

SALISBURY CITY COUNCIL

Report

Subject : Quarter 3 Budget Monitoring
Committee : Finance and Governance Committee
Date : 13 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 2019 to 31 December 2019 (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 2019.

2. Key Statement Features:

- 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 and is currently underspending by £30k.
- 2.2. Reduced expenditures have resulted in a £129k 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 general works and streets maintenance, and a reduced irrecoverable VAT liability.
- 2.3. The budget does show, however, that overall income generation has fallen with under-recovery currently at £99k. This has materially arisen from reduced revenue generated by the Crematorium and Cemeteries which have seen a fall in income commensurate with the fall in the death rate nationally, as well as a fall in markets income.
- 2.4. 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.
- 2.5. The capital budget monitoring statement at **Appendix B** has been profiled as costs are incurred; this is because funding for capital is project based.
- 2.6. The expenditure revenue position for core functions as at 31 December 2019 is:

Function	Annual Budget £	Budget Mths 1 to 9 £	Expenditure Mths 1 to 9 £	Variance Mths 1 to 9 £
Establishment	3,132,593	2,255,501	2,153,597	101,904
Environmental Services	1,870,000	1,384,169	1,274,172	109,997
Corporate Services	40,000	29,750	37,225	-7,475
Business Services	522,500	429,375	522,590	-93,215
Active Communities	160,500	120,019	101,899	18,120
Total	5,725,593	4,218,814	4,089,482	129,331

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

2.7. The income revenue position for core functions as at 31 December 2019 is:

Function	Annual Income Target £	Income Target Mths 1 to 9 £	Income Mths 1 to 9 £	Variance Mths 1 to 9 £
Establishment	-3,491,042	-3,442,542	-3,453,347	10,805
Environmental Services	-1,516,500	-1,101,375	-966,427	-134,948
Corporate Services	-1,500	-1,125	-1,330	205
Business Services	-609,000	-487,750	-502,613	14,863
Active Communities	-108,500	-80,176	-90,021	9,845
Total	-5,726,542	-5,112,968	-5,013,739	-99,229

Note: A negative variance shows an under-recovery against the profiled target.

2.8. As at 31 December 2019, £461k of the £756k capital budget has been spent. Eight projects have been completed and four project budgets have been set aside for deferral to 2020/21. Capital receipts of £117k have reduced capital costs to date to £344k.

3. Recommendation:

3.1. It is recommended that the Committee note the Revenue and Capital Budget Monitoring Reports for the end of Quarter 3.

4. Wards Affected: All

5. Background Papers: Appendices A and B