

# SALISBURY CITY COUNCIL

## Report

**Subject** : Quarter 3 Budget Monitoring  
**Committee** : Finance and Governance Committee  
**Date** : 11 January 2020  
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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 2020 to 31 December 2020 (Quarter 3).
- 1.2. The Budget Monitoring Reports, attached at Appendix 1 (Revenue) and Appendix 2 (Capital), summarise the financial position as at 31 December 2020.

### 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 managing its income and expenditure within budgetary expectations.
- 2.2. Reduced revenue expenditures have resulted in a £328k underspend on budgets as at the end of quarter 3. This has materially arisen from vacancies within the Establishment, fewer repairs and maintenance across properties and reduced general works and streets maintenance.
- 2.3. Increased revenue income has resulted in a £74k over recovery on budgets as at the end of quarter 3. This has materially arisen from increased revenue generated by the Crematorium and Cemeteries, alongside higher than expected revenue receipts in respect of parking and property rental.
- 2.4. The reduced revenue expenditure and enhanced revenue income, which give a favourable variance of £402k, together with £43k of capital income, have facilitated the full funding of the capital programme as at 31.12.20, which currently stands at £328k; hence the overall favourable variance as at the end of month 9 of £117k.
- 2.5. The expenditure revenue position for core functions as at 31 December 2020 is:

Function	Annual Budget £	Budget Mths 1 to 9 £	Expenditure Mths 1 to 9 £	Variance Mths 1 to 9 £
Establishment	3,018,750	2,166,536	2,041,383	125,154
Environmental Services	1,925,000	1,242,195	1,111,546	130,649

Corporate Services	32,500	24,375	17,408	6,967
Business Services	234,500	178,625	146,385	32,240
Active Communities	107,000	77,044	44,401	32,643
<b>Total</b>	<b>5,317,750</b>	<b>3,688,775</b>	<b>3,361,123</b>	<b>327,652</b>

*Note: A negative variance shows an overspend against the profiled budget.*

2.6. The income revenue position for core functions as at 31 December 2020 is:

Function	Annual Income Target £	Income Target Mths 1 to 9 £	Income Mths 1 to 9 £	Variance Mths 1 to 9 £
Establishment	-3,329,633	-3,315,408	-3,372,755	57,347
Environmental Services	-1,290,000	-927,325	-960,022	32,698
Corporate Services	0	0	0	0
Business Services	-237,750	-161,729	-143,714	-18,015
Active Communities	-27,500	-20,625	-22,570	1,945
<b>Total</b>	<b>-4,884,883</b>	<b>-4,425,087</b>	<b>-4,499,062</b>	<b>73,975</b>

*Note: A negative variance 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 (ie. 1/12), such as loan repayments and commercial property leases.

2.8. Budget monitoring during quarter 3 resulted in a number of revenue virements being actioned by the RFO in accordance with clause 4.2 of the Financial Regulations and Internal Financial Controls. These virements are noted here for Councillor information only.

- Operational Contingency – EST GEN 51999
- NNDR – EST GEN 52001
- Grounds Maintenance Contract – PRK ENV 24002
- Parks, Works and Street Maintenance – PRK ENV 24003
- Ringroad Cleansing – PRK ENV 24005
- Interment Income – CRM ENV 71002
- Burial Rights – CRM ENV 71006
- Repairs and Maintenance (Council Properties) – FAC ENV 20001
- Tree Surgery – POS ENV 28002

### Quarter 3 Budget Virements

Ledger Code	Original £	Revised £	Virement £	Explanation
51999	61,750	52,250	-9,500	Fund NNDR liability gap
52001	248,500	206,400	9,500	Delay in passing of NNDR legislation
24002	265,000	225,000	-40,000	Q1 / Q2 reduced contractual activity
24003	508,000	493,000	-15,000	Q1 / Q2 reduced contractual activity
24005	40,000	10,000	-30,000	Savings from joint working Highways
71002	-32,000	-22,000	10,000	Reduced activity in 2020/21
71006	-13,500	-23,500	-10,000	Increased activity in 2020/21
20001	105,000	165,000	30,000	Emergency repairs to GH lift
			30,000	Fabric condition high priority GH repairs
28002	57,500	82,500	25,000	Surgery necessary re H&S reports
			<b>0</b>	<b>Net Effect</b>

### 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 2020, the £526k capital budget has reduced to £497k of which £329k budget has been spent. Capital receipts of £44k have reduced capital costs to date to £285k.

3.3. Recurring capital funds continue to support the Council's functional infrastructure, however Councillors should note the £15,000 assigned to Street Scene Infrastructure will not be committed in year. Other amendments to the capital programme include the revising down of funds in respect of the Churchill Gardens project (£4k) and the City Safety project (£10k).

3.4. Two non recurring capital projects have been completed; these are the Signage and Victoria Park Boiler projects.

### 4. Environmental Working Group Proposals

4.1 Further to its meeting on 7 December 2020, the Environmental Working Group are seeking approval from the Finance and Governance Committee for the following unfunded projects to be undertaken during the final quarter of 2020/21:

Project Description	£
Installation of CCTV at Harnham Depot	2,800
Refurbishment of the kiosk at Victoria Park	2,500
Installation of an electrical hook up point at Churchill Gardens	2,000
Installation of a water bottle refill facility at Churchill Gardens	2,400
	<b>9,700</b>

**5. Recommendation:**

- 5.1. The Committee are asked to note the Revenue and Capital Budget Monitoring Reports for the end of Quarter 3.
- 5.2. The Committee are asked to approve the Environmental Working Group projects for funding.

**6. Wards Affected: All**

**7. Background Papers: Appendices A and B**