COMMITTEE REPORT

SALISBURY CITY COUNCIL

Subject:	*Budget Monitoring Report for 2026/27 to the end of July*
Committee:	*Full Council*
Item Number:	*14*
Date:	*14 September 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 four months to the end of July 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 Committee:

2.1 Notes the financial position at the end of July.

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 55 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 £50,000

4.1. **Appendix A** sets out the July-end budget variances at cost centre level. Where individual budget line variances exceed £50,000 they are explained below.

Finance (FIN GEN)

4.2 **Appendix A** shows a £90k overspend on the Finance cost centre, which comprises a £60k accrued income error (FIN GEN 73001) and £26k insurance overspend (FIN GEN 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.

4.4 The effect of both invoicing and accruing for the same amount is that income was double-counted in the 2025/26 accounts, requiring this adjustment to this year's accounts. As it was not budgeted for, it will create an overspend variance all year, to offset last year's artificial underspend. This variance initially appeared in the CAR Car Parks cost centre, but given this was an RFO error it has been transferred to the Finance cost centre for accountability.

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.

5. Explanation of <u>Council-wide</u> 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**. There was one significant budget variance on the Depot De-Watering Bay.

5.2. The funding for the De-Watering Bay has evolved as new requirements have been clarified. The £333k total budget for the project comprises £200k funding from s.106 receipts and £133k capital receipts. As this project is not funded from revenue, any budget variance does not affect the overall revenue budget variance in **Appendix A**.

5.3. The £64k overspend variance shown in Appendix B reflects a timing difference between budget profiling and actual expenditure. Budget profiling assumed that the second project invoice would be submitted and paid in August; however, the invoice was received and settled at the end of July, resulting in expenditure being recorded earlier than forecast. The budget profile will be corrected in time for P5 budget monitoring.

6. Financial Summary and Additional Overspend Information

6.1. The Council’s 2026/27 revenue budget is overspent by almost £72k at the end of July, with a further £16k overspent on those projects which have commenced. 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 July-end overspend. SMT are working with budget holders to assess and address this year’s budget pressures ahead of 2027/28 budget-setting.

6.3. <u>Public Conveniences (PWC ENV) - </u>£20,811

a) 20021 – Pre-Planned Routine: £10,407 variance due to enacting Wallgate servicing contract to ensure the handwash facilities in our toilets could be maintained. This was not known until April and could not have been planned. Budget was profiled in P4 with Finance team, although the spend was made in P1. Existing budget is sufficient to cover.

b) 27002 – Cleaning costs: Additional events and openings required for the Market Square toilets outside of initial budgeting. These will be balanced by virements from underspends in the Environments Department.

c) 40002 – Equipment Maintenance: To repair the hoist in the Changing Places at Lush House. This will be balanced by a virement from 20001.

6.4. Car Parking Income (CAR ENV)

The £29k under-achievement of income is partly due to this year's budget being increased by £41k as part of the cost improvement plan and partly due to an unrealistic budget profile. This has now been rectified for P5 monitoring onwards. Additionally, unplanned reactive repairs undertaken on Hudsons Field and Castle Road car park.

6.5. Guildhall GUI BUS

The service is currently reporting an underspend against profiled budget. The majority of the variance relates to expenditure that has not yet been incurred, particularly within Climate Change Actions, Equipment-related budgets and planned maintenance activities. The £14k insurance underspend will disappear when decentralised insurance costs are adjusted before the next P5 budget monitoring report. Utility costs are also currently below forecast due to lower consumption levels. Whilst there are minor overspends within Water & Sewerage and Security, these are being offset by underspends elsewhere. Expenditure is expected to increase as planned works and projects progress throughout the remainder of the financial year, and the overall budget position is therefore considered to be on target at this stage.

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 recent 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 – 31 July 2026 Reserves position

