COMMITTEE REPORT

Subject:	*Budget Monitoring Report for 2026/27 to the end of September*
Committee:	*Full Council*
Item Number:	*13*
Date:	*9 November 2026*
Author:	*Steve Bishop, Responsible Finance Officer (RFO)*
Report status:	*Noting*
Confidential / Exempt:	*No*

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 first half of the year to the end of September 2026. 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.

1.3. In addition to the full Council receiving these reports, the Finance Committee receives budget monitoring reports covering the whole Council in accordance with the resolution made at its September 2025 meeting.

2. Recommendations

It is recommended that the Council:

2.1 Notes the financial position at the end of September and the predicted outturn from officers.

3. Background

3.1 The budget monitoring report for the Council is appended to this report – see **Appendices A - C**.

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)**

3.3 The following budget monitoring reports are appended and explained below:

3.4 **Appendix A** sets out the full council-wide revenue budget monitoring position for all 54 Council cost centres.

3.5 **Appendix B** provides the equivalent high level budget monitoring information for the small number of project cost centres (prefixed with 'Z') which are funded from revenue and non-revenue sources (previously called the 'capital programme').

3.6 **Appendix C** provides the latest reserves position, taking into account the funding of projects in **Appendix B** and all other movements.

4. Explanation of Council-wide Revenue variances over £20,000

4.1. **Appendix A** sets out the September-end budget variances at cost centre level. Where individual budget line variances exceed £20,000 they are explained below.

Finance (FIN GEN)

4.2 **Appendix A** shows a £111k overspend on the Finance cost centre, which comprises a £60k accrued income error (FIN GEN 73001), £33k overspend on penalties & Settlements (53000) and £24k insurance overspend (29001).

4.3 The income accrual is an error made by the RFO when producing the 2025/26 year-end accounts. This £60k amount represents the Council's 2025/26 Quarter 4 car park income which was owed by Wiltshire Council. The RFO accrued for this income believing the Council would not be able to invoice Wiltshire before the final transaction deadline. However, the invoice was raised in time and therefore the accrual was unnecessary. This error can be corrected by way of a post-balance sheet adjustment, which is being considered elsewhere on this meeting's agenda.

4.4 There is a £33k overspend caused by the final element of the HMRC settlement representing overclaimed VAT for 2025/26 being higher than budgeted for. Surplus centralised budgets for Irrecoverable VAT and Business Rates can be used to offset this overspend.

4.5 The Council's total insurance requirements cost approximately £200k annually. Service-specific policies such as fleet cover, event cover and specialist historic building cover are charged direct to the respective service cost centre, but £94k general insurance costs are still

centralised in the Finance cost centre. By the end of July this £94k budget appears to be £26k overspent. However, this 27% overspend is due to the annual premiums covering some of the 2027/28 financial year, which will be adjusted at outturn. The RFO is confident that this £26k issue will not overspend by year-end.

4.6 The combination of the above measures should ensure the Finance cost centre is not significantly overspent by year-end.

Parks and Open Spaces (POS ENV) – (£53,962)

4.7 20006 – Accessibility Audit Work: (£41,256) underspend variance is due to profiling. This year the entire budget is being used to replace Bishopdown play park kit with more accessible equipment. Originally, officers expected to spend the budget by P6 September, but this is now expected to be a couple of months later. There will not be any significant variance by next report.

Streetscene (SSS ENV) - £22,926

4.8 The £23k overspend should be considered in the context of a substantial increase in service demand, rather than being attributed solely to increases in supplier charges. Streetscene's recorded waste-related activity has increased by approximately 42%, and the team has already dealt with 281 more jobs than were completed during the whole of last year. This additional workload has increased the amount of waste requiring disposal and is the principal contributor to the overspend. There have also been external cost pressures, including a 7% price increase from Grist, together with a new 50p fuel surcharge for each bulk-bin lift, and an increase in the per-tonne rate charged by CB Skips. The previous year's CB Skips rate is being checked to establish the precise percentage increase.

Vehicle servicing and maintenance expenditure also reflects the seasonal operational demands placed on the Streetscene fleet. Sweepers and tippers are typically used for around 7.5 hours each day, and this intensive utilisation inevitably generates servicing, repair and occasional breakdown costs, although the intensity of usage should reduce over the winter. Maintaining appropriate levels of servicing and maintenance is essential to keep the fleet safe, reliable and available for frontline operations.

Facilities (FAC ENV) – (£23,071)

4.9 The £23k underspend is chiefly due to a £12k underspend onsalary and oncost budgets, caused by the H&S Facilities Officer vacancy. This role has been vacant since April having been reported at Governance Committee and then Full Council. We have now offered the role (verbally as of 30th October) with a prospective start date of 1st February due to pre-booked holiday.

