

SALISBURY CITY COUNCIL

Subject : Quarter 1 Budget Monitoring
Committee : Finance and Governance Committee
Date : 13 July 2020
Author : Estelle Sherry, Responsible Finance Officer

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 30 June 2020 (Quarter 1).
- 1.2. The Budget Monitoring Reports, attached at Appendix A (Revenue) and Appendix B (Capital), summarise the financial position as at 30 June 2020.

2. Key Statement:

- 2.1. The budget monitoring reports are based on the Revenue and Capital Budgets - COVID Revised developed throughout April and May 2020 by the City Clerk and Responsible Finance Officer, as approved for implementation by the Leader of the Council and the Vice Chair of the Finance and Governance Committee on 28 May 2020.

REVENUE

- 2.2. The COVID Revised budgets have resulted in numerous amendments to budgeted income and expenditure expectations. Table A summarises the COVID Revised income targets; Table B summarises the COVID Revised expenditure budgets.

Table A – Revenue Income Targets

| Service Area | Original £ | Revised £ | Variance £ |
|------------------------|------------------|------------------|----------------|
| General Establishment | 3,473,633 | 3,329,633 | 144,000 |
| Environmental Services | 1,462,000 | 1,294,000 | 168,000 |
| Corporate Services | 1,500 | 0 | 1,500 |
| Business Services | 509,000 | 278,000 | 231,000 |
| Active Communities | 98,500 | 41,500 | 57,000 |
| | 5,544,633 | 4,943,133 | 601,500 |

Table B – Revenue Expenditure Budgets

| Service Area | Original £ | Revised £ | Variance £ |
|------------------------|---------------|--------------|---------------|
| General Establishment | 3,232,100 | 3,035,000 | -197,100 |
| Environmental Services | 2,035,500 | 1,943,000 | -92,500 |
| Corporate Services | 40,000 | 32,500 | -7,500 |
| Business Services | 331,500 | 234,500 | -97,500 |
| Active Communities | 120,500 | 107,000 | -13,500 |

| | | | |
|--|------------------|------------------|-----------------|
| | 5,759,600 | 5,352,000 | -407,600 |
|--|------------------|------------------|-----------------|

2.3. The above Tables A and B show an expected overall reduction in revenue income of £601,500 and an expected overall reduction in revenue expenditure of £407,600; this is a net overall increase in budgeted revenue outturn of £193,900.

2.4. Despite the significant impacts on the Council's income and expenditure patterns throughout Quarter 1, and the reshaping of the delivery of almost all of the Council's services, be that from lockdown, social distancing, public need or other external influences, the financial position at the end of the first three months of the financial year shows that the Council has competently maintained its efficient and effective use of its resources.

2.5. Table C summarises the Quarter 1 outturn revenue income variances; Table D summarises the expenditure variances.

Table C – Revenue Income Variances Q1

| Service Area | Annual Target £ | Q1 Target £ | Q1 Actual £ | Q1 Variance £ |
|------------------------|--------------------|------------------|------------------|------------------|
| Establishment | 3,329,633 | 1,613,342 | 1,606,287 | -7,054 |
| Environmental Services | 1,294,000 | 321,664 | 364,925 | 43,261 |
| Corporate Services | 0 | 0 | 0 | 0 |
| Business Services | 278,000 | 37,250 | 5,625 | -31,625 |
| Active Communities | 41,500 | 10,375 | 6,842 | -3,533 |
| Total | 4,943,133 | 1,982,631 | 1,983,679 | 1,048 |

Table D – Revenue Expenditure Variances Q1

| Service Area | Annual Budget £ | Q1 Budget £ | Q1 Actual £ | Q1 Variance £ |
|------------------------|--------------------|------------------|------------------|------------------|
| Establishment | 3,035,000 | 712,415 | 668,371 | 44,044 |
| Environmental Services | 1,943,000 | 414,982 | 325,742 | 89,240 |
| Corporate Services | 32,500 | 8,125 | 4,879 | 3,246 |
| Business Services | 234,500 | 36,125 | 22,812 | 13,313 |
| Active Communities | 107,000 | 14,642 | -1,950 | 16,592 |
| Total | 5,352,000 | 1,186,289 | 1,019,853 | 166,436 |

2.6. The above Tables C and D show an over-recovery of revenue income of £1,048 and an underspend in revenue expenditure of £166,436; this is an overall favourable variance of £167,484.

- 2.7. The most notable variances arising within income is the over-recovery of Crematorium income of £55k, however this is substantially offset by the under-recovery of revenue generated from parking and markets income.
- 2.8. The most notable variances within expenditure are the reduced costs arising from utilities, and repairs and maintenance across all property types, and from the receipt of credits in respect of general works and streets maintenance.
- 2.9. The detailed revenue budget monitoring statements are at **Appendix A**; budgets have been profiled, where applicable, to reflect activities which do not occur on a regular monthly basis (ie. 1/12), such as loan repayments and equipment leases.

CAPITAL

- 2.10. The COVID Revised capital budget resulted in the reduction of £10,000 funding in respect of the Fisherton Track project, and the deferral of the project to make repairs to be made to the Crematorium Roof.
- 2.11. The detailed capital budget monitoring statement at **Appendix B** has been profiled as costs are incurred; this is because funding for capital is project based.
- 2.12. As at the end of Q1, £93,067 has been spent; this includes £17,011 spent on the replacement of the boiler at the Victoria Park Tennis Club pavilion. Capital costs have been partially offset by the receipt of Community Infrastructure Levy monies to the value of £15,617 resulting in a net capital expenditure at the end of Q1 of £77,450.

3. Recommendation:

- 3.1. It is recommended that the Committee note the Revenue and Capital Budget Monitoring Reports for Quarter 1.

4. Wards Affected: All

5. Background Papers: Appendices A and B