

# SALISBURY CITY COUNCIL

## Report

Item 16

**Subject:** Budget Monitoring Outturn Report for 2024/25  
**Committee:** Full Council  
**Date:** 27 May 2025  
**Author:** Steve Bishop, Responsible Finance Officer

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### 1. Report Summary

- 1.1. This report provides the Council 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 at least quarterly to Full Council and service committees in accordance with Financial Regulation 4.8.

### 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 2025/26 and budget-setting for 2026/27.

### 3. Background Information:

#### Report format

- 3.1. The council-wide budget monitoring report is appended to this report – see Appendix A. The format can be adapted if Councillors prefer an alternative. The Responsible Finance Officer (RFO) would welcome any feedback on the format.

- 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 variances over £50,000

- 4.1. 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.

- 4.2. Financial Regulation 4.8 requires all budget holders to explain any material variances over £50,000 to Full Council. In addition budget holders are also invited to explain any large variances up to £50,000 if considered of particular corporate importance.
- 4.3. **Appendix A** sets out the year-end results for all revenue cost centres, showing variance from approved budget. **Appendix B** sets out the year-end results for all capital schemes, showing variance from approved budget. All material variances over £50,000 are listed in **Appendix C**.
- 4.4. Officer explanations for all material variances are provided below:

Salary Costs (10001)

- 4.5. Prior to 2024/25 all salary costs were centralised. During 2024/25 officers have split salary costs between the various cost centres in order to provide fuller costing of services, which are reported to individual committees. However, for the purpose of this council-wide outturn report total salary costs have been re-aggregated to provide the council-wide position. As illustrated in **Appendix C**, the net salary budget of £2.74m was underspent by 9%. This is partly the result of vacancies throughout the year, remembering the Chief Executive Officer froze vacancies in order to economise when the true financial position of the Council was realised. The underspend also reflects an element of over-budgeting, which has since been addressed in the 2025/26 budgets.

Insurance Premiums (FIN GEN)

- 4.6. The £61k (34%) apparent underspend is only due to a prepayment adjustment for 2025/26. The annual spend is closer to £170k and the budget does not require adjustment.

Irrecoverable VAT (FIN GEN, CRM ENV)

- 4.7. As previously reported, the Council has not properly accounted for input VAT on expenditure relating to VAT-exempt services including the Crematorium and markets. The Council had overclaimed input VAT leading to a large liability to HMRC. The RFO detected this and issued a voluntary declaration, which HMRC accepted. The residual costs have been included in 2025/26 budgets.

Bank interest & Treasury management returns (FIN GEN)

- 4.8. In addition to its traditional investments the RFO has utilised other HSBC investment options which achieve a greater return, reflected in this year's over-achievement. The income budget for 2025/26 has been substantially increased.

Dilapidations (FAC ENV)

- 4.9. After the February 2024 expiry of the leases on the Harnham depot and the Council's relocation to its owned Tollgate Road depot site, the landlord of the old depot has demanded compensation for remedial works needed to restore the depot to its original condition before the Council caused it to dilapidate. The Head of Environmental Services has appointed technical representatives to

defend the Council's interests and the legal dispute is still ongoing. The RFO and Head of Environmental Services have prudently agreed an unbudgeted provision to cover potential liabilities, which has given rise to an overspend. In order to protect the Council's financial interests, this will remain commercially confidential until the dispute is resolved.

#### Waste Disposal (POS ENV)

- 4.10. There is a £50k underspend for Park and Open Spaces Waste Disposal shown in **Appendix C**. This is partly due to inaccurate splitting of the centralised budget earlier in the year, which will be rectified in 2025/26 opening budgets.

#### Parking Income (CRP GEN)

- 4.11. The £118k (67%) overachievement of income budget for car parking is mostly due to the income target being too low as well as officers challenging Wiltshire Council colleagues (who administer the Council's paid car park) to identify miscoded income. The budget will continue to be monitored and amended as income trends are better understood.

#### Caravan Site income (CRP GEN)

- 4.12. The under-achievement of this income line in Appendix C needs to be viewed alongside the over-achievement on tenancy recharges. Previously the Council did not recharge the site operator for 100% utility costs, as set out in the agreement; instead the Council received 90% of the operating profit. Any recharges are netted off operating costs, hence reducing the surplus share. Combining the two still produces an unwelcome under-achievement due to overly optimistic targets.

