

# SALISBURY CITY COUNCIL

## Report

**Subject** : Quarter 3 Budget Monitoring  
**Committee** : Finance and Governance Committee  
**Date** : 10 January 2022  
**Author** : Estelle Sherry, Responsible Finance Officer

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### 1. Report Summary:

- 1.1. This report introduces the Revenue and Capital Budget Monitoring Reports of the Council for the period 1 April 2021 to 31 December 2021 (Quarters 1, 2 and 3).
- 1.2. The Budget Monitoring Reports, attached at Appendix 1 (Revenue) and Appendix 2 (Capital), summarise the financial position as at 31 December 2021.

### 2. Key Statement Features - Revenue:

- 2.1. The budget monitoring reports for the first nine months of the financial year show that the Council is adequately managing its income and expenditure within budgetary expectations.
- 2.2. Lower than budgeted revenue expenditures have resulted in a £206k underspend on budgets as at the end of quarter 3. This has materially arisen from:
  - Reduced establishment costs arising from vacancies
  - Reduced activity in relation to professional support fees
  - Fewer requirements for repairs and maintenance across properties
  - Reduced costs of general works and streets maintenance, and cleaning costs, due to furloughed contractual staff;
  - Post year-end receipt of funding from Wiltshire Community Foundation which is part offsetting current year costs at 59 Catherine Street.
- 2.3. Reduced revenue income has resulted in a £101k under recovery on budgets as at the end of quarter 3. This has materially arisen from:
  - The receipt of only 43% of budgeted income from the caravan site
  - Lower than budgeted income from Cremation fees, although this is being part offset by an over-recovery of memorial services and burial rights income

- Lower than budgeted income from the Market Stalls due to the continuance of the half price policy for Tuesday stall holders up until 31 Aug 2021.

2.4. The net effect of the reduced revenue expenditure and reduced revenue income, is a favourable variance of £105k.

2.5. The profiled expenditure revenue position for core functions as at 31 December 2021 is:

Function	Annual Budget £	Budget Mths 1 to 9 £	Expenditure Mths 1 to 9 £	Variance Mths 1 to 9 £
General (Central)	3,167,425	2,161,413	2,093,946	67,468
Environmental Services	2,079,000	1,536,326	1,451,280	85,046
Corporate Services	40,000	30,000	27,719	2,281
Business Services	570,735	376,216	362,223	13,994
Active Communities	97,500	70,125	32,346	37,779
<b>Total</b>	<b>5,954,660</b>	<b>4,174,081</b>	<b>3,967,513</b>	<b>206,568</b>

*Note: A negative variance (£X,XXX) shows an overspend against the profiled budget.*

2.6. The profiled income revenue position for core functions as at 31 December 2021 is:

Function	Annual Income Target £	Income Target Mths 1 to 9 £	Income Mths 1 to 9 £	Variance Mths 1 to 9 £
General (Central)	-3,516,967	-3,490,742	-3,455,333	-35,409
Environmental Services	-1,460,360	-1,055,618	-1,027,650	-27,968
Corporate Services	-1,500	-1,125	-100	-1,025
Business Services	-757,235	-552,342	-508,874	-43,468
Active Communities	-44,000	-38,500	-45,147	6,647
Section 106 Reserves	-28,500	0	0	0
<b>Total</b>	<b>-5,808,562</b>	<b>-5,138,327</b>	<b>-5,037,104</b>	<b>-101,223</b>

*Note: A negative variance (£X,XXX) shows an under-recovery against the profiled target.*

2.7. The revenue budget monitoring statement at **Appendix A** has been profiled, where applicable, to reflect activities which do not occur on a regular monthly basis such as the precept, grants received, loan repayments and commercial property leases.

2.8. Note: Due to the limited time post 31.12.21 to receive supplier invoices pertaining to the period prior to close down, some liabilities will not have been received and therefore not able to be processed; all efforts have been made to minimise the impact of such liabilities through budget profiling.

### **3. Key Statement Features - Capital:**

3.1. The capital budget monitoring statement at **Appendix B** has been profiled as costs are incurred; this is because funding for capital is project based.

3.2. As at 31 December 2021, £81k of the £659k capital budget has been spent. Capital receipts of £81k in respect of Community Infrastructure Levy payments have offset these capital costs and generated a minimal variance of £334.

3.3. Project plans are in place for undertaking works and acquisitions before the end of the financial year for many of the project sums. Such works and acquisitions will include Christmas lighting, playground equipment, a disabled access ramp, grounds equipment including strimmers, and the repair of Market Place tree pits.

3.4. Other projects have been noted for carry forward into 2022/23, and these include Rowbarrow S106, Crematorium Roof and Public Conveniences.

### **4. Recommendation:**

4.1. The Committee are asked to note the Revenue and Capital Budget Monitoring Reports for the end of Quarter 3.

### **5. Wards Affected: All**

### **6. Background Papers: Appendices A and B**

### **7. Implications:**

7.1. **Financial:** as shown in this report

7.2. **Legal:** none in relation to this report

7.3. **Personnel:** none in relation to this report

7.4. **Environmental Impact:** none in relation to this report

7.5. **Equalities Impact Statement:** none in relation to this