



Belfast City Council

Report to:	Parks and Leisure Committee
Subject:	Financial Reporting – Quarter 1 2013/14
Date:	8 August 2013
Reporting officer:	Andrew Hassard, Director of Parks and Leisure
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1. Relevant background information

The Strategic Policy and Resources Committee agreed on 18 June 2010 that:

- 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.

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. It also provides a more detailed explanation of each of the relevant indicators covering the year to date and the year end forecast position.

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.

Central finance and our departmental management team have worked together to develop the information within this financial reporting pack.

2. Key issues

The current performance in quarter one of the Parks and Leisure department shows a 5% variance against the year to date budget; i.e.; an over spend of £255k.

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

Utility costs are currently over budget by £90k and are a concern for the department. Gas, Water and Combined Heat and Power (CHP) costs are all overspent within the department with CHP being an ongoing issue within Leisure. The connection to the water mains in the Zoo cost £22k in the first quarter which was not budgeted for however the borehole supply has now been restored so will not be a cost going forward.

Vehicle costs within Parks and Cemeteries are overspent by £183k against budget in Quarter 1 due to the timing of the procurement of fuel management systems and new machinery. However this issue should be resolved by quarter 2 and further expenditure managed within profiled budgets. Fuel budgets also remain under pressure due to increased costs and £40k over budget has been charged in the first quarter.

Compensation claims are £88k over budget in Parks and Cemetery Services i.e. 50% of the budget is spent in the first quarter. Again the timing of compensation claims is largely unpredictable but there is a high probability that this budget will be overspent by year end. The department continues to work with Legal Services to improve the reporting of incidents and ensuring these are managed effectively.

Income for the department overall is down 5% or £131k on budget. Leisure Centres are on budget despite losing £33k of income with the Avoniel pool closure. Promotional activities around summer campaigns have been running from April and the summer schemes have all been well received.

Income from fees and charges at the Zoo is down 23% or £124k against budget. This is largely due to the loss of income due to the closures associated with the snow over Easter. However the figures for May and June are up on the same time last year and the outdoor campaign 'passport to the world' is well underway. Also the good weather has helped increase visitor numbers and on the basis of performance forecasts it is expected that this shortfall will be covered. Income at the shop is also down £36k but this is offset by a reduction on expenditure on supplies by £23k in the same period. This will continue to be tightly managed and a trading account is in place for the shop and regular stock takes are in place.

Income in relation to the Franchise agreement at the Castle and Malone House will continue to underperform as a new contract is now in place from June which reflects a reduced annual rate from that budgeted.

Income from Grants is also outstanding by £57k 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 6% or £44k which is mainly from the crematorium (£27K) and pitch hire.

The department will continue to monitor the variance between actual and budgeted expenditure/income during quarter two of the year.

	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.
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3. Resource Implications	
	There is a year to date over-spend of £255k (5%) and a forecast over-spend of approximately £165k 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	
	CHP – Combined Heat and Power

8. Documents Attached	
	Appendix 1: Financial reporting pack