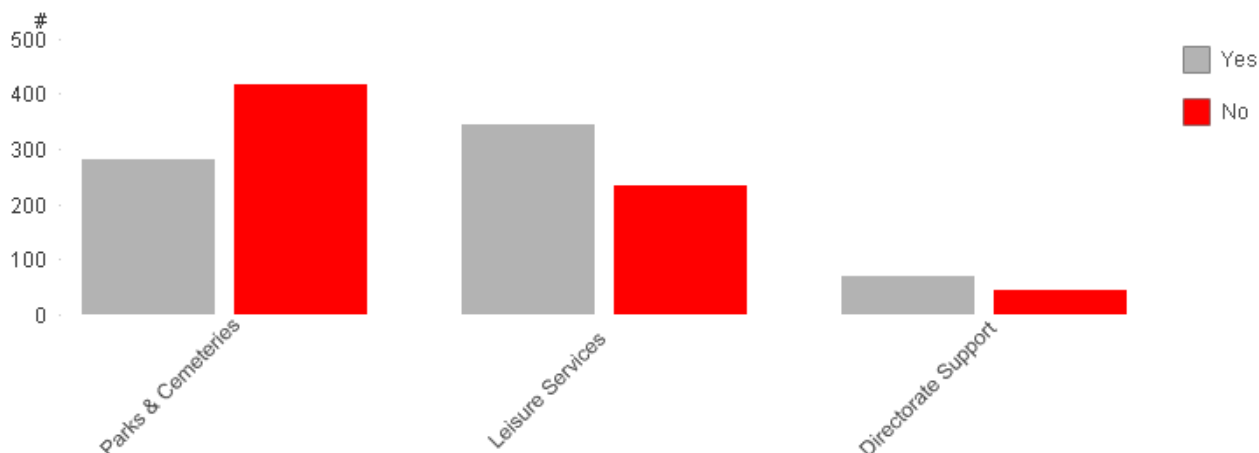
#### *Commentary and action required:*

The Parks and Leisure Department is 82% compliant in relation to raising purchase order on the system prior to receiving goods and the supplier invoicing for them.

The department is monitoring performance on a monthly basis and identifying any areas where there is non-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 invoiced being received.

The department is monitoring performance on a monthly basis and is identifying any areas where there is non-compliance to reinforce 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 P6 £000s	Forecast Variance £000s	% Variance
<b>Total</b>		<b>10,580</b>	<b>10,555</b>	<b>(25)</b>	<b>(0.2)%</b>	<b>23,166</b>	<b>23,516</b>	<b>350</b>	<b>1.5%</b>
Parks & Cemeteries	<b>Total</b>	<b>5,298</b>	<b>4,971</b>	<b>(327)</b>	<b>(6.2)%</b>	<b>12,178</b>	<b>12,108</b>	<b>(70)</b>	<b>(0.6)%</b>
Parks & Cemeteries	Landscape & Planning	770	505	(265)	(34.4)%	1,848			
Parks & Cemeteries	P&C Development	89	99	11	11.8%	178			
Parks & Cemeteries	Parks & Cemetery Services	4,521	4,314	(207)	(4.6)%	9,358			
Parks & Cemeteries	Zoo	(82)	52	134	(163.5)%	795			
Directorate Support	<b>Total</b>	<b>1,359</b>	<b>1,311</b>	<b>(48)</b>	<b>(3.5)%</b>	<b>2,768</b>	<b>2,738</b>	<b>(30)</b>	<b>(1.1)%</b>
Directorate Support	P&L Directorate Support	884	881	(3)	(0.3)%	1,770			
Directorate Support	Policy & Business Development	475	430	(45)	(9.6)%	998			
Leisure Services	<b>Total</b>	<b>3,923</b>	<b>4,272</b>	<b>349</b>	<b>8.9%</b>	<b>8,220</b>	<b>8,670</b>	<b>450</b>	<b>5.5%</b>
Leisure Services	Leisure Centres	3,735	3,953	218	5.8%	7,671			
Leisure Services	Leisure Development	188	320	132	70.1%	549			