

Parks and Leisure Committee

Quarterly Finance Report

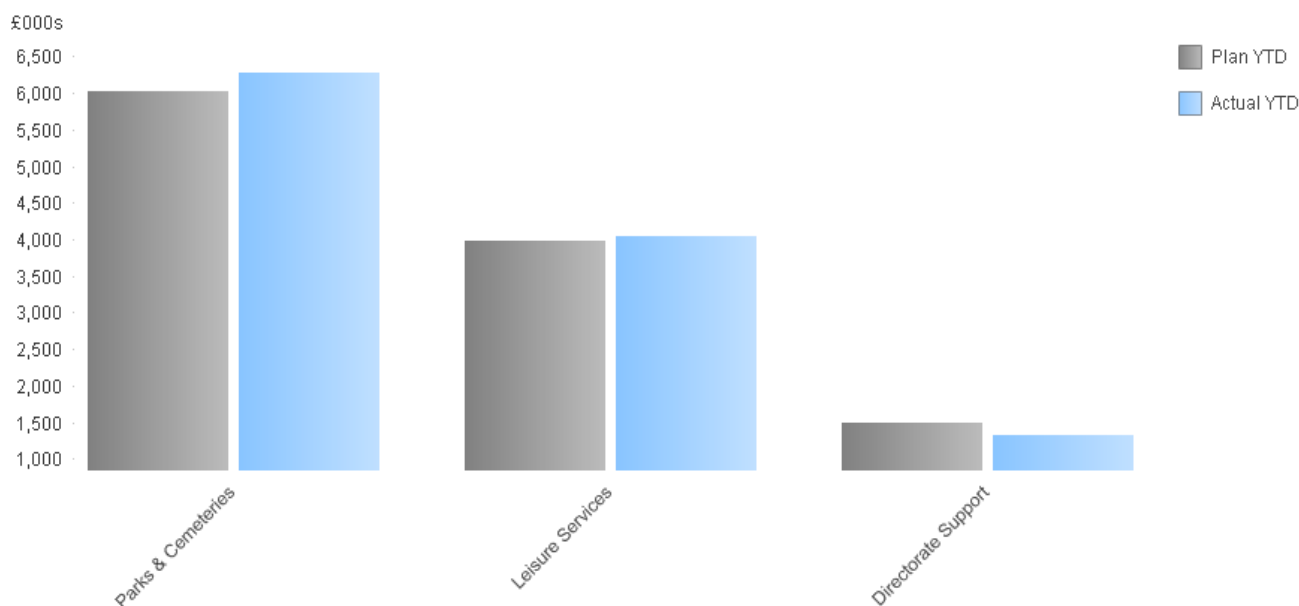
Report Period: Quarter 2, 2013/14

Dashboard

Revenue Section							Page
Service	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %	3&4
Parks & Cemeteries		233	3.9%		60	0.5%	
Directorate Support		(159)	(10.7)%		(50)	(1.7)%	
Leisure Services		45	1.1%		110	1.3%	
Committee Total		119	1.0%		120	0.5%	

Key Performance Indicators (KPI)			
KPI	Actual	Target	
Compliant Purchases	85.3%	90.0%	
Timeliness Of Goods On System	67.7%	75.0%	

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 1% variance against the year to date budget; i.e.; an over spend of £119k.

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

Direct Employee expenses are overspent by 1.6% which relate mainly to overtime and agency costs as reviews are implemented. These continue to be monitored and hotspots challenged with managers. A number of new posts in relation to the Zoo review and Parks Operational reviews will assist in reducing the reliance on agency and overtime as well as a number of seasonal posts which will impact on outdoor leisure.

Utility costs are currently on budget however there are ongoing issues with CHP within Leisure. The connection to the water mains in the Zoo cost £40k year to date which was not budgeted for however the borehole supply has now been restored.

Vehicle costs within Parks and Cemeteries are overspent by £26k against budget in quarter two as fuel budgets remain under pressure due to increased costs

Compensation claims are £96k over budget in Parks and Cemetery Services by the second 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 2% or £113k on budget. Leisure Centres are 2% £36k down on budget due to losing £33k of income with the Avoniel pool closure. Promotional activities around summer campaigns have been running from April and the Holiday schemes have all been well received.