(Public Conveniences PWC ENV) - £25,406

4.10 The overspend variance on this cost centre is due to the £13k overspend on cleaning contract due to additional opening required for Fair on the Square and Christmas events. Additionally, a £13k under-achievement of the activity income budget following an unrealistic income target increase. No price increases or additional toilet facilities openings were planned for this financial year.

Commercial & Residential Properties (CRP ENV) - £28,479

4.11 The overspend on this cost centre is principally caused by the £17k under-achievement of the land rental income budget. This budget was increased by £45,000 following the CIP, taking it from £13k to £58k, this increase is unrealistic and not matched by income performance.

Allotments (ALL ENV) - £32,336

4.12 The annual rental income for allotments is approximately £51k which was budgeted. Unfortunately, this is unachievable due to the extended 15 month transitional period to synchronise with financial years and should have been omitted in the 2026/27 budget. The annual rent invoiced in January 2026 was credited to 2025/26; the next invoicing cycle for April 2027 will be credited to 2027/28. The budget profile will be amended to year-end, to avoid having to repeat this explanation in each report.

Crematorium (CRM BUS) - £25788

4.13 Several of the CRM department's income lines are overachieving and some expenditure budgets are under-spent, however income from cremations is underachieved by £39k, creating this variance. Despite a relatively busy summer the increase in income target will remain challenging. January has historically seen higher income figures so a reduction in the variance of that income line would be expected, however an increase in expenditure is also expected making it likely some net variance will remain going forwards.

Guildhall (GUI BUS) – (£48,166)

4.14 The primary drivers of this underspend are salaries on Casual staff and Climate Change Actions budgets. The use of casual staff generally peaks in Q3 which has not been profiled in. The increase in budget at the start of the year was implemented to cover the cost of having more staff on shift when operating the new bar service – this too will peak in Q3 and may prove more accurate in time. The Climate budget has been offered back as a saving due to staff constraints. Of course, this financial year the Guildhall will be closed for Q4 which will likely leave a variance not anticipated in other years. This will be profiled to avoid repetition.

Markets (MEV BUS) - £11,215

4.15 This modest £11k overspend is the combination of £32k underspending salaries and oncosts due to a vacancy for a 0.5FT Business Team Support Officer and the cost of casual staff for Christmas on the Square not yet being applied, a £10k overspend on the waste disposal budget (to be addressed by the Head of Environment in his new waste strategic oversight role) and a £23k under-achievement of income budgets due to the overestimated income line for Street Sellers. Unfortunately, the latter cause will exacerbate as the year progresses.

Bemerton Heath Centre (BHC AVC) – (£16,756)

4.16 Contributing to this modest underspend variance, is a £22k salaries and oncost underspend due to current staffing vacancies in Communities. Recruitment to vacant posts faced delays due to management sickness absence and the resignation of the former Communities' Manager. The Communities' Manager post needs to be filled in order to provide line management support to the remaining currently vacant roles. (Community Development Officer, Business Apprentice and Communities Assistant). Recruitment for the Communities' Manager role is currently underway, following which, recruitment to the remaining vacant roles will commence as a matter of priority.

5. Explanation of Council-wide Project variances over £50,000

5.1. In addition to the annual revenue budgets for providing everyday services, the Council also annually approves 'Projects' budgets (previously referred to as the 'capital programme'). These are reported in **Appendix B**. None of the projects are significantly under- or over-spent.

6. Financial Summary and Additional Overspend Information

6.1. The Council's 2026/27 revenue budget is overspent by £156k at the end of September, with a further £5k overspent on those projects which are funded from revenue/General Reserve. Whilst an overspend position is unwelcome, the scale is manageable. Officers are using every effort to identify ways to deliver services within budget. Even if this trend continues to year-end, the Council's General Reserve in **Appendix C**, is sufficiently healthy to absorb an outturn loss.

6.2. The 2025/26 and 2026/27 'Cost Improvement Plans' have resulted in £350k annual recurring budget savings being made. This is a contributory factor in the obvious swing from the year-end outturn underspend position to this year's continuing overspend. SMT are working with budget holders to assess and address this year's budget pressures ahead of 2027/28 budget-setting.

