

SALISBURY CITY COUNCIL

Report

Subject: Budget Monitoring Report for 2024/25 to the end of November
Committee: Events, Markets and Grants Sub-Committee
Date: 27 January 2025
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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 November. Any budget heading showing variances over £50,000 and other significant variances 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 has also aided 2025/26 budget-setting and medium term financial 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) cost centre.
- 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 November-end results for the Markets, Events and Grants Sub-Committee revenue cost centres and capital scheme, showing variance from approved budget. There is one variance over £50,000 and three other significant variances which are explained below.

Guildhall (GUI)

- 5.4. The Guildhall's £101k underspend variance is almost entirely due to the substantial Home Office's booking of the Guildhall in October for the Dawn Sturgess enquiry, which is disproportionate to the average annual income profile.

Information Centre & Shop Mobility (CSR)

- 5.5. There is a £37k underspend variance showing for the Information Centre and Shop Mobility, for the reason previously reported. The apparent £41k over-achievement of ticket sales income is due to a delay in settling a tour operator's account whilst its VAT treatment is verified. This variance is expected to disappear by year-end.

Markets and Advertising (MEV)

- 5.6. There is a £40k overspend variance showing for the MEV cost centre comprising two main factors. Due to previous incorrect treatment of irrecoverable VAT the Council has had to make unbudgeted urgent repayments to HMRC, impacting on the Council's four VAT-exempt services – including a £25k charge to Markets. In addition the market stall rents income was £12k under-budget at the end of November due to the weather, as one market saw the adverse weather policy implemented and the market ran at only a quarter of its size.

Gift Fayre (GIF)

- 5.7. The £26k overspend variance showing for the Gift Fayre event is due to inaccurate budget profiling, which will be rectified for next year; and receiving some income later than expected. The variance will disappear by year-end.

6. **Recommendations:**

- 6.1. The Committee notes the financial position at the end of November.
- 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 November-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 November £	Actual expenditure / (income) £	Variance £	Variance %
GUI	Guildhall	(115,175)	152,844	99,894	(788)	(100,682)	(101%)
CSR	Information Centre & Shopmobility	(18,500)	171,472	113,678	76,526	(37,152)	(33%)
MEV	Markets and Advertising	(162,100)	114,101	78,693	118,787	40,094	51%
EST	Business Improvement District Levy	4,000	4,000	2,667	3,206	1,539	58%
LAR	Land Rental	0	(29,000)	(19,453)	(18,935)	518	(3%)
FUT	Future Salisbury	0	50,000	33,333	34,090	757	2%
TRV	Travel Trade	0	8,000	5,333	2,350	(2,983)	(56%)
WLT	Wiltshire Towns	0	12,000	8,000	26,617	18,617	233%
ANT	Council Grants	0	88,000	88,000	84,177	(3,823)	(4%)
SGD	St George's Day	0	5,300	5,300	2,884	(2,416)	(46%)
AFD	Armed Forces Day	0	5,300	5,300	3,450	(1,850)	(35%)
FOT	Fair on the Square	0	5,038	5,038	(4,460)	(9,498)	(189%)
FOS	Foodie Sunday	0	9,000	9,000	10,146	1,146	13%
MIS	Other Events activities	0	30,563	19,808	8,178	(11,630)	(59%)
CHF	Charter Fair	0	(12,820)	(12,820)	(17,049)	(4,229)	33%
GIF	Gift Fair *	0	(1,000)	(667)	25,566	26,233	(3935%)
GRO	Grotto *	0	22,470	11,434	34,029	22,595	198%
CHB	Christmas Begins *	0	9,500	9,500	9,278	(222)	(2%)
COT	Christmas on the Square *	0	(5,000)	(3,848)	(5,263)	(1,415)	37%
CID	City Decoration *	0	28,000	14,000	0	(14,000)	(100%)
		(291,775)	667,768	472,190	392,789	(78,401)	

* Events not yet delivered by date of report

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 November £	Actual expenditure / (income) £	Variance £	Variance %
Z02	Business Operations Infrastructure (RECURRING SCHEME)	18,000	15,800	10,533	1,136	(9,397)	(89%)