











Parks and Leisure Committee



Quarterly Finance Report

Report Period: Quarter 1, 2014/15

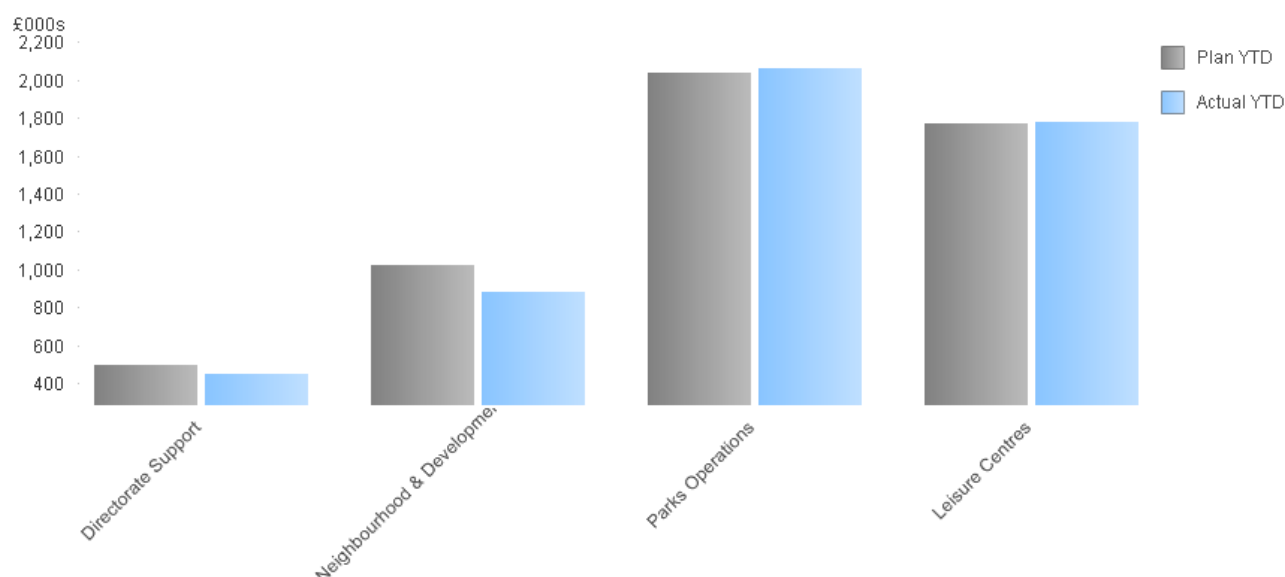
Revision Record - Please complete to facilitate version control (table will be deleted in final version)			
Author	Creation Date	Version	Status
Changed by	Revision Date		
J Wilson	18/07/14	2	Commentary added

Dashboard

Revenue Section							Page
Service	YTD	YTD Var £000s	Var %	Forecast	Forecast Var £000s	Var %	3&4
Directorate Support		(54)	(10.9)%		(80)	(4.0)%	
Parks Operations		20	1.0%		100	1.0%	
Neighbourhood & Development		(145)	(14.2)%		(100)	(2.2)%	
Leisure Centres		7	0.4%		30	0.4%	
Committee Total		(172)	(3.2)%		(50)	(0.2)%	

Key Performance Indicators (KPI)			
KPI	Actual	Target	
Compliant Purchases	83.9%	90.0%	
Timeliness Of Goods On System	66.8%	75.0%	

Committee Net Revenue Expenditure: Year to Date Position



Commentary and action required:

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% which 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 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 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 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.

