

COMMITTEE REPORT

Subject:	<i>Budget Monitoring Report for 2026/27 to the end of August (P5)</i>
Committee	<i>Commercial Services</i>
Item Number:	<i>10</i>
Date:	<i>2 November 2026</i>
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Report status:	<i>Noting</i>
Confidential / Exempt:	<i>No</i>

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 the period to the end of August 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.

2. Recommendations

It is recommended that the Committee:

- 2.1 Notes the Committee's financial position at the end of August.

3. Background

- 3.1 The budget monitoring report for the Commercial Services 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. Explanation of significant Revenue variances

- 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. 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 August-end results for the Committee cost centres, which appear underspent by £8k. There are five variances over £15k which are explained below:

Markets' salaries (MEV 10001 - 10004)

- 4.4 There is a £41k underspend against the main MEV cost centre budgets for salaries, national insurance and pensions. Employee costs for the Head of Service, Markets team and Events team, plus their associated casual staff are all charged to this cost centre. The underspend is 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. This could be part rectified by distributing this wage budget more accurately across Events' cost centres. This would allow accurate profiling and less variance.

Guildhall salaries & oncosts (GUI 10001 – 10004)

- 4.5 The £30k underspend is primarily due to profiling and an overestimated budget position at the start of the year. 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. Of course, this financial year the Guildhall will be closed for Q4 which will likely leave a variance not anticipated in other years.

Crematorium equipment maintenance (CRM 40002)

- 4.6 The £22k underspend is due to profiling of a maintenance contract that is paid quarterly. This profile has now been amended and should not show significant variance again.

Guildhall Climate Change Actions (GUI 28024)

- 4.7 Due to staff resource constraints, this budget is unspent, and the associated travel action plan work will not be completed within the current financial year. As a result, the funding was offered back as a saving for this year.

Cremation Income (CRM 71001)

- 4.8 This income line is under-achieved by £34k. 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 would be expected. Other Crematorium income lines are overachieving leaving the CRM bottom line at surplus currently.

5. Explanation of significant Project variances

- 5.1 This Committee has oversees two projects which affect the Business department, which are summarized below.

Guildhall Works 2026/27

- 5.2 The Guildhall Works 2026/27 project will rectify the structural defects of the Banqueting Hall ceiling, other parts of the building, and refurbish the primary hire rooms. This project is currently showing only a small £2k variance and is on track.

Car-Free Pilot

- 5.3 This project is intended to trial additional road closures to particular city centre events organised by the Council in order to improve accessibility and attendance. If the pilot proves successful, this could be extended to future events. This project has not yet commenced and there is no budget variance.

6. 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	Not relevant

7. Appendices / Background Papers

7.1 Appendix A – Revenue Cost Centres

7.2 Appendix B – Variances over £15k

Appendix A

Salisbury City Council Budget Monitoring 2026/27 Period 5 August

Cost Centre		FULL YEAR BUDGET BEFORE ADJUSTMENTS	FULL YEAR BUDGET AFTER ADJUSTMENTS	PROFIED BUDGET	ACTUAL NET EXPENDITURE / (INCOME)	VARIANCE £
GUI	Guildhall	191,037	253,775	129,025	82,280	(46,744)
CSR	Customer Services	153,045	145,541	62,891	46,263	(16,628)
CRM	Crem & Cemeteries	(642,459)	(636,466)	(260,878)	(270,112)	(9,234)
SGD	St George's Day	7,585	8,145	8,145	5,608	(2,537)
MEV	Markets, Events & Advertising	165,348	181,105	87,892	86,881	(1,011)
COM	Communications	49,702	43,486	18,119	17,522	(597)
CID	City Decoration	30,450	30,450	0	0	0
CHB	Christmas Begins	14,220	13,696	760	760	0
CHF	Charter Fair	(21,062)	(20,710)	946	1,420	474
LAR	Land Rental	(37,194)	(39,852)	(16,605)	(15,934)	671
FOT	Fayre on the Square	4,636	13,967	12,781	13,867	1,086
GRO	Grotto	9,185	12,125	0	1,500	1,500
AFD	Armed Forces Day	6,155	5,002	5,002	6,652	1,650
MIS	Misc Cost	1,480	(4,073)	(1,697)	110	1,807
COT	Christmas on the Sq	7,877	(1,423)	0	2,883	2,883
WLT	Wiltshire Town	29,503	19,923	0	5,977	5,977
SHO	Shopmobility	145,635	144,491	64,001	72,366	8,365
FUT	Future Salisbury	497	0	0	0	0
TRV	Travel Trade	(500)	0	0	0	0
FOS	Foodie Sunday	(2,000)	0	0	0	0
		113,140	169,182	110,382	58,044	(52,338)

Salisbury City Council Budget Monitoring 2026/27 Period 5 August

Largest variances

Cost Centre	Description	Code	Description	Full year Budget £	Profiled Budget £	Actual £	Variances £	Variance %
MEV	Markets	10001- 10004	Salary & Oncosts	259,282	160,039	118,669	(41,370)	(26%)
GUI	Guildhall	10001- 10004	Salary & Oncosts	205,842	85,767	55,198	(30,569)	(36%)
CRM	Crematorium	40002	Equipment Maintenance	384,094	44,129	22,161	(21,969)	(50%)
GUI	Guildhall	28024	Climate Change Actions	39,000	16,250	0	(16,250)	(100%)
CRM	Crematorium	71001	Cremation Income	(1,312,747)	(546,978)	(512,706)	34,272	(6%)