

# SALISBURY CITY COUNCIL

## Report

**Subject** : Quarter 3 Budget Monitoring  
**Committee** : Finance and Governance Committee  
**Date** : 14 January 2019  
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### 1. Report Summary:

- 1.1. This report introduces the Revenue and Capital Budget Monitoring Reports of the Council for the period 1 April 2018 to 31 December 2019.
- 1.2. The Budget Monitoring Reports, attached at Appendix 1 (revenue) and Appendix 2 (capital), summarise the financial position as at 31 December 2019.

### 2. Key Statement Features:

- 2.1. The budget monitoring reports for the first nine months of the financial year show that the Council is managing its expenditure within budgetary expectations and is currently underspending by 6% (£320k) of that budget. This is substantially arising from vacancies within the Establishment, and from reduced costs across Environmental Services for repairs, maintenance and floral displays.
- 2.2. The reports show overall income generation has fallen marginally behind income targets, with under-recovery currently at 3% (£145k). However, this is substantially attributable to the consequences of the international incident earlier in the financial year, which has negatively impacted on car parking fees plus a decrease in rental, markets and crematorium income.
- 2.3. The overall net position of the Council as at the 31 December 2018 is an underspend against the profiled budget of £175,101.
- 2.4. The revenue budget monitoring statement at **Appendix A** has been profiled, where applicable, to reflect activities which do not occur on a regular monthly basis (ie. 1/12), such as loan repayments and commercial property leases.
- 2.5. The capital budget monitoring statement at **Appendix B** has been profiled as costs are incurred; this is because funding for capital is project based.
- 2.6. The expenditure revenue position for core functions as at 31 December 2018 is:

Function	Annual Budget £	Budget Mths 1 to 9 £	Expenditure Mths 1 to 9 £	Variance Mths 1 to 9 £
Establishment	3,310,000	2,262,867	2,063,169	199,698
Crematorium & Cemeteries	208,500	156,375	125,045	31,330
Environmental Services	1,537,500	1,083,037	966,851	116,185
Corporate Services	37,500	28,375	33,508	-5,133
Business Services	445,000	335,750	373,209	-37,459
Active Communities	108,500	82,338	66,546	15,792
<b>Total</b>	<b>5,647,000</b>	<b>3,948,741</b>	<b>3,628,328</b>	<b>320,414</b>

*Note: A negative variance shows an overspend against the profiled budget.*

2.7. The income revenue position for core functions as at 30 September 2018 is:

Function	Annual Income Target £	Income Target Mths 1 to 9 £	Income Mths 1 to 9 £	Variance Mths 1 to 9 £
Establishment	3,697,590	3,608,215	3,540,506	-67,709
Crematorium & Cemeteries	1,331,000	1,001,250	952,726	-48,524
Environmental Services	155,000	127,750	144,155	16,406
Corporate Services	1,000	750	1,155	405
Business Services	543,500	413,625	374,586	-39,039
Active Communities	49,000	36,750	29,899	-6,851
<b>Total</b>	<b>5,777,090</b>	<b>5,188,340</b>	<b>5,043,027</b>	<b>-145,313</b>

*Note: A negative variance shows an under-recovery against the profiled target.*

2.8. As at 31 December 2018, 18% or £199k of the £1,104,358 capital budget has been spent. Two projects have been completed. Capital receipts of £175,758 have reduced capital budget costs to £929k.

2.9. The expenditure revenue budget has reduced by £15,000 and the expenditure capital budget has increased by £15,000 from that reported at the end of month 6 due to:

- A £30,000 transfer from the contingency budget to the capital budget to fund emergency infrastructure works on a River Avon culvert at Crane Bridge Street; and
- A £15,000 transfer to the revenue budget in respect of street furniture works – this reflects the Council's repair and maintenance approach to street furniture.

2.10. The Salisbury recovery programme continues and as at 31 December, expenses incurred have included officer communications support, printing and distribution of brochures, additional groundsman time, additional events support, and the provision of all utilities in support of the Christmas Market and ice rink. In addition, the Council has forgone income receipts in respect of rental income, markets income and car parking receipts as mentioned at clause 2.2 of this report.

2.11. Reimbursement for an agreed proportion of these costs has been sought from Wiltshire Council through invoicing and in agreement with Wiltshire Council and its Recovery Team; as reported at the end of month 6, and despite the continued efforts of the Responsible Finance Officer and the City Clerk, these costs continue to remain unpaid.

### **3. Recommendation:**

3.1. It is recommended that the Committee note the Revenue and Capital Budget Monitoring Reports for the end of Quarter 3.

### **4. Wards Affected:** All

### **5. Background Papers:** Appendices A and B