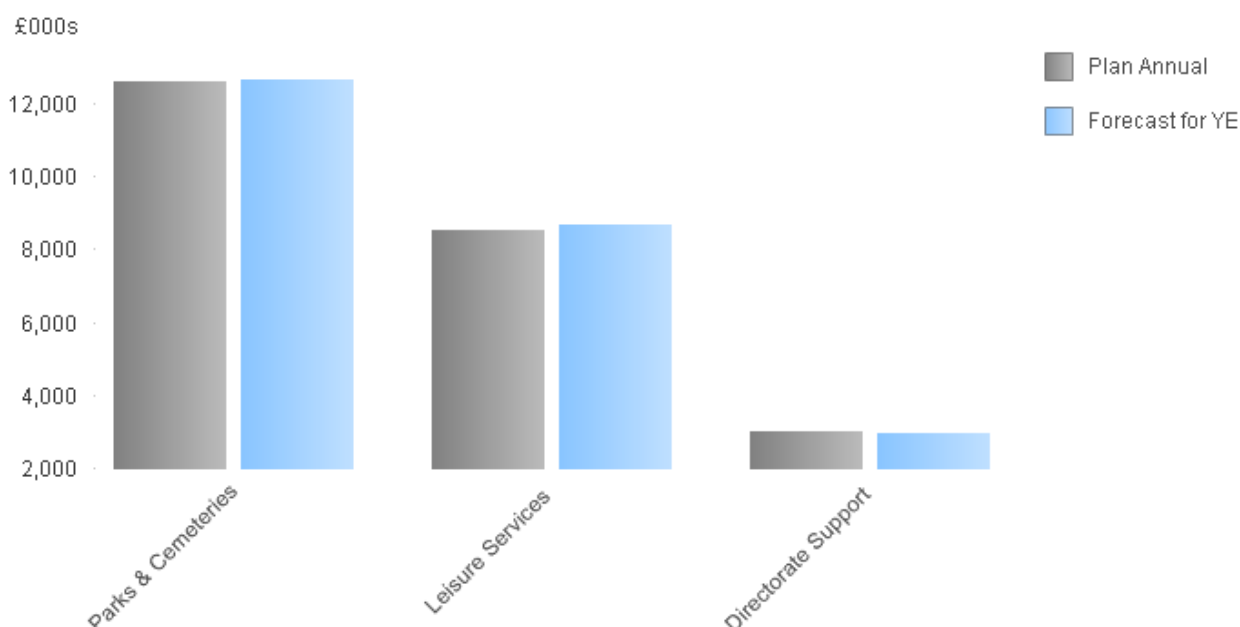
Income from fees and charges at the Zoo is down 10% or £113k against budget. This is largely due to the loss of income due to closures over Easter. However the figures for May, June and July are up on the same time last year and the outdoor campaign 'passport to the world' was

well received. The good weather has helped increase visitor numbers however August and September were down on expected income. Income at the shop is also down £39k but a reduction on expenditure on supplies will continue to reduce this. The shop 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. This currently sits at £58k year to date.

Income from Grants is also outstanding by £39k and officers are working with funding bodies to ensure all monies are claimed in a timely manner. Income from fees and charges in Parks and Open Spaces is up by 10% or £136k which is mainly from the crematorium (£85k) and pitch hire. However these increases do not offset the underperformance of the Zoo and Estates unit.

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 £120k overspent; Leisure £110k, Parks & Cemeteries £60k and Directorate under spent by £50k

The key reasons for the overspend is:

Leisure Centres income from fees and charges has been under pressure for the last few years and although memberships are increasing there is a higher increase with the concessionary memberships which results in less income per user. Due to the closure of Avoniel and maintenance upgrades of facilities within Ballysillan and Shankill it is forecast that the service will be approximately £50k under its budgeted income. However the service will continue to try and recover this through ongoing promotions etc

Utility costs continue to be a concern for the department and despite the issue with the Zoo borehole being resolved and Avoniel Pool refurbished these costs are rising. It is forecast that the department will be approximately £80k over budget in this area: Leisure centres £40k and the Zoo £40k.

Compensation Claims with Parks and Cemeteries are forecast to be £90k over budget by the end of the year. The Service continues to work with Parks operations and Legal services to reduce the number of claims coming through however the bulk of current claims are historical.

Income from the Crematorium and from events in Parks not budgeted for is forecast that £140k of additional income will be generated.

Income from the Zoo is expected to be down by £100k and Estates by £70k due to the reduced franchise fee.

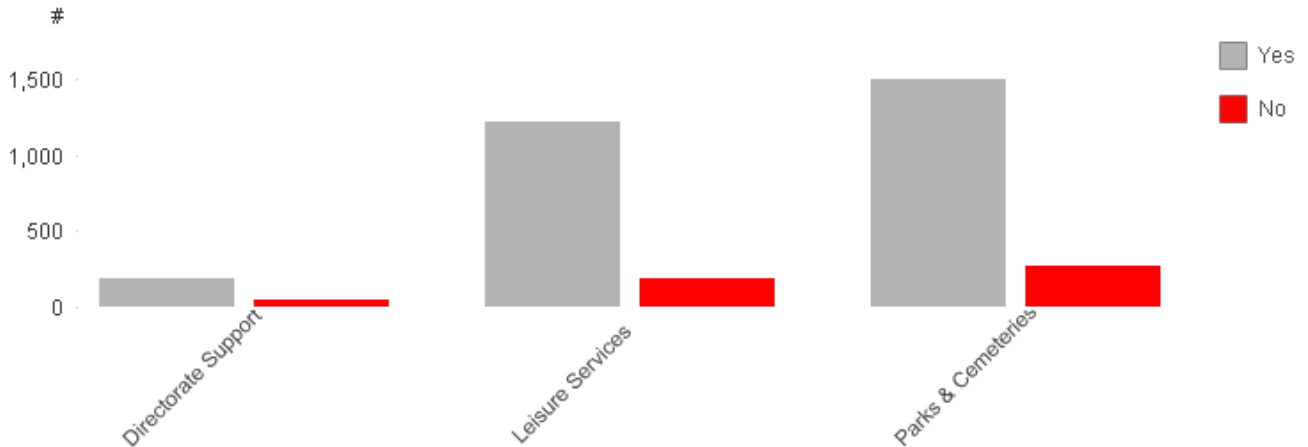
Income generated from the management fee in relation to Tree contracts with DSD is projected to generate approximately £80k.

