

SALISBURY CITY COUNCIL

Report

Subject : Quarter 1 Budget Monitoring
Committee : Finance and Governance Committee
Date : 18 July 2022
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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 30 June 2022 (Quarter 1).
- 1.2. The Budget Monitoring Reports, attached at Appendix 1 (Revenue) and Appendix 2 (Capital), summarise the financial position as at 30 June 2022.

2. Key Statement Features - Revenue:

- 2.1. The budget monitoring reports for the first three months of the financial year show that the Council is managing its income and expenditure within budgetary expectations.
- 2.2. Increased revenue expenditures have resulted in a £40k overspend on budgets as at the end of quarter 1. This has materially arisen from:
 - Insurance premiums of nearly 80% increase over the prior financial year - 3 full market tender exercises have been completed over the last 5 years and each has been increasingly harder to find receptive insurers due to the very thin rating in the parish council sector; this has been coupled with the sector resetting of costs following 10 years of no rating increases.
 - Structural and scaffolding costs arising from the criminal damage caused to the Poultry Cross in May; Councillors should note that these costs should be recoverable under the council's insurance policy.
 - Tree surgery costs arising from storm damage clearance during April, and ash die back.
- 2.3. Increased revenue income has resulted in an £80k over recovery on income targets as at the end of quarter 1. This has materially arisen from:
 - Increased cremation and other crematorium services generating approx. £40k of income over profiled target.
 - Guildhall bookings and other activities have resulted in a £34k over recovery over profiled target.

2.4. The net effect of the increased revenue expenditure and increased revenue income, is a net favourable variance of £37k.

2.5. The profiled expenditure revenue position for core functions as at 30 June 2022 is:

Function	Annual Budget £	Budget Mths 1 to 3 £	Expenditure Mths 1 to 3 £	Variance Mths 1 to 3 £
Establishment	3,351,500	742,452	763,542	(21,091)
Environmental Services	2,563,450	481,977	510,316	(28,339)
Corporate Services	40,000	20,250	23,349	(3,099)
Business Services	479,000	100,769	106,659	(5,889)
Active Communities	161,360	35,493	17,015	18,478
Total	6,595,310	1,380,941	1,423,881	(42,939)

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 30 June 2022 is:

Function	Annual Income Target £	Income Target Mths 1 to 3 £	Income Mths 1 to 3 £	Variance Mths 1 to 3 £
Establishment	3,919,565	2,001,158	2,003,964	2,806
Environmental Services	1,380,000	350,353	391,498	41,145
Corporate Services	500	125	940	815
Business Services	588,250	137,813	167,669	29,857
Active Communities	84,860	33,699	36,190	2,492
Total	5,973,175	2,523,146	2,603,261	80,114

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

2.7. The revenue budget monitoring statement at **Appendix 1** 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: Councillors are asked to note the CCTV budget includes £27.5k of allocated CCTV staff costs; the remaining costs of £15.2 are funded via the Establishment staffing budgets.

3. Key Statement Features - Capital:

3.1. The capital budget monitoring statement at **Appendix 2** has been profiled as costs are incurred; this is because funding for capital is project based.

3.2. As at 30 June 2022, £30k of the £807k capital budget has been spent. Capital receipts of £26k in respect of Community Infrastructure Levy payments have part offset these capital costs to leave a £4k net expenditure.

4. Recommendation:

4.1. The Committee are asked to note the Revenue and Capital Budget Monitoring Reports for the end of Quarter 1.

5. Wards Affected: All

6. Background Papers: Appendices 1 and 2

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