

# SALISBURY CITY COUNCIL

## Report

**Subject:** Budget Monitoring Report for 2024/25 to the end of October  
**Committee:** Environment and Climate Committee  
**Date:** 9 December 2024  
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### 1. Report Summary

- 1.1. This report provides the Committee with a statement of income and expenditure, comparing actual expenditure and income against that budgeted for April to October. Any budget heading showing variances over £50,000 are discussed in the report.
- 1.2. Budget monitoring reports will be presented to every committee meeting using the latest available monthly budget monitoring information in accordance with Financial Regulation 4.8 and the resolution of Full Council at its meeting on 4 March 2024.

### 2. Policy Considerations

- 2.1. Financial Regulations are an integral part of the Council's systems of internal control and governance which ensure sound financial stewardship of public money. Regular monitoring of the Council's financial performance is good business practice and aids timely decision-making. Analysis of the variances during 2024/25 helps officers to take corrective action to safeguard the Council's low level of reserves. Better understanding of this year's financial performance will also aid 2025/26 budget-setting and medium term planning.

### 3. Background Information

#### Report format

- 3.1. The budget monitoring report for the Environment and Climate Committee is appended to this report – see **Appendix A**.
- 3.2. The report uses the following conventions:

In the Budget and Actual columns

- Expenditure is shown as **black numbers**
- Income is shown as **(red numbers in brackets)**

In the Variance columns

- 'Bad' variances (over-spends) are shown as **black numbers**
- 'Good' variances (under-spends) are shown as **(red numbers in brackets)**

#### 4. **Changes to Cost Centres and Fuller Service Costing for 2024/25**

- 4.1. The RFO has worked with budget holders to take the opportunity to revise the Council's historic cost centre structure in order to provide councillors, officers and the general reader with greater detail. For the Environmental Services Department no changes were made this year and last year's list of service cost centres remain unchanged, as set out in **Appendix A**. A number of changes are being considered for next year in order to provide greater detail, for example Allotments, Depot and possibly individual investment properties.
- 4.2. The RFO and budget holders are also splitting corporate costs in order to provide fuller costing information. So, for example, net payroll costs are posted to service cost centres rather than aggregating them centrally; and, utility costs are now posted to the most appropriate cost centre. This is dramatically illustrated in Appendix A, where the £0.5m total net cost of revenue cost centres included in January's budget-setting report has increased to £2m (with a commensurate reduction in central establishment's cost).
- 4.3. The changes made so far in 2024/25 provide better costing and budget monitoring information, but further improvements will follow – within the limitations of the Council's basic financial system.

#### 5. **Explanation of significant Revenue variances**

- 5.1. Budget holders are expected to scrutinise their regular budget monitoring reports throughout the year, taking corrective action as necessary and being able to explain any variances.
- 5.2. Financial Regulation 4.8 requires all budget holders to explain any material variances over £50,000. In addition budget holders are also invited to explain any large variances up to £50,000 if considered of particular corporate importance.
- 5.3. **Appendix A** sets out the October-end results for the Environment and Climate Committee cost centres, showing variance from approved budget. All material variances over £50,000 and another requiring explanation are listed in **Appendix B**.

##### Tree Surgery (POS ENV 28002)

- 5.4. The Parks and Open Spaces cost centre (POS) is currently underspent as shown in **Appendix A**. But this masks a continuing overspend on tree surgery work (28002), which was almost £21k at the end of October, as shown in **Appendix B**.
- 5.5. The annual budget is unrealistically low given average annual spend, which will be addressed in the 2025/26 budget-setting exercise.
- 5.6. The £106k expenditure to the end of October reflects (i) a substantial amount of 2023/24 work invoiced late (which should be prevented by using year-end accounting accruals in future years) and (ii) significant spring activity, before the Senior Management Team halted non-essential spend in order to keep within budget – as per Financial Regulations.
- 5.7. Officers will prioritise tree surgery work in order to keep within the £126k budget this year.

