

SALISBURY CITY COUNCIL

Report

Subject : Budget Monitoring Report – Quarter 1 of 2019/20
Committee : Finance and Governance Committee
Date : 8 July 2019
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1. Report Summary:

- 1.1. This report presents the Revenue and Capital Budget Monitoring Statement for the period 1 April 2019 to 30 June 2019.
- 1.2. Appendix 1 summarises the revenue financial position and Appendix 2 summarises the capital financial position as at 30 June 2019.

2. Key Statement Features:

- 2.1. The budget monitoring statements show that the Council is currently in a sound financial position at the end of quarter one as both expenditure and income are predominantly in line with budgetary and income generation expectations.
- 2.2. Revenue budgets and income targets have been profiled, where applicable, to reflect those activities which do not occur on a regular monthly basis and are seasonal or isolated in nature.
- 2.3. Such expenditures include loan repayments (which occur at six monthly intervals) and property rentals (which are payable quarterly), and such income streams include tenancies (which can be invoiced monthly, quarterly or annually) and parking income (which is receivable quarterly).
- 2.4. Capital budgets are treated as whole project budgets; these budgets are profiled through matching as expenditures are incurred.
- 2.5. The current position in relation to expenditure, for each of the Council's core functions, is summarised as follows:

EXPENDITURE	Full Year Budget	Profiled Budget	Actual	Variance
Function	£	Mths 1 to 3	Mths 1 to 3	Year to Date
		£	£	£
General Establishment	3,216,650	802,252	762,479	39,673
Environmental Services	1,810,000	468,384	443,012	25,372
Corporate Services	40,000	10,250	16,116	-5,866
Business Services	417,500	102,125	80,234	21,891
Active Communities	160,500	44,272	27,033	17,239
Total	5,644,650	1,427,283	1,328,874	98,309

Note: A negative amount (e.g. £-XXX) shows an overspend against the profiled budget.

2.6. The current position in relation to income, for each of the Council's core functions, is summarised as follows:

INCOME	Full Year Target	Profiled Target	Actual Income	Variance
Function	£	Mths 1 to 3	Mths 1 to 3	Year to Date
		£	£	£
General Establishment	-3,552,099	-1,817,863	-1,741,109	-76,754
Environmental Services	-1,476,500	-393,287	-386,968	-6,319
Corporate Services	-1,500	-375	-1,330	955
Business Services	-509,000	-121,250	-139,639	18,389
Active Communities	-108,500	-27,125	-25,503	-1,622
Total	-5,647,599	-2,359,900	-2,294,549	-65,352
<i>Note: A negative amount (e.g. -XXX) shows an under-receipt against the profiled target.</i>				

2.7. In summary, the net revenue position as at 30 June 2019, the end of quarter one, shows a favourable variance of £32,957.

2.8. The current capital position for the Council as at the end of quarter one shows that of the £994,409 of planned capital project spend, actual expenditure to the end of June 2019 is £85,810 or 9% of the budgets assigned.

2.9. Councillors should note the following pertaining to quarter one:

- The contingency budget of £150,000 set at the start of the financial year has had £55,800 thus far committed leaving a contingency of £94,200. Such commitments include:
 - Christmas Events of £30,000 (£20,000 Christmas contingency, £10,000 additional committed spend as agreed at Full Council 17 Jun 2019)
 - Recovery budget of £20,000 (as agreed at Full Council 17 Jun 2019)
 - City Grants of £1,000 (Transition City) as agreed at Full Council 17 Jun 2019)
- The Cultural Organisation Grants budget of £70,000 set at the start of the financial year has had £71,800 thus far committed; if further grants are awarded, these will need to be funded from the contingency budget. Grants awarded to date are:
 - Salisbury Museum of £16,000
 - Salisbury Cathedral of £15,000
 - Wiltshire Creative of £40,800
- Income received from the Camping and Caravan Club in respect of the 2018/19 season, receivable in the current financial year, has been significantly reduced following the international incident. Income received was just £74,000 of the expected £135,000 target. The Council therefore has an unfunded target balance of £61,000 which will need to be met from the contingency budget. Therefore, the contingency budget going forward will be £33,200.

3. Recommendations:

It is recommended that the Finance and Governance Committee:

- 3.1. Note the Revenue and Capital Budget Monitoring Statements for Quarter 1 of the 2019/20 financial year, and
- 3.2. Consider the notes as detailed in section 2.9 of this report and actions required to address these, as appropriate.

4. Background Papers: Appendices 1 and 2