



Development Committee






Quarterly Finance Report

Report Period: Quarter 4, 2012/13

Dashboard



Revenue Section – Year-end position

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| Service | YTD | YTD Var £000s | Var % |
|-------------------------|---|------------------|---------------|
| Development Directorate |  | (87) | (2.3)% |
| Community Services |  | (62) | (1.1)% |
| Waterfront / Events |  | 95 | 2.3% |
| Economic Initiatives |  | (97) | (1.6)% |
| Committee Total |  | (151) | (0.8)% |

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Key Performance Indicators (KPI)

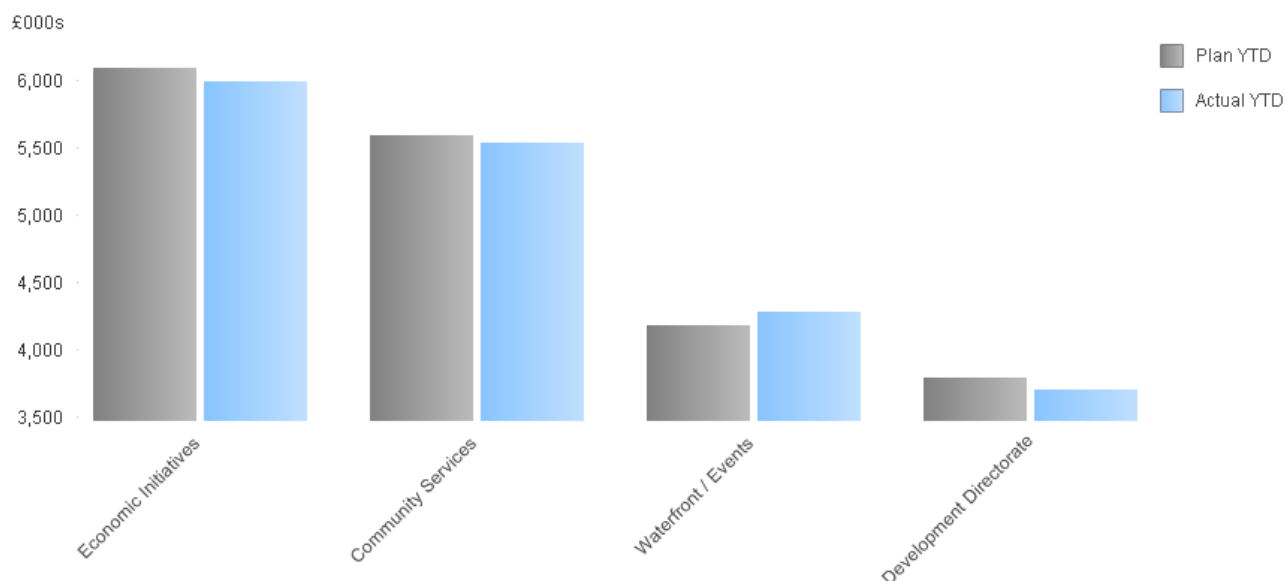
| KPI | Actual | Target | |
|-------------------------------|--------|--------|---|
| Compliant Purchases | 81.5% | 85.0% |  |
| Timeliness Of Goods On System | 52.2% | 75.0% |  |

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Committee Net Revenue Expenditure: Year-end Position



Commentary and action required:

Community Services are under spent by £62,126 at the end of 2012/13 financial year. (Budgeted Net Expenditure: £5,597,610; Actual Net Expenditure: £5,535,484.)

The primary reasons for this under spend are in relation to Employee costs (£36k), which is as a result of vacant posts, and Transport costs of (£26k) which relates to the reduced hire of buses during the year.

Economic Initiatives are under spent by £96,716 at the end of 2012/13 financial year. (Budgeted Net Expenditure: £6,088,958; Actual Net Expenditure: £5,992,242.)

The Service generated additional income of £65k within 2012/13 and relates to additional receipts received within Markets for stallage fees.
Employee costs were under spent by £32k as a result of delays in filling vacant posts within 2012/13.

Directorate are under spent by £87,244 at the end of 2012/13 financial year. (Budgeted Net Expenditure: £3,791,419; Actual Net Expenditure: £3,704,175.)

This under spend is attributable to reduced employee costs in a number of business units in relation to vacant posts during the year.

City Events and Venues are over spent by £95,104 at the end of 2012/13 financial year. (Budgeted Net Expenditure: £4,181,547; Actual Net Expenditure: £4,276,651.)

Within City Events, there was an over spend of £50k against a net budget of £1.7 million in the 2012/13 financial year.

The £50k over spend was in relation to specific 2012 Special Events which were over and above budgeted spend:

- Olympic Torch Run was over spent by £12k as a result of additional security required by LOCOG.

