



## Belfast City Council

<b>Report to:</b>	Parks and Leisure Committee
<b>Subject:</b>	Financial Reporting – Quarter 3 2013/14
<b>Date:</b>	13 February 2014
<b>Reporting officer:</b>	Andrew Hassard, Director of Parks and Leisure
<b>Contact officer:</b>	Jacqui Wilson, Business Manager

### 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 Department. 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 three of the Parks and Leisure department shows a 0.9% variance against the year to date budget; i.e.; an over spend of £162k. This is 0.1% of a reduction on the previous quarter.

Due to the overspend position the Management team have considered

the areas of spend for the remainder of the year and have reduced spend in a number of areas and delayed some programmes to endeavour to meet the budget for 2013/14. However due to exceptional issues early in the financial year such as the Zoo being closed for Easter and the closure of Avoniel pool the department are still projecting an overspend by year end. That forecasted position has improved from last quarter and work is ongoing to ensure it is reduced further.

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

Utility costs are currently overspent by £27k and there are ongoing issues with the combined heat and power units within Leisure. The connection to the water mains in the Zoo cost £40k year to date which was not budgeted for and will continue to impact for year end.

Vehicle costs within Parks and Cemeteries are overspent by £62k against budget in quarter three as fuel budgets remain under pressure due to increased costs but it is hoped that this will be reduced by year end.

Compensation claims were £143k over budget by the third quarter. Again the timing of compensation claims is largely unpredictable but this budget will be significantly overspent by year end. The department continues to work with Legal Services to improve the reporting of incidents and ensuring these are managed effectively. A report last month to committee set out the proposal of a claims investigator to help reduce the level of claims.

Direct Employee expenses are overspent by 1.7% which relate mainly to overtime and agency costs. 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.

Income for Leisure Centres is back on target with fees and charges income £9k over budget. Promotional activities around membership campaigns have been running from December. Income from grant claims has also improved the overall performance.

Income from fees and charges at the Zoo is down 11% or £178k against budget. This is largely due to the loss of income due to closures over Easter. The good weather had helped increase visitor numbers in July 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. Regular stock takes are in place and the current overspend is £14k.

Estates Unit income in relation to the Franchise agreement at the Castle and Malone House will continue to underperform as a new contract is

	<p>now in place from June which reflects a reduced annual rate. Currently income for Malone House and Belfast Castle respectively is £67k and £88k below budget. However the subsidy at both sites continues to be managed and the net expenditure overspends at each are £11k and £31k.</p> <p>Income from Grants is over by £139k however the same amount of expenditure has been incurred to offset this. Income from fees and charges in Parks and Open Spaces is up by 11% or £210k which is from the crematorium (£60k) and events. However these increases do not offset the underperformance of the Zoo and Estates unit.</p> <p>Directorate support is forecast to be under spent by £50k due to posts remaining vacant. Delays in the ASB programme and some improvement work within Neighbourhood development will result in a £190k under spend. This includes income generated from the management fee in relation to Tree contracts with DSD and is projected to generate approximately £30k not budgeted for.</p> <p>The department will continue to monitor the variance between actual and budgeted expenditure/income during quarter three of the year.</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>
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<b>3. Resource Implications</b>	
	There is a year to date over spend of £162k (0.9%) and a forecast over-spend of some £120k (0.5%) by year end due to issues set out above.

<b>4. Equality and Good Relations Implications</b>	
	None.

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

<b>6. Decision Tracking</b>	
	N/A

<b>7.. Key to abbreviations</b>	
	<p>CHP - Combined Heat and Power</p> <p>ASB - Anti Social Behaviour</p> <p>DSD - Department of Social Development</p>

<b>8.</b>	<b>Documents Attached</b>
	Appendix 1: Financial reporting pack