#### Guildhall Hire of Indoor Areas (GUI BUS)

- 4.13. The Guildhall had a very good year with bookings being above the annual average, of which the Home Office booking for the Novichok enquiry was particularly prominent.

#### Pantry (PAN AVC)

- 4.14. Appendix C indicates two connected variances for the Pantry. The previously used account (45036) continues to hold the budget whereas a new tailored account (45036) contains the actual costs, causing compensating variances. The RFO will work with the new Head of Communities to regularise the budgets in 2025/26.

#### Ticket Sales (CSR BUS)

- 4.15. As previously reported, one of the Council's clients for whom we sell tickets (and earn commission) has been carrying out a review of its and our VAT treatment for the sales. This has taken a year during which the company has not invoiced the Council, accumulating these variances. The company has recently contacted the RFO and it looks likely that this issue will be resolved early in 2025/26.

## 5. Explanation of Capital variances over £50,000

- 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. At the end of 2024/25 there were two capital schemes with variances of (almost) £50,000 or over. These are explained below.

### Rowbarrow s.106 scheme (Z32)

- 5.3. These works, which are an SCC obligation under a planning agreement and which will be fully funded from s.106 contributions received from the developer were delayed. However they have now started and will continue into 2025/26. By the end of the year there was still the majority of works to complete, causing the budget underspend.

### Crematorium Wall (Z55)

- 5.4. This project was initially paused whilst the impact of the two months' closure of the Crematorium was assessed, which is the cause of its apparent £49k underspend in **Appendix C**. However, the CEO unpaused the works late last year, planning permission was granted and good progress was made by the year-end, still leaving an underspend.

## 6. Overall Financial Position at Year-end

- 6.1. The comparison between the various budget headings and their associated actual expenditure or income provided in **Appendices A – C** and discussed above is important. However, it can be misleading as we dissect the Council and scrutinise budgetary performance at the micro level. We should also step back and look at the entirety of the Council's overall financial position without the distraction of budgets.
- 6.2. **Appendix A** indicates the Council achieved a 'bottom line' surplus of £1,006,681 at the year end (in accordance with AGAR accounting conventions). **Appendix D** analyses the components which contributed to this outcome, by comparing outturn with the original budget approved by Full Council in January 2024.
- 6.3. Council-wide income over-achieved the budgets by £649k, partly due to deliberate changes in effort (for example treasury management returns), partly due to unrealistically low budgets (for example parking income).
- 6.4. The Council had not budgeted for assumed Community Infrastructure Levy (CIL), therefore the £202k received in-year was effectively a windfall. The Council does not budget for Capital receipts, and therefore the £338k proceeds from the sale of a property on Blue Boar Row was another windfall.

6.5. The £1.006m is credited to the Council's reserves at year-end, significantly improving their position. The updated balances for the General Reserve, s.106 Receipts, CIL Receipts and Capital Receipts are displayed in **Appendix E**.

7. **Background Papers:**

None.