## Cremation Income (CRM ENV 71001)

- 5.8. The £63k overspend for the Crematorium cost centre (CRM) in **Appendix A** is due to the almost £87k under-achievement of cremation income (71001) in **Appendix B**.
- 5.9. Officers predicted an under-achievement of this income stream when the decision was taken to close the Crematorium for two months in late summer in order to enhance the building with an upgraded roof. Whilst the alternative use of the Guildhall for services has been very popular with families, it could not provide the same volume and therefore bookings income has reduced.
- 5.10. Whilst there is an under-achievement of income as of Month 7 budget monitoring this is a significant improvement on Month 6 where the figures stood at £110k. It is expected that this figure will continue to shrink and move towards target as we move in the final months of the financial year.
6. **Explanation of significant Capital variances**
  - 6.1. **Appendix A** indicates an overall £7k overspend on this Committee's capital schemes. There is one capital variance greater than £50k which is explained below.
  - 6.2. The Crematorium roof upgrade project was £54k overspent at the end of October. This is due to a profiling error by officers and will be rectified for M8.
7. **Recommendations:**
  - 7.1. The Committee notes the financial position at the end of October and officers' explanation for the variances.
  - 7.2. Acknowledging the Council's current financial position, officers will be supported to comply with Financial Regulations and where necessary pause services where finances have been exhausted in year.
8. **Background Papers:**

None.

  - 8.1. **Implications**
    - . **Financial:** As shown in this report
    - . **Legal:** Significant budget overspends and year-end losses can only be met from general reserves which, if seriously depleted can result in unlawful expenditure.
    - . **Personnel:** Nil in relation to this report
    - . **Environmental Impact:** Nil in relation to this report
    - . **Equalities Impact Statement:** Nil in relation to this

## Appendix A

### Salisbury City Council 2024/25 budget monitoring report to October-end

#### Environment and Climate Committee REVENUE Cost Centres

Cost Centre	Description	Jan 24 Full Council Budget	Adjusted budget after carry forwards and virements £	Profiled budget to end of October £	Actual expenditure / (income) £	Variance £	Variance %
CRM	Crematorium & Cemeteries	(1,058,700)	(615,149)	(366,694)	(303,481)	63,212	(17%)
CRP	Commercial & Residential Properties	(271,892)	(271,892)	42,551	(67,808)	(110,359)	(259%)
CTV	CCTV	25,000	85,000	(3,194)	(365)	2,829	(89%)
FAC	Facilities (other buildings)	741,475	283,636	165,454	142,398	(23,056)	(14%)
LBT	Lower Bemerton Trust	5,000	9,863	12,753	23,762	11,009	86%
POS	Parks & Open Spaces	344,220	1,000,796	587,060	551,723	(35,336)	(6%)
PRK	Environmental Services	143,870	191,370	124,966	118,272	(6,694)	(5%)
PWC	Public Conveniences	218,500	275,358	160,626	142,792	(17,834)	(11%)
SSS	Streetscene Services	403,000	956,473	557,288	554,470	(2,818)	(1%)
Z12	Urban Tree Challenge (temporary holding account)		38,383		(18,616)	(18,616)	
		550,473	1,953,838	1,280,810	1,143,147	(137,663)	

#### Environment and Climate Committee CAPITAL Cost Centres

Capital Scheme	Description	Jan 24 Full Council Budget	Adjusted budget after carry forwards and virements £	Profiled budget to end of October £	Actual expenditure / (income) £	Variance £	Variance %
Z05	Planned Infrastructure maintenance	115,000	115,000	57,500	12,590	(44,910)	(78%)
Z06	Play areas	32,000	32,000	16,000	9,805	(6,195)	(39%)
Z07	Environmental Department Infrastructure	37,000	37,000	18,500	30,859	12,359	67%
Z11 (Z48)	Crematorium Roof	0	175,000	116,667	170,756	54,089	46%
Z32	Rowbarrow S106	0	188,832	0	791	791	
Z43	C&CC Refurbishment of toilet blocks	37,500	62,500	62,500	53,719	(8,781)	(14%)
Z44	Tollgate Rd Depot	0			(1,246)	(1,246)	
Z55	Crematorium wall	78,500	78,500	39,250	490	(38,760)	(99%)
Z56	Churchill Gds project	81,500	81,500	40,750	62,767	22,017	54%
Z58	CCTV Equipment	25,000	25,000	25,000	42,373	17,373	69%
		406,500	795,332	376,167	382,904	6,737	

Salisbury City Council 2024/25 budget monitoring report to October end

Environment and Climate Committee **Revenue** Variances

Cost Centre	Dept	Code	Description	Budget £	Actual £	Variances £	Variance %
POS	ENV	28002	Tree Surgery	85,500	106,222	20,722	24%
CRM	ENV	71001	Cremation Income	(647,908)	(560,662)	87,246	13%