7. Implications

Implication Area	Impact	Comments / Mitigation
Financial	Medium	The Council's financial position directly impacts upon its available funds and the achievability of its medium-term financial plan objectives. Significant over-spends or under-achievement of planned surpluses could impact services delivered to residents, prevent planned activities, lead to liquidity problems, service cuts and even insolvency.
Legal	Low	Significant budget overspends and losses can only be met from general reserves which, if seriously depleted can result in unlawful expenditure.
Risk	Medium	Financial discipline (or lack thereof) is a major factor in the success or failure of the Council's medium term financial plan and its service delivery objectives. Effective budget monitoring should give early warnings, enabling corrective action to be taken to keep plans on-track.
Personnel	Low	The Job Evaluation exercise has updated officer job descriptions and, where applicable, clarified financial responsibilities within roles. Where managers identify areas for development, clarification, or support, these should be raised with Finance so that any gaps in budget understanding, monitoring or forecasting can be addressed.
Environmental Impact	Low	The approved annual budget and medium-term financial plan presume that services are delivered in compliance with the Council's environmental objectives. Annual budget bids, in-year virements and other mechanisms are available to address any changes in environmental conditions.
Equalities Impact Statement	None	No known impacts at this time.

Community / Public Impact	Medium	Budgets are tools to assist the Council to deliver its planned services. The purpose of this report is to highlight potential problems area sufficiently early to enable corrective action to be taken to avoid adverse impacts on service delivery to communities and the public.
Procurement / Contractual	Medium	The approved annual budget and medium-term financial plan presume that the financial impact of any contract changes have been factored in. (Low impact) Annual budget bids, in-year virements and other mechanisms are available to address the financial impact of procurement and contract decisions.
Property / Asset	Low	The approved annual budget and medium-term financial plan presume that teams have sufficient resources, including the necessary property/assets to deliver their services. Annual budget bids, in-year virements and other mechanisms are available to address any property/asset requirements.
Data Protection	None	No known impacts at this time.

