

SALISBURY CITY COUNCIL

Report

Subject : Quarter 2 Budget Monitoring
Committee : Finance and Governance Committee
Date : 18 October 2021
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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 September 2021 (Quarter 1 and 2).
- 1.2. The Budget Monitoring Reports, attached at Appendix 1 (Revenue) and Appendix 2 (Capital), summarise the financial position as at 30 September 2021.

2. Key Statement Features - Revenue:

- 2.1. The budget monitoring reports for the first six months of the financial year show that the Council is adequately managing its income and expenditure within budgetary expectations.
- 2.2. Reduced revenue expenditures have resulted in a £180k underspend on budgets as at the end of quarter 2. This has materially arisen from:
 - Fewer requirements for repairs and maintenance across properties;
 - Reduced activity across tree surgery and floral displays arising in part from pre-year higher levels of activity.
 - Reduced costs of general works and streets maintenance due to furloughed contractual staff; and
 - 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 £115k under recovery on budgets as at the end of quarter 2. This has materially arisen from:
 - The receipt of only 43% of projected income from the Camping and Caravan Club; and
 - Lower than budgeted income from the Market Stalls due to the continuance of the half price policy for Tuesday stall holders. This policy concluded on 31 Aug 2021.

- Lower than budgeted income from Cremation fees, although this is being part offset by an over-recovery of memorial services and burial rights income.

2.4. The net effect of the reduced revenue expenditure and reduced revenue income, is a favourable variance of £64k.

2.5. The profiled expenditure revenue position for core functions as at 30 September 2021 is:

| Function | Annual Budget £ | Budget Mths 1 to 6 £ | Expenditure Mths 1 to 6 £ | Variance Mths 1 to 6 £ |
|------------------------|--------------------|----------------------------|---------------------------------|------------------------------|
| Establishment | 3,184,525 | 1,429,599 | 1,393,858 | 35,741 |
| Environmental Services | 2,052,000 | 1,035,069 | 934,676 | 100,394 |
| Corporate Services | 40,000 | 20,000 | 18,252 | 1,748 |
| Business Services | 591,000 | 200,404 | 188,111 | 12,293 |
| Active Communities | 97,500 | 41,250 | 11,890 | 29,360 |
| Total | 5,935,025 | 2,726,322 | 2,546,787 | 179,536 |

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 September 2021 is:

| Function | Annual Income Target £ | Income Target Mths 1 to 6 £ | Income Mths 1 to 6 £ | Variance Mths 1 to 6 £ |
|------------------------|---------------------------|-----------------------------------|----------------------------|------------------------------|
| Establishment | 3,507,067 | 3,395,592 | 3,334,308 | -61,284 |
| Environmental Services | 1,460,360 | 726,210 | 693,516 | -32,694 |
| Corporate Services | 1,500 | 750 | 100 | -650 |
| Business Services | 747,500 | 390,750 | 371,214 | -19,536 |
| Active Communities | 44,000 | 33,000 | 31,707 | -1,293 |
| Section 106 Reserves | 28,500 | 0 | 0 | 0 |
| Total | 5,788,927 | 4,546,302 | 4,430,845 | -115,458 |

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.

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 30 September 2021, £46k of the £662k capital budget has been spent. Capital receipts of £48k in respect of Community Infrastructure Levy payments have offset these capital costs and generated a £2k positive variance.

4. Recommendation:

4.1. The Committee are asked to note the Revenue and Capital Budget Monitoring Reports for the end of Quarter 2.

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