

SALISBURY CITY COUNCIL

Report

Subject: Budget Monitoring Outturn Report for 2023/24
Committee: Events, Markets and Grants Sub-Committee
Date: 7 October 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 the year. 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.
- 1.3. Due to the timing of committee meetings, this October meeting of the Sub-Committee is the first opportunity since the annual accounts were approved by Full Council, for the Committee to consider its 2023/24 outturn results.

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 outturn variances at year-end inform financial planning for 2024/25 and budget-setting for 2025/26.

3. Background Information:

Report format

- 3.1. The budget monitoring report for Business Operation services and Grants 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. **Explanation of Revenue Outturn**

- 4.1. Throughout 2023/24 this Sub-Committee's service responsibilities were accounted for principally through three cost centres, called 'GUI' (Guildhall), 'CSR' (Information Centre and Shopmobility) and MEV (Markets, Events and Advertising) held by the Business and Communications Manager.
- 4.2. In addition, the Sub-Committee was also responsible for the two separate grant-awarding processes, the budgets for which were held on the old corporate GRA cost centre (for cultural organisation grants) and BHC cost centre (for community grants).
- 4.3. **Appendix A** sets out the detailed year-end results for these cost centres, showing variances from approved budget.
- 4.4. As can be seen, the net revenue budgets for the three income-generating cost centres totalled just over £99k net surplus. However this is slightly misleading. The net total comprises £469k expenditure budgets and £568k income budgets, which reflect the scale of the operations undertaken.
- 4.5. The total actual net surplus achieved across all these services was £155k, instead of the £99k estimated at budget-setting time i.e. over-achievement of almost £56k. This is a welcome result, but it should be noted that these are incomplete costs, excluding salaries, utilities and many other costs that have been traditionally centralised elsewhere. Because true costing of services is so important for decision-making, substantial changes to budgeting and accounting will be introduced for 2024/25.
- 4.6. The cultural organisation grants budget was 97% spent at year-end. The community grants budget was 42% underspent.
- 4.7. The Council's financial regulations require officers to explain substantial variances (over £50k). There was only one major variance for Events, Markets and Grants, explained below.

Events Activity Income (MEV BUS)

- 4.8. The Markets, Events and Advertising (MEV) cost centre was previously utilised as a 'departmental corral' for a multitude of uses, including discrete one-off projects, annual events and continuous services. This made outturn analysis particularly difficult last year. The £65k underspend variance was primarily due to cumulative surpluses being achieved on various events during the year, producing an over-achievement of the £44.5k income budgets by £95k (213%).
- 4.9. The cost centre structure will change for 2024/25 to provide much easier and clearer financial reporting. Each major event will have its own cost centre. The MEV cost centre will primarily cover market operations and communications.

5. **Explanation of Capital Outturn**

- 5.1. In addition to the annual revenue budgets for providing everyday services, the Council also approves an annual capital programme, comprising projects to be funded from capital reserves.
- 5.2. There was only one capital scheme in 2023/24 for Business and Communications services – 'Z02' BUS Infrastructure. This had an £18k budget of which only £13k was required, leaving an underspend of almost £5k at year-end.

6. **Recommendation:**

- 6.1. The Committee notes the financial position at the end of the 2023/24 year and welcomes greater transparency from 2024/25.

7. **Background Papers:**

None.

8. **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 2023/24 budget monitoring outturn report

Events, Markets and Grants Sub-Committee REVENUE Cost Centres

Cost Centre	Description	2023/24 Budget £	Actual expenditure / (income) £	Variance £	Variance %
GUI	Guildhall	(40,000)	(41,600)	(1,600)	4%
CSR	Information Centre & Shopmobility	(19,500)	(8,862)	10,638	(55%)
MEV	Markets and Advertising	(39,980)	(104,899)	(64,919)	162%
		<u>(99,480)</u>	<u>(155,361)</u>	<u>(55,881)</u>	
GRA	Cultural Organisation Grants	31,500	30,470	(1,030)	(3%)
BHC	Community Grants	25,000	14,500	(10,500)	(42%)
		<u>56,500</u>	<u>44,970</u>	<u>(11,530)</u>	

Events, Markets & Grants Sub-Committee CAPITAL Scheme

Capital Scheme	Description	2023/24 Budget £	Actual expenditure / (income) £	Variance £	Variance %
Z02	Business Operations Infrastructure (RECURRING SCHEME)	18,000	13,270	(4,730)	(26%)