8. Appendices / Background Papers

8.1 Appendix A – summary council-wide Revenue budget statement

8.2 Appendix B – summary council-wide Projects budget statement

8.3 Appendix C – 30 September 2026 Reserves position

Appendix A

Salisbury City Council Budget Monitoring 2026/27 Period 6 September

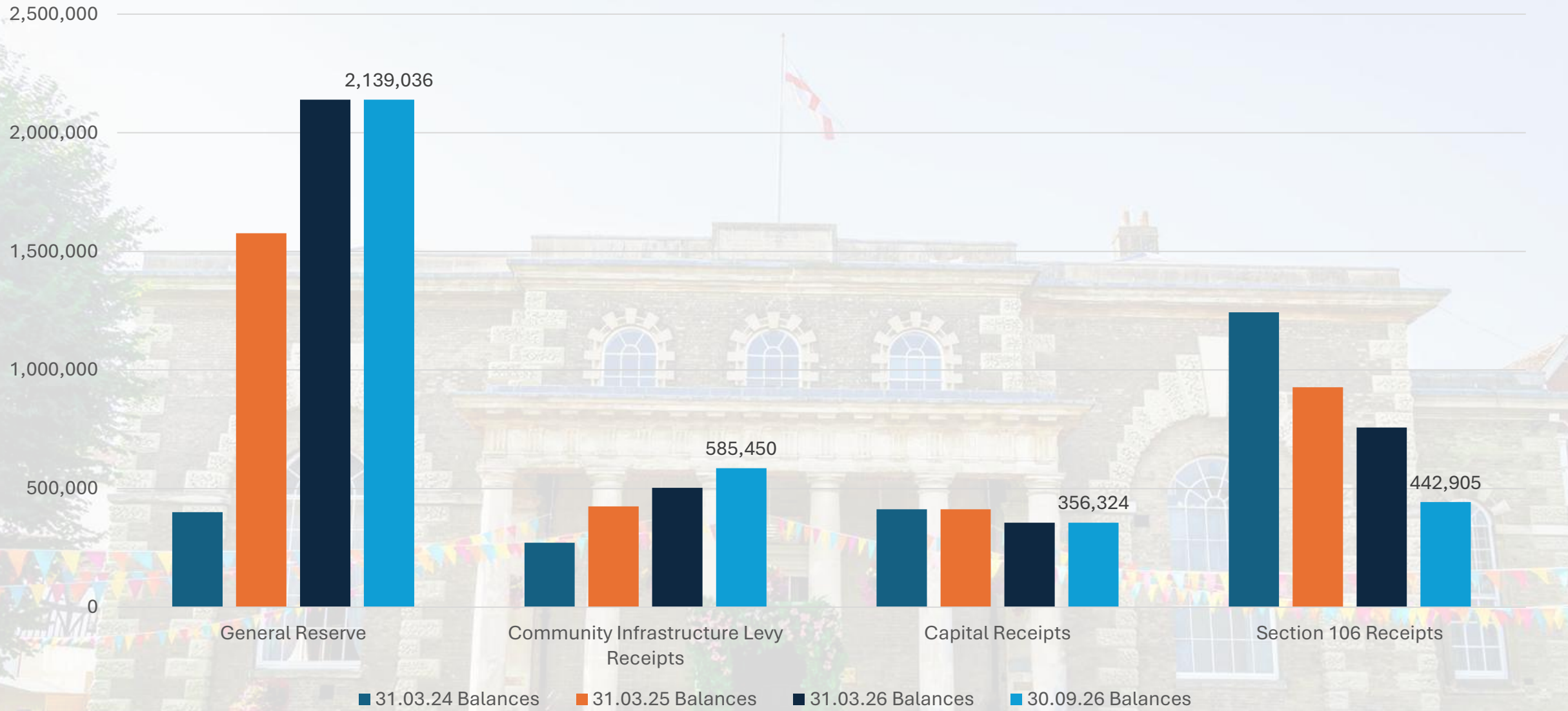
Department	Cost Centre		FULL YEAR BUDGET BEFORE ADJUSTMENTS	FULL YEAR BUDGET AFTER ADJUSTMENTS	PROFILED BUDGET	ACTUAL NET EXPENDITURE / (INCOME)	VARIANCE £
General	EST	Establishment	(6,255,707)	(6,058,918)	(6,206,274)	(6,175,161)	31,113
	800	Salisbury 800 SCC	0	15,000	7,500	16,394	8,894
	HRP	HR & Payroll	271,217	272,403	112,489	110,242	(2,247)
	FIN	Finance	344,976	405,651	283,992	395,282	111,290
	PWL	Public Works Loans	274,480	274,480	137,240	137,707	467
			(5,365,035)	(5,160,514)	(5,634,760)	(5,510,778)	149,517
Corporate	DEM	Demo & Mayor	81,645	81,645	41,723	33,182	(8,540)
	CMC	Civic & Mayoral Acti	43,748	30,048	16,409	14,018	(2,391)
	ITT	IT and Telephony	349,812	272,250	136,125	147,292	11,168
	ITP	IT Projects	0	45,000	22,500	11,081	(11,419)
	OFF	Corporate Office	238,479	271,155	135,577	134,603	(974)
			713,683	700,097	352,334	340,177	(12,157)
Environmental	CRP	Corp & Residential Properties	(108,294)	(233,476)	(62,371)	(33,892)	28,479
	CTV	CCTV	130,347	140,702	72,072	61,085	(10,987)
	FAC	Facilities	406,268	219,793	109,896	86,825	(23,071)
	LBT	Lower Bemerton Trust	6,435	6,435	7,266	20,502	13,236
	POS	Parks & Open Spaces	1,483,593	1,503,384	752,838	698,877	(53,962)
	ALL	Allotments	7,036	10,722	5,361	37,697	32,336
	PWC	Public Conveniences	172,289	173,500	87,241	112,647	25,406
	SSS	Streetscene Services	1,234,807	1,201,072	624,957	647,883	22,926
	CAR	Car Parks	(182,409)	(214,022)	(104,823)	(84,171)	20,652
	CCC	Camping & Caravan	(57,616)	(68,829)	(80,415)	(80,394)	21
	PAV	Pavillions	69,215	55,071	30,082	26,910	(3,173)
	DEP	Depot	168,130	240,604	135,534	122,318	(13,215)
			3,329,800	3,034,955	1,577,639	1,616,287	38,648
Communities	BHC	Bemerton Heath & Community	313,618	320,181	160,372	143,616	(16,756)
	YOU	Community Youth	23,369	19,618	9,809	6,236	(3,573)
	EVE	AVC Council Events	13,482	11,332	5,666	11,924	6,258
	SPO	Sports Activity	2,230	1,730	865	2,005	1,140
	PRO	CD Projects	39,002	39,329	19,665	11,074	(8,590)
	AOP	CD Adults/Older Peop	37,165	38,142	19,071	15,937	(3,134)
	FAM	CD Family & Children	4,850	4,350	2,175	13,586	11,411
	FRI	Friary	(7,395)	16,467	8,343	7,307	(1,036)
	PAN	The Pantry	79,820	96,398	48,199	43,648	(4,551)
	LUN	Lunch Clubs	2,409	1,059	530	174	(355)
	MEL	Salisbury Mela	6,450	4,922	4,922	5,809	887
	ANT	Community Grants	138,000	104,000	70,000	70,400	400
			653,001	657,528	349,616	331,718	(17,899)
Business	GUI	Guildhall	191,037	253,775	147,616	99,450	(48,166)
	CRM	Crem & Cemeteries	(642,459)	(710,353)	(371,963)	(347,175)	24,788
	CSR	Customer Services	153,045	145,406	74,606	62,918	(11,687)
	SHO	Shopmobility	145,635	144,626	75,035	88,939	13,904
	MEV	Markets, Events & Advertising	165,348	181,605	102,538	113,754	11,215
	COM	Communications	49,702	43,486	21,743	21,865	122
	SGD	St George's Day	7,585	8,145	8,145	5,608	(2,537)
	FOT	Fayre on the Square	4,636	13,967	13,967	14,262	295
	AFD	Armed Forces Day	6,155	5,002	5,002	6,652	1,650
	MIS	Misc Cost	1,480	(4,573)	(2,287)	(2,183)	104
	LAR	Land Rental	(37,194)	(39,852)	(19,926)	(19,176)	750
	FUT	Future Salisbury	497	0	0	0	0
	TRV	Travel Trade	(500)	0	0	0	0
	WLT	Wiltshire Town	29,503	19,923	3,985	5,977	1,992
	CHF	Charter Fair	(21,062)	(20,390)	(6,006)	2,055	8,061
	CID	City Decoration	30,450	30,450	6,090	0	(6,090)
	CHB	Christmas Begins	3,486	13,696	4,598	760	(3,838)
	GRO	Grotto	9,185	12,125	2,425	1,500	(925)
	COT	Christmas on the Sq	7,877	(1,423)	(285)	3,014	3,299
	FOS	Foodie Sunday	(2,000)	0	0	0	0
			102,406	169,502	122,892	58,221	(7,062)
Total revenue cost centres			**(566,144)**	**(598,431)**	**(3,232,279)**	**(3,164,375)**	**151,048**
'Z' cost centres funded from revenue			612,740	582,500	28,488	33,742	5,254
Total revenue position (SoRP)			**46,596**	**(15,931)**	**(3,203,791)**	**(3,130,633)**	**156,302**