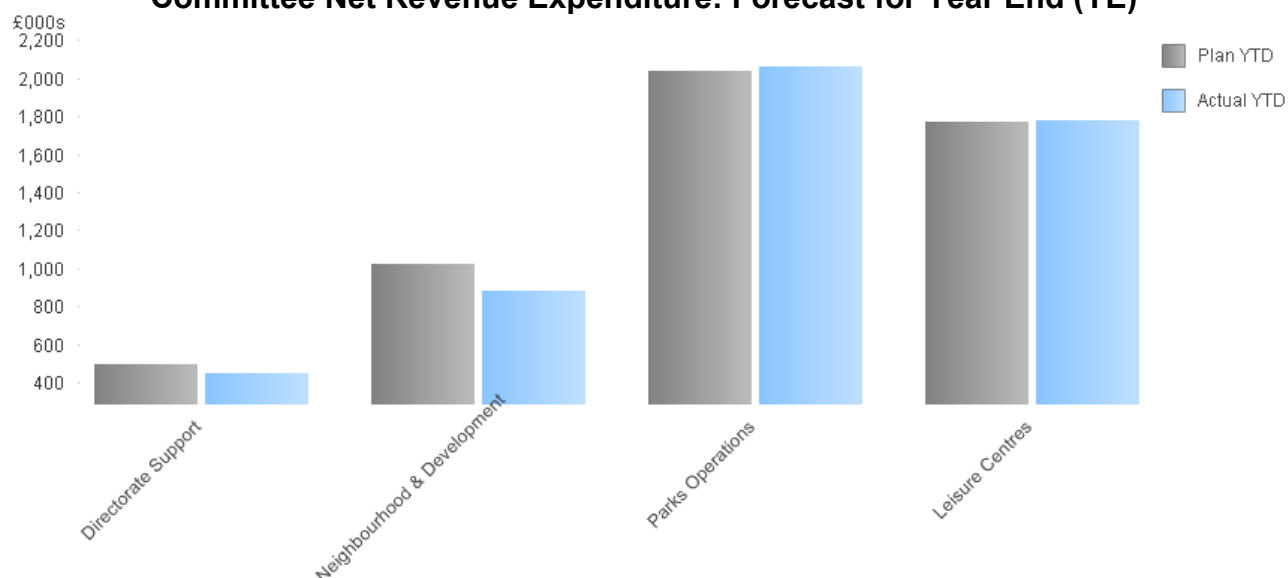
Income for Leisure Centres is down on budget by £56k. Promotional activities around membership campaigns and summer schemes have been running for a number of weeks which may improve the overall performance as the year progresses.

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.

Income in relation to Fees and charges at the Castle and Malone House continue to struggle in the current climate. Fees and charges income for Malone House and Belfast Castle respectively is £4k and £11k below budget. However the subsidy at both sites continues to be managed and both sites are under spent in relation to expenditure.

Income from Grants is under by £35k. Officers are working with funding bodies to ensure all monies are claimed in a timely manner.

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



Commentary and action required:

The yearend forecast for the department at Quarter one is projected as a £50k under spent; Leisure £30k over budget, Parks & Cemeteries over budget by £100k, Neighbourhood Development £100k under spent and Directorate under spent by £80k

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. It is forecast that the service will be approximately £30k under its budgeted income. However the service will continue to try and recover this through ongoing promotions etc

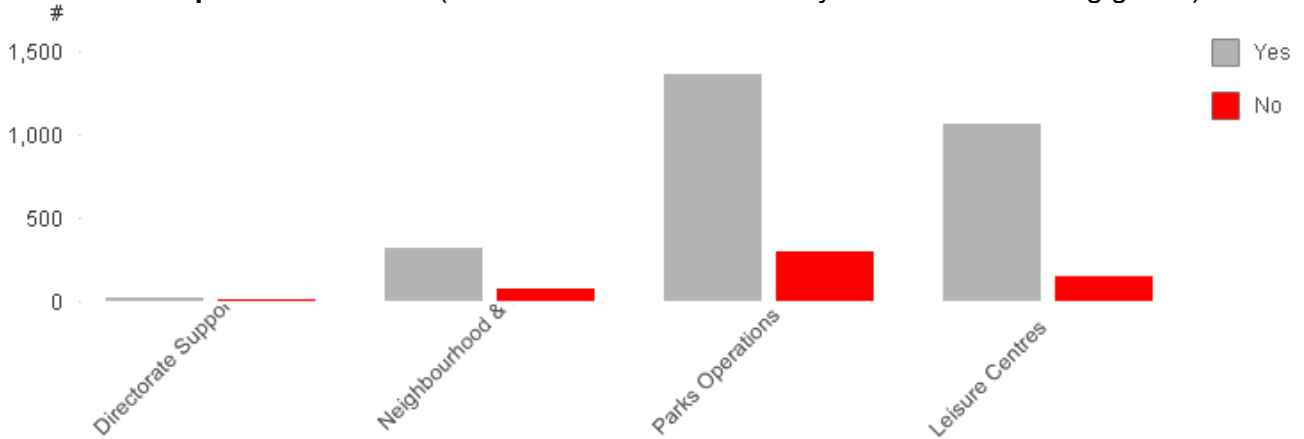
Compensation Claims within Parks and Cemeteries are forecast to be £100k over budget by the end of the year. The Service continues to work with Legal services to reduce the number of claims coming through however the bulk of current claims are historical.

Directorate support is forecast to be under spent by £80k due to posts remaining vacant and delays in recruitment. Delays in the ASB programme and Improvement work within Neighbourhood development will result in a £100k under spend. This includes income generated from the management fee in relation to Tree contracts with DSD and is projected to generate approximately £38k not budgeted for.