8. **Implications**

- . **Financial:** As shown in this report
- . **Legal:** Nil in relation to this report
- . **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 Budget Monitoring Period 12 Outturn						
Department	Cost Centre		FULL YEAR BUDGET BEFORE C/Fs TO 2025/26	FULL YEAR BUDGET AFTER BUDGET C/Fs	ACTUAL NET EXPENDITURE / (INCOME)	VARIANCE £
General	EST	Establishment	(4,771,188)	(4,807,188)	(4,975,746)	(168,558)
	HRP	Human Resources & Payroll	219,345	201,058	152,348	(48,710)
	FIN	Finance	435,713	420,713	237,509	(183,204)
	PWL	Public Works Loans	313,500	313,500	312,411	(1,089)
			(3,802,630)	(3,871,917)	(4,273,478)	(401,561)
Corporate	DEM	Corporate - Councillors	67,000	67,000	53,034	(13,966)
	CMC	Civic & Mayoral	15,525	15,525	15,674	149
	ITT	Information Technology & Telephony	204,600	191,003	253,187	62,184
	OFF	Corporate - Officers	119,200	119,200	110,588	(8,612)
			406,325	392,728	432,483	39,755
Environmental	CRM	Crematorium	(575,149)	(580,149)	(487,980)	92,169
	CRP	Investment Properties	(271,892)	(271,892)	(478,080)	(206,188)
	CTV	Closed Circuit Television	85,200	75,200	63,627	(11,573)
	FAC	Facilities	284,271	272,471	415,093	142,622
	LBT	Lower Bemerton Trust	9,863	9,863	1,519	(8,344)
	POS	Parks & Open Spaces	1,000,596	966,596	937,811	(28,785)
	PRK	Environmental	191,570	191,570	179,012	(12,558)
	PWC	Public Conveniences	275,358	275,358	275,325	(33)
	SSS	Street Scene	953,273	953,273	888,849	(64,424)
			1,953,090	1,892,290	1,795,176	(97,114)
Communities	BHC	Communities	176,116	169,516	173,821	4,305
	YOU	Communities - Youth	25,770	25,770	21,688	(4,082)
	EVE	Communities - Events	10,650	10,650	8,706	(1,944)
	SPO	Communities - Sports	4,450	4,450	2,087	(2,363)
	PRO	Communities - Projects	23,500	17,950	22,712	4,762
	AOP	Adults & Older People	30,900	30,900	27,662	(3,238)
	FAM	Families & Children	27,600	27,600	21,347	(6,253)
	PAN	The Pantry	56,762	51,230	31,566	(19,664)
	LUN	Lunch Clubs	600	600	(544)	(1,144)
	ANT	Grants	88,000	88,000	84,177	(3,823)
			444,348	426,666	393,222	(33,444)
Business	GUI	Guildhall	152,844	132,294	125,410	(6,884)
	CSR	Information Centre & ShopMobility	171,472	166,472	181,361	14,889
	MEV	Markets & Advertising	132,051	110,551	177,172	66,621
	CID	Events - City Decoration	28,000	28,000	25,420	(2,580)
	CHB	Events - Christmas Begins	9,500	9,500	9,414	(86)
	GRO	Events - Grotto	22,470	18,270	12,042	(6,228)
	COT	Events - Christmas on the Square	(5,000)	(5,000)	(7,466)	(2,466)
	FOT	Events - Fair on the Square	5,038	(1,962)	(3,689)	(1,727)
	GIF	Events - Gift Fayre	(1,000)	(1,000)	(2,478)	(1,478)
	AFD	Events - Armed Forces Day	5,300	5,300	3,450	(1,850)
	FOS	Events - Foodie Sunday	9,000	9,000	10,146	1,146
	SGD	Events - St Georges Day	5,300	5,300	2,798	(2,502)
	MIS	Events - Miscellaneous	15,863	15,863	15,400	(463)
	CHF	Events - Charter Fair	(12,820)	(12,820)	(16,689)	(3,869)
	LAR	Events - Land Rental	(29,000)	(29,000)	(22,852)	6,148
	FUT	Future Salisbury	50,000	50,000	34,090	(15,910)
	TRV	Travel Trade	8,000	8,000	2,350	(5,650)
	WLT	Wiltshire Towns	12,000	12,000	(4,883)	(16,883)
			579,018	520,768	540,996	20,228
Total revenue cost centres			(419,849)	(639,465)	(1,111,595)	(472,136)
'Z' cost centres funded from revenue			225,433	225,433	177,707	(47,726)
Total revenue position at year-end outturn (SoRP)			(194,416)	(414,032)	(933,888)	(519,862)
Total revenue cost centres			(419,849)	(639,465)	(1,111,595)	(472,136)
Net expenditure on all 'capital schemes'			918,765	918,765	639,959	(278,806)
			498,916	279,300	(471,636)	(750,942)
Unbudgeted CIL					(202,414)	
Unbudgeted capital receipt					(338,474)	
Total revenue position at year-end outturn (AGAR)					(1,012,524)	

