

# SALISBURY CITY COUNCIL

## Report

**Subject** : 2020/21 Revenue and Capital Budgets – COVID Revised  
**Committee** : Finance and Governance Committee  
**Date** : 13 July 2020  
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### 1. Report Summary:

- 1.1. This report introduces the Revenue and Capital Budgets developed throughout April and May 2020 by the City Clerk and Responsible Finance Officer for the financial year 2020/21, as approved for implementation by the Leader of the Council and the Vice Chair of the Finance and Governance Committee on 28 May 2020.
- 1.2. These revised budgets have been produced to recognise, accommodate and reflect on the impacts on the approved January 2020 budgets as a consequence of the coronavirus pandemic, and to ensure that these revised budgets continue to enable and facilitate the Council in its delivery of its services and the prudent management of its reserves.

### 2. Impact of Coronavirus:

- 2.1. The pandemic has required the Council to respond very flexibly in its delivery of services as a consequence of the lockdown measures put in place by central government. These measures have resulted in some services ceasing entirely and others having to be curtailed or delivered in a different manner. This has resulted in planned expenditure savings, such as reduced cleaning across sites and cancellation of events.
- 2.2. Conversely, several income streams have been severely impacted upon and therefore planned income has been negatively affected, such as parking and sales income.
- 2.3. The extent of the impacts for the financial year are not yet fully known as the restrictions placed by central government continue to move as each week passes. The Council must therefore make predictions and assumptions as best it can with the information currently available.
- 2.4. The list at Annex A provides councillors with the key impacts and assumptions made at this point in time, in relation to the coronavirus pandemic, and additional budget adjustments made in support of the core aims of the effective delivery of services and the prudent management of reserves.
- 2.5. These impacts and assumptions have been used to inform the adjustment and re-profiling of the 2020/21 budgets and income targets.

2.6. The spreadsheet at Appendix A details the budgets and income targets as at the start of the financial year on 1 April 2020, the revised budgets and income targets for going forward in 2020/21, and the variances between these figures.

2.7. The Appendix shows that the Council is currently planning for additional net expenditure in year of £183,900 (ie. excess revenue spend less reduced capital spend). However, this is partially offset by the more positive end of year revenue financial position of 2019/2020 when £132,000 was effectively transferred to our reserves. So the projected net cost of Covid 19 is £51,900

2.8. The Responsible Finance Officer and City Clerk continue to monitor changes in government policy and the effects and impacts this has on the delivery and management of council services. Any material changes to the assumptions made in this report will be reflected in future quarterly reports to this Committee.

2.9. Overall the Council's financial position is sound with cash balances currently exceeding £2.5 million. This is due to the prudent management of the budget during this and previous financial years and also due to the prompt management of the situation.

### 3. **Recommendation:**

3.1. It is recommended that the Committee note the COVID Revised 2020/21 Revenue and Capital Budgets.

### 4. **Wards Affected:** All

### 5. **Background Papers:** Nil

### 6. **Implications:**

6.1. **Financial:** As shown in the report

6.2. **Personnel:** Nil in relation to this report

6.3. **Environmental Impact:** Nil in relation to this report,

6.4. **Equalities Impact Statement:** Nil in relation to this report

## **Annex A – Key Budget Impacts and Assumptions**

### Assumed Reductions in Expenditure

- Reduced delivery of grounds, parks, works and streets maintenance in April and May 2020
- Reduced cleaning of buildings and public conveniences closed during Q1
- Cancellation of public events throughout Q1 with limited public events thereafter
- Potential cancellation of Christmas Fayre
- Cancellation of planned ice rink
- Reduced requirements for agency staff
- Deferral of Crematorium roof repairs to 2021/22
- Deferral of new PWLB loan repayments until 2021/22
- Reduced environmental action plan support due to Q1 delays
- Reduced Future Salisbury project funds due to Q1 delays
- Reduced Neighbourhood Plan project funds due to Q1 delays
- Reduced Flood Support project funds due to Q1 delays
- Reduced floral displays and tree surgery costs due to impact of lockdown on supplies
- Cancellation of Mayor Making and other corporate functions
- Cessation of outside lettings on Market Place and Guildhall Square throughout lockdown
- Cessation of inside lettings in the Guildhall and Bemerton Heath Centre throughout lockdown
- Deferral of appointment of Operations Manager until 2021/22
- Reflection of National Joint Council's pending pay award
- Reduced staff training due to impact to suppliers of social distancing
- Reduced liability for non-domestic rates of public conveniences
- Removal of liability for property management fee through in house referral
- Deferral of capital project at Fisherton Farm/The Butts

### Assumed Increases in Expenditure

- Increased costs of IT to support officers working from home
- New costs for PPE for all sites and on site staff
- New costs for street and office management of social distancing

### Assumed Reductions in Income

- Potential Cancellation of Christmas Fayre
- Cancellation of Ice rink
- Cancelled / partial opening of Charter Market throughout Q1
- Closure of Hudson's Field Campsite throughout Q1
- Closure of car parks throughout Q1
- Deferral of new PWLB loan until 2021/22

- Reduced cremation fee implemented to reflect social distancing restrictions on funerals
- Closure of manned and paid public toilets during Q1