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:

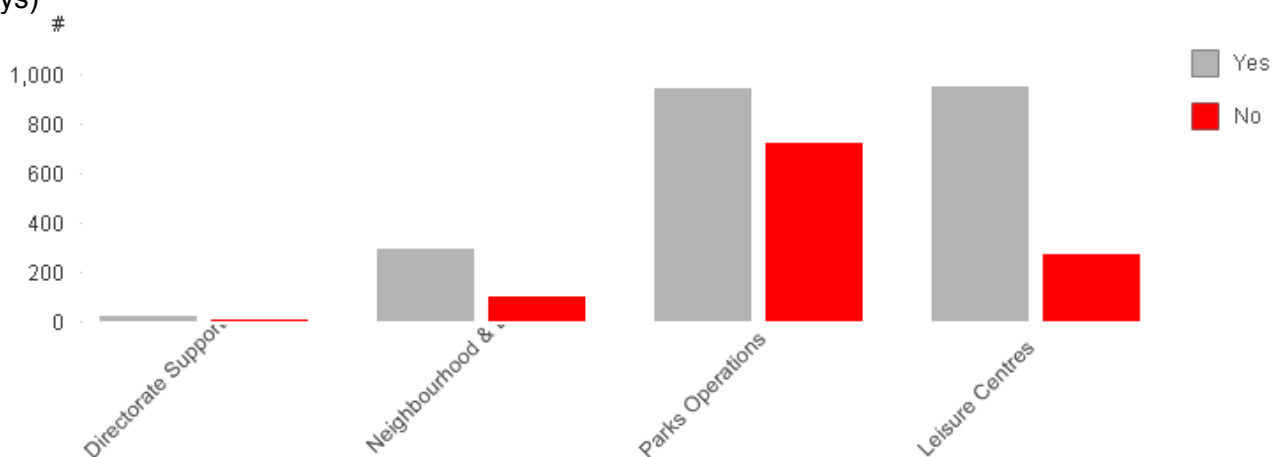
	Yes	No	Total	% Compliant
	2,761	531	3292	83.9%
Directorate Support	17	7	24	70.8%
Neighbourhood & Develo...	321	71	392	81.9%
Parks Operations	1,358	302	1660	81.8%
Leisure Centres	1,065	153	1218	87.4%

The Parks and Leisure Department is 83.9% compliant in relation to raising purchase order on the system prior to receiving goods and the supplier invoicing for them and this is 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
	2,198	1,094	3292	66.8%
Directorate Support	21	3	24	87.5%
Neighbourhood & Development	293	99	392	74.7%
Parks Operations	940	720	1660	56.6%
Leisure Centres	946	272	1218	77.7%

The Parks and Leisure Department is 66% compliant in relation to goods receiving orders on the system prior to the invoiced being received – 3 of the 4 services are compliant with the target.

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 £000s	Actuals YTD £000s	Variance YTD £000s	% Variance	Annual Plan 2014/2015 £000s	Forecast for Y/E at P3 £000s	Forecast Variance £000s	% Variance
Total		5,332	5,159	(172)	(3.2)%	23,824	23,774	(50)	(0.2)%
Parks & Leisure Operations	Total	3,807	3,834	27	0.7%	17,328	17,458	130	0.8%
Parks & Leisure Operations	Estates Management	164	88	(75)	(46.1)%	397			
Parks & Leisure Operations	Leisure Centres	1,770	1,776	7	0.4%	7,669			
Parks & Leisure Operations	Parks & Cemetery Services	1,902	2,063	162	8.5%	8,416			
Parks & Leisure Operations	Zoo	(28)	(94)	(66)	233.9%	847			
Directorate Support	Total	498	444	(54)	(10.9)%	1,996	1,916	(80)	(4.0)%
Directorate Support	Bereavement Administration	63	59	(4)	(6.6)%	254			
Directorate Support	Directorate Support	435	385	(50)	(11.5)%	1,742			
Neighbourhood & Development	Total	1,026	881	(145)	(14.2)%	4,501	4,401	(100)	(2.2)%
Neighbourhood & Development	Landscape & Planning	376	335	(41)	(10.8)%	2,115			
Neighbourhood & Development	Leisure Development	206	180	(26)	(12.6)%	551			
Neighbourhood & Development	Open Spaces & Active Living	268	185	(82)	(30.8)%	785			
Neighbourhood & Development	P&C Development	32	22	(10)	(31.0)%	128			
Neighbourhood & Development	Policy & Business Development	145	158	14	9.4%	922			