



Belfast City Council

Report to:	Parks and Leisure Committee
Subject:	Financial Reporting – Quarter 1 2014/15
Date:	14 August 2014
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 the 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 one of the Parks and Leisure department shows a -3.2% variance against the year to date budget; i.e. an under spend of £172k.

There are a number of key reasons for the under spend within the

department as follows:

Direct Employee expenses are under spent by 3%. This relates mainly to a number of vacant posts within some units which have been delayed being filled due to ongoing recruitment processes or reviews. It is likely that this will remain as an under spend for the remainder of the financial year and is reflected in the forecast.

Utility costs are currently under spent by £51k or 6% however it is not expected to remain at this level as problems with the performance of CHP units continue to be an issue in Leisure.

Grants are under spent by 28% or £64K. As the centralised process for distributing grants is implemented it is hoped that the timing of the payment of grants will improve and any committed but unclaimed grant funds can be identified and redistributed in the second tranche of funding.

Supplies and Services within the department are under spent by 20%. 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.

Resurfacing of paths is £55k under spent, however the work is on schedule to be completed by the end of the year.

Compensation claims are £51k over budget in Parks and Cemetery Services. The timing of compensation claims is largely unpredictable however the department continues to work with Legal Services to improve the reporting of incidents and ensuring these are managed effectively.

Income for Leisure Centres is down on budget by £56k. Promotional activities around membership campaigns and summer schemes have been running for a number of weeks which may improve the overall performance as the year progresses.

Income from fees and charges at the Zoo is up £25k against budget. This is largely due to a successful Easter. Income at the shop has also improved and it is £12k up on budget. 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.

At quarter 1 the department is forecasting a year end under spend of £50k due to many of the factors set out above. The departmental management team will continue to monitor the variances and take appropriate action as necessary.

The financial reporting pack contains more detail on the financial performance in each of the services within the department.

3.	Resource Implications
	There is a year to date under spend of £172k (-3.2%) and a forecast under-spend of some £50k (0.2%) by year end due to issues set out above.
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