Directorate support is forecast to be under spent by £50k due to posts remaining vacant and some delays in the ASB expenditure.

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:

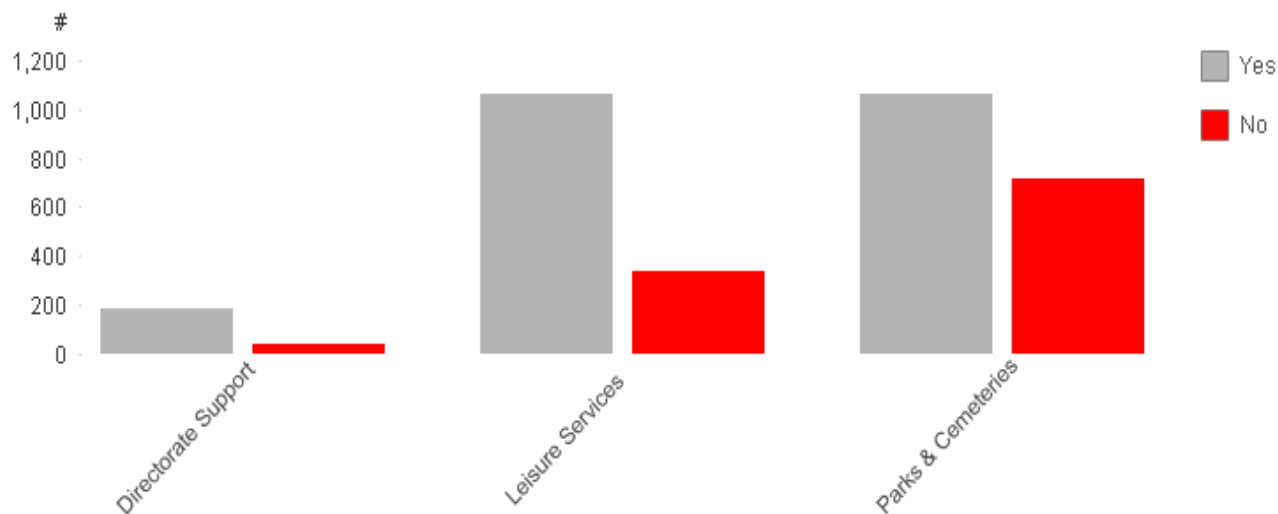
	Yes	No	Total	% Compliant
	2,915	501	3416	85.3%
Directorate Support	184	47	231	79.7%
Leisure Services	1,223	186	1409	86.8%
Parks & Cemeteries	1,509	270	1779	84.8%

The Parks and Leisure Department is 85.3% compliant in relation to raising purchase order on the system prior to receiving goods and the supplier invoicing for them and this is 3% up on the previous quarter.

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:

	Yes	No	Total	% Compliant
	2,312	1,104	3,416	67.7%
Directorate Support	189	42	231	81.8%
Leisure Services	1,067	342	1,409	75.7%
Parks & Cemeteries	1,059	720	1,779	59.5%

The Parks and Leisure Department is 68% 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 continuing to work on these issues and also reinforcing the process with our suppliers.

Parks & Leisure Committee

Service	Section	Plan YTD	Actuals YTD	Variance	% Variance	Annual Plan	Forecast for	Forecast	% Variance
		£000s	£000s	YTD £000s		2013/2014 £000s	Y/E at P6 £000s	Variance £000s	
Total		11,609	11,728	119	1.0%	24,097	24,217	120	0.5%
Parks & Cemeteries	Total	6,025	6,259	233	3.9%	12,594	12,654	60	0.5%
Parks & Cemeteries	Landscape & Planning	830	899	69	8.3%	2,139			
Parks & Cemeteries	P&C Development	69	63	(7)	(9.8)%	140			
Parks & Cemeteries	Parks & Cemetery Services	5,116	5,085	(31)	(0.6)%	9,460			
Parks & Cemeteries	Zoo	10	213	203	2,137.4%	856			
Directorate Support	Total	1,490	1,330	(159)	(10.7)%	2,974	2,924	(50)	(1.7)%
Directorate Support	P&L Directorate Support	1,007	966	(41)	(4.1)%	2,014			
Directorate Support	Policy & Business Development	483	364	(118)	(24.5)%	960			
Leisure Services	Total	4,094	4,139	45	1.1%	8,529	8,639	110	1.3%
Leisure Services	Leisure Centres	3,867	3,885	18	0.5%	7,884			
Leisure Services	Leisure Development	227	253	26	11.6%	645			