## Appendix B

### Salisbury City Council 2024/25 Outturn budget monitoring report to 31/3/25 year-end

#### Capital Programme

Cost Centre	Dept	Scheme	Lead Officer	Original Budget	TOTAL Capital budgets 2024/25	Actual	Variances compared to adjusted budget	Variance %	Funding source
Z01	AVC	AVC Infrastructure	HCMS	8,000	10,500	4,752	(5,748)	(55%)	revenue
Z02	BUS	BUS Infrastructure	HBO	18,000	13,550	1,136	(12,414)	(92%)	revenue
Z03	COR	IT Infrastructure	HCRS	12,000	12,000	0	(12,000)	(100%)	revenue
Z05	ENV	Planned Infrastructure Maintenance	HES	115,000	115,000	122,982	7,982	7%	revenue
Z06	ENV	Play Areas	HES	32,000	32,000	23,245	(8,755)	(27%)	Capital receipts
Z07	ENV	ENV Infrastructure	HES	37,000	37,000	32,578	(4,422)	(12%)	revenue
Z12	ENV	Urban Tree Challenge	HES		37,383	17,065	(20,318)	(54%)	revenue
Z11	ENV	Crematorium Roof	HES		175,000	171,416	(3,584)	(2%)	Capital receipts
Z32	ENV	Rowbarrow S106	HES		188,832	17,767	(171,065)	(91%)	S.106 receipts
Z43	ENV	C&CC refurbishment of toilet blocks	HES	37,500	62,500	53,719	(8,781)	(14%)	Capital receipts
Z44	ENV	Tollgate Road Depot	HES			(1,246)	(1,246)		revenue
Z53	ENV	Fisherton Track	HES		0	440	440		revenue
Z55	ENV	Crematorium wall	HES	78,500	78,500	29,119	(49,381)	(63%)	Capital receipts
Z56	ENV	Churchill Gds Toilet	HES	81,500	81,500	75,172	(6,328)	(8%)	Capital receipts
Z58	ENV	CCTV equipment	HES	25,000	25,000	41,814	16,814	67%	Capital receipts
Z17	GEN	Broken Bridges nature reserve	CEO		50,000	50,000	0	0%	CIL: receipts
				444,500	918,765	639,959	(278,806)		

## Salisbury City Council 2024/25 Outturn budget monitoring report to 31/3/25 year-end

## Revenue Variances over £50,000

Cost Centre	Dept	Code	Description	Budget	Actual	Variances	Variance %
Various	All	10001	Salary Costs	2,739,518	2,486,213	(253,305)	(9%)
EST	GEN	10003	Employers NI	220,975	239,305	18,330	8%
EST	GEN	10004	Employers Pension	356,564	318,702	(37,862)	(11%)
FIN	GEN	29001	Insurance premiums	177,500	116,395	(61,105)	(34%)
FIN	GEN	52999	Irrecoverable VAT	0	107,661	107,661	#DIV/0!
FIN	GEN	75001	Bank interest & treasury mgt returns	(25,000)	(142,347)	(117,347)	469%
CRM	ENV	52999	Irrecoverable VAT	40,000	103,212	63,212	158%
FAC	ENV	20005	Dilapidations	COMMERCIALLY SENSITIVE			
POS	ENV	27004	Waste Disposal	64,060	13,580	(50,480)	(79%)
CRP	GEN	73001	Parking Income	(176,000)	(294,471)	(118,471)	67%
CRP	GEN	73007	Caravan Site Income	(175,000)	(76,398)	98,602	(56%)
CRP	GEN	73008	Tenancy Recharges	0	(61,679)	(61,679)	#DIV/0!
GUI	BUS	72009	Guildhall Hire of Indoor Areas	(115,000)	(171,559)	(56,559)	49%
PAN	AVC	45036	Resaleable Goods (Food)	0	43,840	43,840	#DIV/0!
PAN	AVC	45036	The Pantry (old account)	54,100	(96)	(54,196)	(100%)
CSR	BUS	45016	Ticket Sales direct costs	0	55,247	55,247	#DIV/0!