Appendix B

Salisbury City Council Budget Monitoring 2026/27 Period 6 Sept

Cost Centre	Dept		ORIGINAL BUDGET BEFORE ADJUSTMENTS	REVISED BUDGET AFTER ADJUSTMENTS	PROFILED BUDGET	ACTUAL EXPENDITURE / (INCOME)	VARIANCE £	VARIANCE %	Governance
RECURRING									
Z12	ENV	Urban Tree Challenge	30,240	-			-		
PROJECTS - B/F FROM 2025/26									
Z16	ENV	Depot De-watering bay (cap)		133,515	240,000	223,341	(16,659)	(7%)	Jan 25 MTFP cell F60; bid 10.25
Z17	ENV	Depot De-watering bay (s106)		200,000			0	-	Full Council special delegated decision 16/4/26
Z32	ENV	Rowbarrow s.106		25,733		10,751	10,751	-	Jan 24 Cap Prog
Z57	ENV	River Park tractor		75,000		0	0	-	26/5/26 Full Council minute 17.1
Z13	ENV	Wyndham Park Wall		85,000		0	0	-	Jan 25 MTFP cell F45
PROJECTS - NEW									
Z14/Z60	BUS	Guildhall Banqueting Hall	202,500	202,500	28,488	27,834	(653)	(2%)	Jan 26 MTFP cell F39
Z45	ENV	Poultry Cross				1,840	1,840	-	
Z63	ENV	Market Place Toilet refurbishment	270,000	270,000		4,067	4,067	-	Jan 26 MTFP cell F22; bid 1.18
Z64	ENV	Central Toilets refurbishment	40,000	40,000		0	0	-	Jan 26 MTFP cell F22; bid 1.29
Z61	BUS	Car-free days pilot	40,000	40,000		0	0	-	12/1/26 Full Council minute 14.3
Z62	ENV	Depot Solar & Battery Storage (rev)	30,000	30,000		0	0	-	12/1/26 Full Council minute 14.7
Z59	ENV	QE Gardens Bridges s.106		39,830	0	0	0	-	26/5/26 Full Council minute 18.1
Z15	ENV	Depot Solar & Battery Storage (s106)	119,562	119,562		0	0	-	Jan 25 MTFP cell H60; bid 10.23/Jan 26 MTFP cell F58
							0	-	
			732,302	1,261,140	268,488	267,833	(654)		
		Funded from Capital receipts pot	119,562	253,077	240,000	223,341	(16,659)		
		Funded from S.106 pot	0	340,563	0	10,751	10,751		
		Funded from CIL pot	0	85,000	0		0		
		Funded from Revenue	612,740	582,500	28,488	33,742	5,254		

Appendix C
Salisbury City Council Reserves



30 September 2026