Appendix A

Salisbury City Council Budget Monitoring 2026/27 Period 4 July

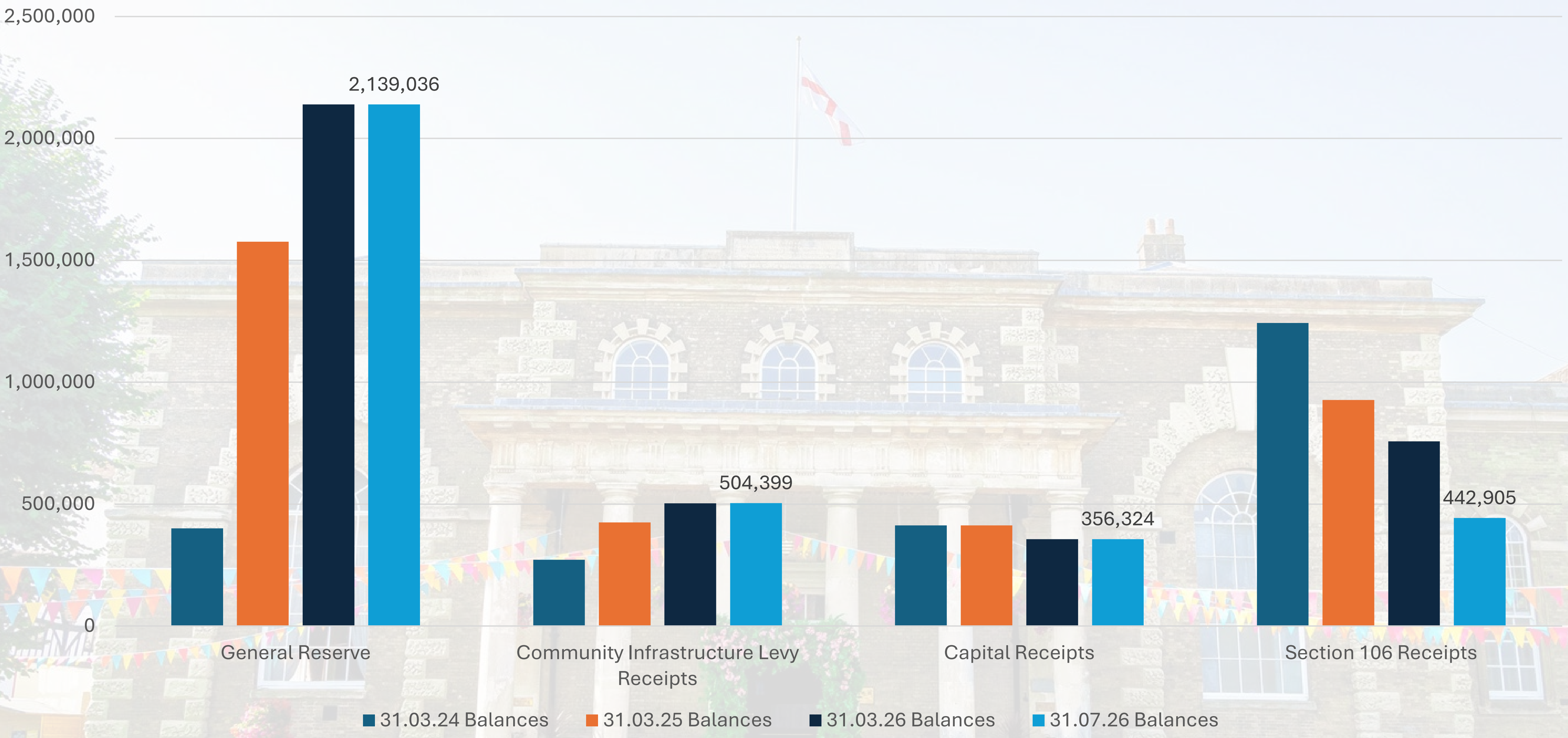
Department	Cost Centre		FULL YEAR BUDGET BEFORE ADJUSTMENTS	FULL YEAR BUDGET AFTER ADJUSTMENTS	PROFILED BUDGET	ACTUAL NET EXPENDITURE / (INCOME)	VARIANCE £
General	EST	Establishment	(6,227,742)	(6,099,460)	(3,099,865)	(3,098,385)	1,480
	800	Salisbury 800	0	15,000	5,000	5,615	615
	801	Salisbury 800 (Contributions)	0	0	0	0	0
	HRP	Human Resources & Payroll	271,217	272,403	77,274	77,896	621
	FIN	Finance	476,906	329,582	217,781	307,792	90,012
	PWL	Public Works Loans	274,480	274,480	64,805	64,796	(9)
			(5,205,139)	(5,207,995)	(2,735,005)	(2,642,286)	92,720
Corporate	DEM	Corporate - Councillors	94,015	81,645	29,115	23,903	(5,212)
	CMC	Civic & Mayoral	43,248	28,648	10,563	13,989	3,425
	ITT	Information Technology & Telephony	349,812	256,250	85,417	92,505	7,089
	ITP	IT Projects	0	45,000	15,000	7,654	(7,346)
	OFF	Corporate - Officers	235,979	271,155	90,385	83,271	(7,114)
			723,054	682,698	230,480	221,322	(9,158)
Environmental	CRP	Investment Properties	(101,495)	(220,427)	(34,320)	(25,517)	8,803
	CTV	Closed Circuit Television	130,347	140,702	44,135	44,505	370
	FAC	Facilities	474,922	451,211	75,979	60,010	(15,969)
	LBT	Lower Bemerton Trust	6,435	6,435	6,410	18,419	12,010
	POS	Parks & Open Spaces	1,496,978	1,514,255	484,425	453,064	(31,361)
	ALL	Allotments	7,036	1,722	17,657	23,813	6,155
	PWC	Public Conveniences	160,789	166,000	55,989	76,800	20,811
	SSS	Street Scene	1,223,723	1,211,404	450,163	459,758	9,595
	CAR	Car Parks	(182,409)	(217,022)	(59,950)	(28,691)	31,260
	CCC	Camping & Caravan Club	(83,116)	(68,829)	(84,276)	(77,648)	6,628
	PAV	Pavilions	63,015	55,654	21,869	20,329	(1,540)
	DEP	Depot	151,430	176,365	67,715	72,814	5,099
			3,347,655	3,217,470	1,045,795	1,097,656	51,860
Communities	BHC	Communities	290,169	320,228	106,880	91,073	(15,807)
	YOU	Communities - Youth	23,370	19,619	6,540	4,569	(1,971)
	EVE	Communities - Events	13,482	11,332	3,777	4,054	277
	SPO	Communities - Sports	2,230	1,730	577	1,735	1,158
	PRO	Communities - Projects	39,002	39,329	13,110	10,595	(2,515)
	AOP	Adults & Older People	37,165	38,142	12,714	12,314	(400)
	FAM	Families & Children	4,850	4,350	1,450	9,671	8,221
	FRI	Friary	9,661	13,817	4,679	4,251	(428)
	PAN	The Pantry	75,414	95,892	31,964	29,332	(2,632)
	LUN	Lunch Clubs	5,009	1,309	436	(137)	(574)
	MEL	Events - Mela	6,450	5,250	3,938	275	(3,662)
	ANT	Grants	138,000	154,000	60,667	120,400	9,733
			644,802	704,998	246,731	288,133	(8,598)
Business	GUI	Guildhall	171,786	253,269	119,527	73,075	(46,452)
	CRM	Crematorium	(644,961)	(660,606)	(210,908)	(222,057)	(11,149)
	CSR	Information Centre	157,384	144,840	50,444	36,665	(13,780)
	SHO	Shopmobility	144,995	143,207	52,673	60,576	7,903
	MEV	Markets & Advertising	154,548	168,295	61,397	50,968	(10,429)
	COM	Communications	49,702	52,944	17,648	14,135	(3,513)
	SGD	Events - St Georges Day	7,585	8,145	8,145	5,608	(2,537)
	FOT	Events - Fair on the Square	4,636	10,186	6,112	17,194	11,083
	AFD	Events - Armed Forces Day	6,154	5,214	5,214	6,652	1,438
	MIS	Events - Miscellaneous	1,480	(2,990)	(1,238)	(1,683)	(445)
	LAR	Events - Land Rental	(36,537)	(36,883)	(12,294)	(12,420)	(125)
	FUT	Future Salisbury	497	(3,553)	(1,184)	0	1,184
	TRV	Travel Trade	(500)	(500)	(167)	0	167
	WLT	Wiltshire Towns	29,503	19,923	0	5,977	5,977
	CHF	Events - Charter Fair	(20,613)	(21,173)	484	1,420	936
	CID	Events - City Decoration	30,000	30,450	0	0	0
	CHB	Events - Christmas Begins	14,220	13,420	484	760	276
	GRO	Events - Grotto	18,484	11,924	0	1,500	1,500
	COT	Events - Christmas on the Square	(1,423)	(1,423)	0	2,883	2,883
	FOS	Events - Foodie Sunday	(2,000)	(2,000)	0	0	0
			84,940	132,689	96,336	41,254	(55,082)
Total revenue cost centres			**(404,688)**	**(470,140)**	**(1,115,663)**	**(993,921)**	**71,741**
'Z' cost centres funded from revenue			612,740	582,500	10,000	26,500	16,500
Total revenue position			**208,052**	**112,360**	**(1,105,663)**	**(967,421)**	**88,241**

