

SALISBURY CITY COUNCIL

Report

Subject: Budget Monitoring Report for 2024/25 to the end of August

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 April to August. 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 Events, Markets and Grants Sub-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 Responsible Finance Officer (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. Instead of the single 'MEV' (Markets, Events and Advertising) cost centre for 2023/24, there are now fifteen cost centres covering Events and partnering services; in addition to GUI (Guildhall) and CSR (Information Centre and Shopmobility). This Sub-Committee also receives budget monitoring information for the ANT (Council grants).
- 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. Utility costs and other costs required for delivering services are similarly posted to the most appropriate cost centre now.
- 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. **Budget Monitoring Results**

- 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 £50k. In addition budget holders are also invited to explain any large variances up to £50k if considered of particular corporate importance.
- 5.3. **Appendix A** sets out the August-end results for the Markets, Events and Grants Sub-Committee revenue cost centres and capital scheme, showing variance from approved budget. There are two material variances over £50,000 which are explained below.

Guildhall (GUI)

- 5.4. The Guildhall's £73k underspend variance is almost entirely due to the early receipt of the Home Office's booking of the Guildhall in October, which is not reflected in the budget profile to end of August. The Guildhall is expected to still over-achieve its income target at year-end, but not by as much as £73k.

Information Centre & Shop Mobility (CSR)

- 5.5. There is a £50k underspend variance showing for the Information Centre and Shop Mobility. There are two causes for this. There is a council-wide underspend in payroll budgets due to the annual pay award not having yet been nationally determined nor implemented, which accounts for £21k of the variance. Furthermore there is an apparent £27k over-achievement of ticket sales income due to a delay in settling a tour operator's account whilst its VAT treatment is verified. Both variances are expected to disappear by year-end.

6. **Recommendations:**

- 6.1. The Committee notes the financial position at the end of August.
- 6.2. 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.

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 report

Appendix A

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

Events, Markets and Grants Sub-Committee REVENUE Cost Centres

Cost Centre	Description	Jan 24 Full Council Budget	Adjusted budget after carry forwards and virements £	Profiled budget to end of August £	Actual expenditure / (income) £	Variance £	Variance %
GUI	Guildhall	(115,175)	155,403	61,248	(12,335)	(73,583)	(120%)
CSR	Information Centre & Shopmobility	(18,500)	217,817	89,644	39,550	(50,094)	(56%)
MEV	Markets and Advertising	(162,100)	112,541	45,487	37,009	(8,478)	(19%)
EST	Business Improvement District Levy	4,000	4,000	1,667	3,206	1,539	92%
LAR	Land Rental	0	(20,000)	(8,333)	(13,701)	(5,368)	64%
FUT	Future Salisbury	0	50,000	20,833	28,090	7,257	35%
TRV	Travel Trade	0	8,000	3,333	2,350	(983)	(30%)
WLT	Wiltshire Towns	0	12,000	5,000	0	(5,000)	(100%)
ANT	Council Grants	0	88,000	88,000	78,927	(9,073)	(10%)
SGD	St George's Day	0	5,300	5,300	2,885	(2,415)	(46%)
AFD	Armed Forces Day	0	5,300	5,300	4,917	(383)	(7%)
FOT	Fair on the Square	0	5,038	14,031	(52)	(14,083)	(100%)
FOS	Foodie Sunday	0	9,000	3,000	(965)	(3,965)	(132%)
MIS	Other Events activities	0	30,563	11,741	3,867	(7,874)	(67%)
GIF	Gift Fair	0	(1,000)	(417)	4,698	5,115	(1228%)
CHF	Charter Fair	0	(12,820)	0	(19,570)	(19,570)	
GRO	Grotto *	0	22,470	0	1,000	1,000	
CID	City Decoration *	0	28,000	0	0	0	
CHB	Christmas Begins *	0	9,500	0	0	0	
COT	Christmas on the Square *	0	(5,000)	0	0	0	
		(291,775)	724,112	345,833	159,876	(185,957)	

Events, Markets & Grants Sub-Committee CAPITAL Scheme

Capital Scheme	Description	Jan 24 Full Council Budget	Adjusted budget after carry forwards and virements £	Profiled budget to end of August £	Actual expenditure / (income) £	Variance £	Variance %
Z02	Business Operations Infrastructure (RECURRING SCHEME)	18,000	18,000	7,500	0	(7,500)	(100%)