- The Live Screens were over spent by £12k in connection with the Olympic Home coming for the Belfast Boxers, and also the screening of both the European Football Championships and the Ulster GAA finals.
- The World Irish Dance Championships were over spent by £25k as a third venue was required at the time of the event. (St Georges Market.)

Within City Venues, there was an over spend of £45k against a net budget of £2.5 million in the 2012/13 financial year.

The £45k over spend was as a result of additional costs totalling £24k being incurred for the telephone system- this was a planned efficiency in relation to the installation of the VOIP system, which due to technical difficulties resulted in these efficiencies not being achieved during the year. A total of £21k relates to premises costs, including cleaning costs which were over budget due to additional costs within the Ulster Hall, and also in connection with the World Irish Dance Championships, and utility costs increased as a result of the CHP unit breakdown during January 2013 and a prolonged cold weather spell during February and March 2013.

Period 9 Forecast Vs Year-end Actual Outturn

In terms of forecasting, the initial Period 9 year-end forecast under spend of £175k reduced to £151k by the year-end.

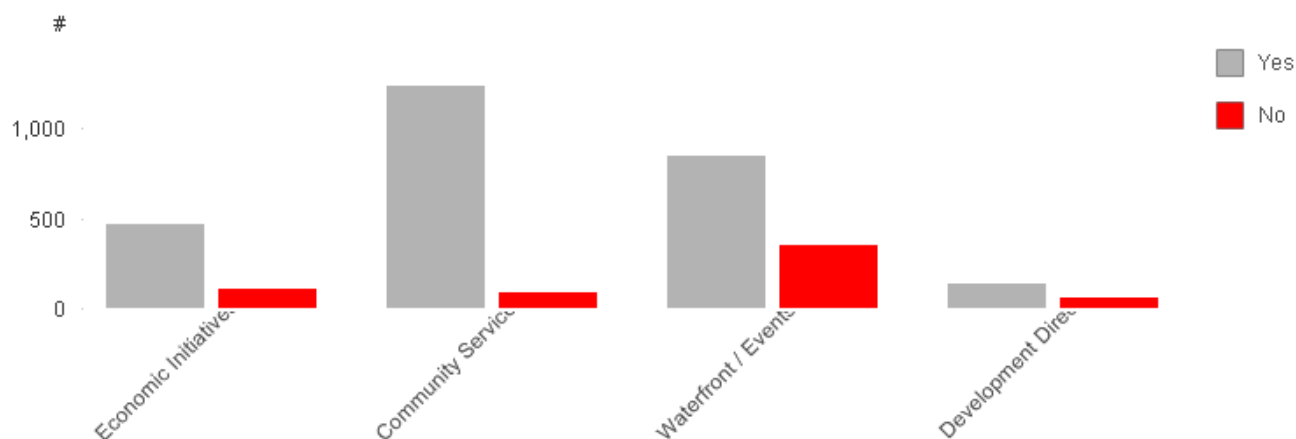
The main reasons for this variance related to an under spend relating to Economic Initiatives of £95k. This service was forecast as being on budget at the end of the financial year. This under spend occurred as a result of additional unmatched income generating from Markets- £65k, and a further £35k due to vacant posts not being filled on time.

This under spend was then offset by over spend within City Events and Venues of £95k. This service was forecast as being £16k under spent at the end of the financial year. This over spend was due to increased hired and contracted costs, telephone and additional premises costs. These were not forecast at the end of quarter three.

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 |
|-------------------------|-------|-----|-------|-------------|
| | 2,691 | 611 | 3302 | 81.5% |
| Economic Initiatives | 465 | 107 | 572 | 81.3% |
| Community Services | 1,238 | 90 | 1328 | 93.2% |
| Waterfront / Events | 849 | 351 | 1200 | 70.8% |
| Development Directorate | 140 | 63 | 203 | 69.0% |

Belfast City Council is currently 83% compliant in terms of the Purchase Order being raised before the supplier invoice date. The Development Department is slightly below the Council average, and is 81.5% compliant. This shows improvement with a 1.0% increase in compliance from the same nine-month period in 2011/12.