Appendix B

Salisbury City Council Budget Monitoring 2026/27 Period 4 July

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	45,000	108,774	63,774	142%	Jan 25 MTFP cell F60; bid 10.25
Z17	ENV	Depot De-watering bay (s106)		200,000			-		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			-		26/5/26 Full Council minute 17.1
Z13	ENV	Wyndham Park Wall		85,000			-		Jan 25 MTFP cell F45
PROJECTS - NEW									
Z14/Z60	BUS	Guildhall Banqueting Hall	202,500	202,500	10,000	20,592	10,592	106%	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			-		Jan 26 MTFP cell F22; bid 1.29
Z61	BUS	Car-free days pilot	40,000	40,000			-		12/1/26 Full Council minute 14.3
Z62	ENV	Depot Solar & Battery Storage (rev)	30,000	30,000			-		12/1/26 Full Council minute 14.7
Z59	ENV	QE Gardens Bridges s.106		39,830			-		26/5/26 Full Council minute 18.1
Z15	ENV	Depot Solar & Battery Storage (s106)	119,562	119,562					Jan 25 MTFP cell H60; bid 10.23/Jan 26 MTFP cell F58
			732,302	1,261,140	55,000	146,025	91,025		
		Funded from Capital receipts pot	119,562	253,077	45,000	108,774	63,774		
		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	10,000	26,500	16,500		

Appendix C
Salisbury City Council Reserves



31 July 2026