## Appendix D

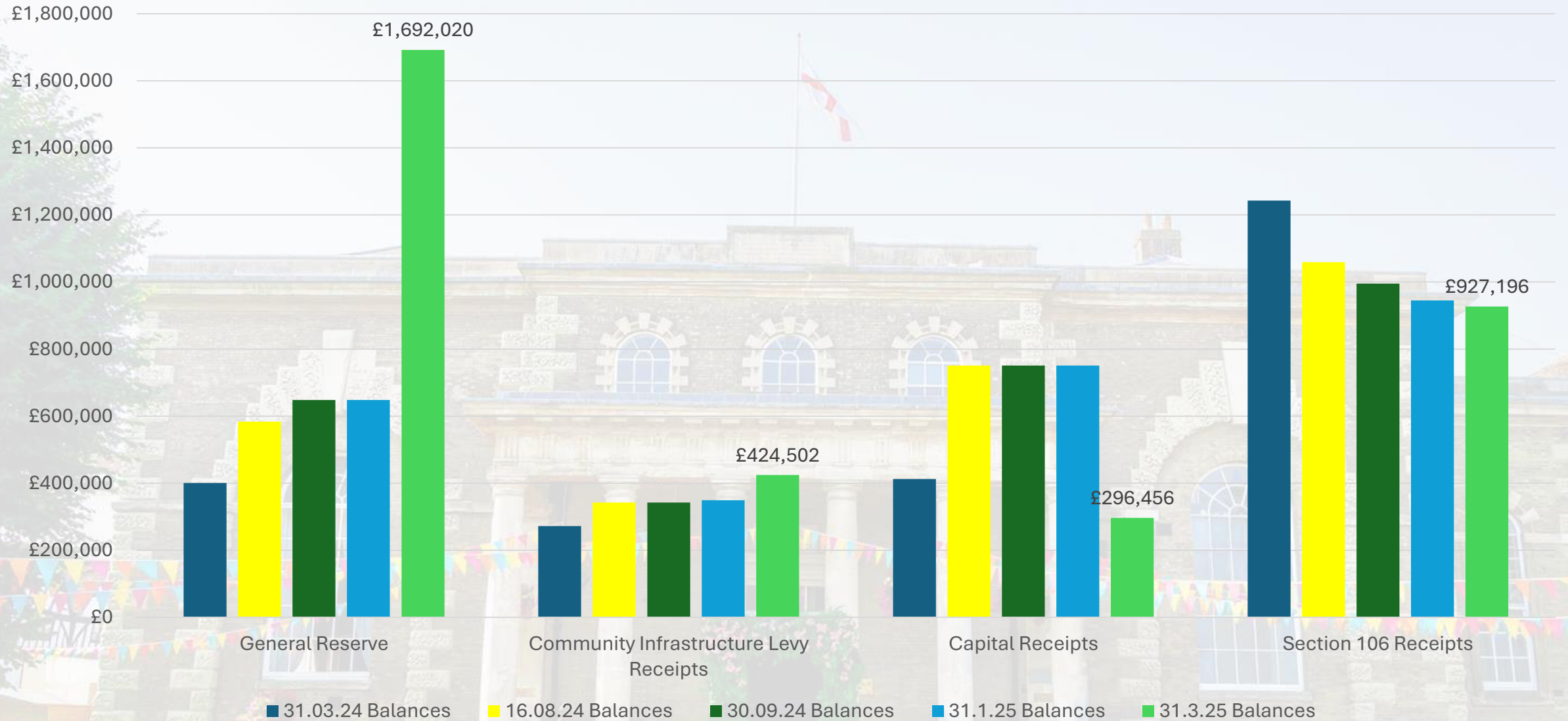
### Salisbury City Council 2024/25 Outturn budget monitoring report to 31/3/25 year-end

#### Analysis of AGAR Profit at year-end

	Original Budget approved in January 2024	Actual outturn	Difference
Precept	(5,642,672)	(5,642,672)	0
Council-generated income	<u>(2,487,900)</u>	<u>(3,142,718)</u>	<u>(654,818)</u>
Total income	(8,130,572)	(8,785,390)	(654,818)
Revenue expenditure	<u>7,686,072</u>	<u>7,673,795</u>	<u>(12,277)</u>
Revenue Surplus	(444,500)	(1,111,595)	(667,095)
One-off schemes ('Capital programme')	444,500	639,959	195,459
Operating position before other Receipts	<u>0</u>	<u>(471,636)</u>	<u>(471,636)</u>
Other Receipts:			
S.106 Receipts	0	0	0
CIL Receipts	0	(202,414)	(202,414)
Capital Receipts	<u>0</u>	<u>(338,474)</u>	<u>(338,474)</u>
<b>Outturn (Appendix A)</b>	<u><u>0</u></u>	<u><u>(1,012,524)</u></u>	<u><u>(1,012,524)</u></u>

# Appendix E

## Salisbury City Council Reserves



31 March 2025