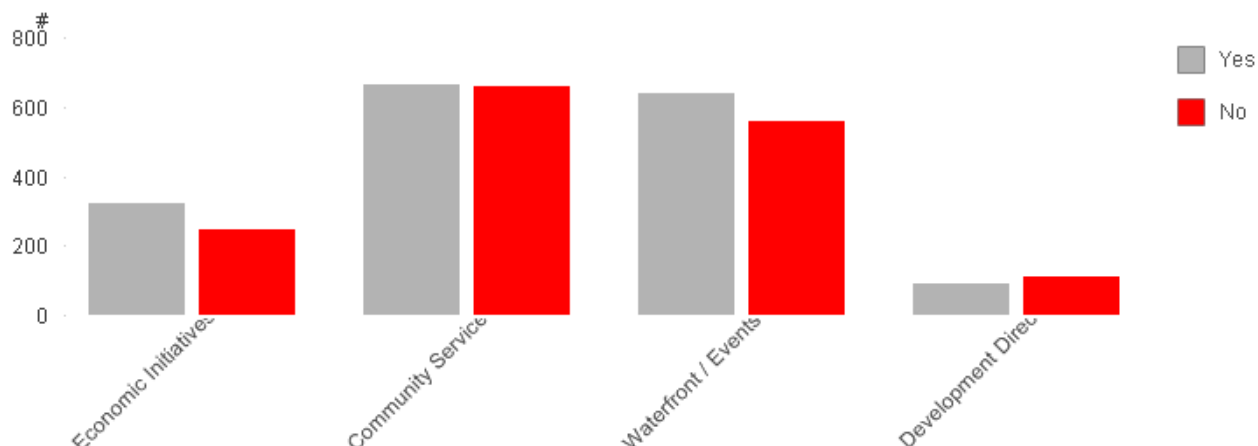
Departmental compliance is affected by the continuous reliance on manual requisitions and processes, collections and delivery of manual requisitions from remote locations, increased processing time as a result of "sourcing", which elongates the approval process, and the recent implementation of the SRM system to specific services.

The Department is currently working to implement and roll out the SRM system to all services within the department, is fully participative in systems improvement via the SAP Improvement Group, the identification of 'hot spots' and the provision of training and re-training of staff, where appropriate.

Procurement compliance is kept under constant review and is reported on a monthly basis to the Development Department Management Team.

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:

| CostProfit_C... / Yes | No | Total | % Compliant | |
|-----------------------|-------|-------|-------------|-------|
| | 1,722 | 1,580 | 3302 | 52.2% |
| Economic Initiati... | 325 | 247 | 572 | 56.8% |
| Community Servi... | 668 | 660 | 1328 | 50.3% |
| Waterfront / Eve... | 638 | 562 | 1200 | 53.2% |
| Development Dir... | 92 | 111 | 203 | 45.3% |

Belfast City Council is currently 56% compliant in terms of the goods received note (GRN) being created before the supplier raises the invoice. Again, the Development Department is slightly below the Council average at 52.2% compliance. This shows improvement from the departmental compliance level for 2011/12 which was 46.8% for the year.

Departmental compliance is affected by the continued reliance on manual processes and paperwork, collections and delivery of manual goods received notes from remote locations and the recent implementation of the SRM system to specific services.

The Department is currently working to implement and roll out the SRM system to all services within the department, is fully participative in systems improvement via the SAP Improvement Group, the identification of 'hot spots' and the provision of training and re-training of staff, where appropriate.

Procurement compliance is kept under constant review and is reported on a monthly basis to the Development Department Management Team.

Development Committee

| Service | Section | Annual Plan £000s | Actuals Year-end £000s | Variance £000s | % Variance |
|-------------------------|------------------------------|----------------------|---------------------------|-------------------|---------------|
| Total | | 19,660 | 19,509 | (151) | (0.8)% |
| Development Directorate | Total | 3,791 | 3,704 | (87) | (2.3)% |
| Development Directorate | City Development | 877 | 873 | (4) | (0.5)% |
| Development Directorate | Development Business Support | 1,811 | 1,772 | (39) | (2.1)% |
| Development Directorate | European Unit | 236 | 239 | 3 | 1.3% |
| Development Directorate | Policy & Research | 510 | 469 | (41) | (8.0)% |
| Development Directorate | SNAP | 358 | 351 | (7) | (1.8)% |
| Community Services | Total | 5,598 | 5,535 | (62) | (1.1)% |
| Community Services | Community Services | 5,598 | 5,535 | (62) | (1.1)% |
| Waterfront / Events | Total | 4,182 | 4,277 | 95 | 2.3% |
| Waterfront / Events | Events | 1,703 | 1,754 | 50 | 2.9% |
| Waterfront / Events | Waterfront Hall | 2,478 | 2,523 | 45 | 1.8% |
| Economic Initiatives | Total | 6,089 | 5,992 | (97) | (1.6)% |
| Economic Initiatives | Economic Development Unit | 1,173 | 1,113 | (60) | (5.1)% |
| Economic Initiatives | Planning & Development | (22) | (63) | (41) | 190.1% |
| Economic Initiatives | Planning & Transport | 875 | 815 | (61) | (6.9)% |
| Economic Initiatives | Tourism Unit | 4,062 | 4,127 | 65 | 1.6% |