

Appendix A1: Projected Revenue Budget Variances by Service Area 2024/25

1. The projected outturn for each directorate is shown in the tables and narrative below.
The revenue virements recommended in this report to redirect budgets from adults to children's services has been reflected in the information.

Wellbeing – broadly balanced position

2. The Wellbeing directorate includes adult social care, public health services, commissioning teams for adults and corporate procurement, plus housing and community services. The adult social care budget is recommended to be reduced to reflect the additional savings identified in the final quarter of the previous year as reported in the 2023/24 outturn report. After this reduction, a balanced budget position is projected for 2024/25.

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
Adult Social Care Services			
Care packages – all ages and needs	174,119	174,204	85
Employees	25,491	25,401	(90)
Client Contributions	(31,672)	(31,666)	6
Health Funding: CHC/JF/Sec117/BCF	(24,428)	(24,428)	0
Income from NHS (Section 256)	(2,000)	(2,261)	(261)
Other Funding: grants, other authorities, Health.	(18,058)	(18,060)	(2)
Other services: training, running costs, etc.	432	426	(6)
Total Adult Social Care Services	123,884	123,616	(268)
Commissioning and Procurement			
ASC: Care and contracts (including Tricuro)	30,646	30,764	118
ASC: Employees	2,604	2,584	(20)
ASC: Client contributions	(1,717)	(1,758)	(41)
ASC: Health Funding: CHC/JF/Sec117/BCF	(9,103)	(9,103)	0
ASC: Income from NHS (Section 256)	(20)	(357)	(337)
ASC: Grants and other income	(32,017)	(32,075)	(58)
ASC: Other services/voluntary sector/ projects, etc.	457	805	348
Corporate Procurement	1,256	1,203	(53)
Total Commissioning and Procurement	(7,894)	(7,937)	(43)
Housing			
Housing Options and Partnerships	6,777	6,777	0
Neighbourhood Services	(2,250)	(2,250)	0
Risk and Improvement	361	361	0
Housing Total	4,888	4,888	0
Communities			
Community Engagement	878	878	0
Strategic Community Safety	465	465	0
Regulatory Services	2,090	2,149	59
Safer Communities	964	964	0
Service Management	185	185	0
Communities Total	4,582	4,641	59
Housing & Communities Total	9,470	9,529	59
Public Health (fully funded by government grant)	(165)	(20)	145
Wellbeing Total	125,295	125,188	(107)

Adult Social Care

3. The adult social care services directorate is projected to be £0.27m underspent at the end of the first quarter of the financial year. The cost of packages of care is projected to be broadly on budget. The projection includes estimates for activity yet to take place, including for people with learning disabilities, mental health or autism as they prepare for adulthood as well as some allowance for winter pressures for older people. The projection also includes delivery of programmed savings from care home commissioning arrangements with fee negotiations ongoing with providers above framework levels or published rates.
4. The £0.01m overspend for care packages shown in the table above is due to complex cases discharged from hospital but expected to be funded from Health with this reflected in the additional Sec 256 funding projection of £0.26m.
5. Employees costs also show a potential saving of £0.09m due to recruitment difficulties, however the position may change during the year depending on success in filling vacancies.

Commissioning and Procurement

6. The commissioning and procurement directorate main expenditure variance of £0.35m is largely due to additional activity using Health funding, with the corresponding income variance also shown.
7. There are also small savings anticipated from employee vacancies, with recruitment underway.
8. The contract with Tricuro, the council's wholly owned trading company, has not yet been finalised with the projected outturn assuming this will be agreed within budget.

Public Health

9. The pressure of £0.15m is due to undelivered budget savings, representing 19% of the ambitious £0.7m target for 2024/25. Work continues to identify areas which could be prioritised for saving within the conditions of the public health grant. The overspend is being managed within the Wellbeing directorate overall.

Housing & Communities

10. Housing options are making progress in reducing the numbers placed in B&B accommodation and properties are being purchased under the housing acquisition programme to avoid use where possible. Realisation of savings is slow due to more extensive works being required to bring the properties to a lettable standard than anticipated with longer void periods and higher borrowing repayments as a result. However, using some of the properties has avoided the rise in B&B costs we would have seen otherwise and anticipate the borrowing repayments remaining within budget.
11. The in-year homelessness prevention grant (HPG) will be fully spent and there will be a requirement to continue to draw down on the £1.8m HPG reserve balance over the next two years until the benefit of the acquisition programme begins to be fully realised.
12. Neighbourhood services include income from photovoltaic panels and garages. There is a lag in receiving revenue with predictions more difficult at quarter one but, based on income historic trends, this is expected to be on budget. There is significant maintenance due on a number of garages this year and there is a risk this could exceed the annual budget for this expenditure. An assessment is required to understand the full impact and financial implications.
13. Risk and improvement consist of the business support elements of housing services and is anticipated to be fully committed at year end.

14. The majority of spend within community engagement and strategic community safety is funded from external grants or partnerships with other authorities. All the grant funding is currently committed to be spent in year. Options are being considered for community grants with the expectation to fully commit and this formed part of a Cabinet workshop that took place in August to consider the council's approach to empowering communities. Salaries within these areas are forecast on budget based on current staffing levels.
15. Regulatory services are facing challenges this year due to delayed savings from the establishment restructure that occurred towards the end of last year due to contractual notice periods for staff with £0.1m not being realised until 2025/26. It is expected £0.05m will be mitigated in year through expenditure control.
16. There will be challenges within the safer communities budgets due to ongoing judicial reviews, although some costs may be able to be recovered. The budget includes reduced income from licensing to reflect recent trends with no variances currently expected.

Children's Services – overspend £3.3m (3.6%)

17. After the redirection of budget from adult social care, the 2024/25 projected outturn position is presented in the table below with a projected overspend of £3.3m, largely due to rising costs for children in care, continued use of agency staff and budgeted savings not being delivered in full.

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
Management & Commissioning	4,574	3,242	(1,332)
Grant Income	(8,506)	(8,506)	0
Safeguarding & Early Help	15,865	18,809	2,944
Corporate Parenting & Permanence	54,360	55,478	1,118
Quality and Governance	4,322	4,611	289
Education & Skills	18,262	18,563	302
Partnerships	2,152	2,152	0
Children's General Fund Total	91,029	94,349	3,320

18. Children's management & commissioning incorporates various budgets including that for service agency costs overall. This is held centrally as the agency use within individual service units fluctuates based on demand and vacant positions. The forecast variance offsets the staffing overspends shown in all other directorates as described below.
19. The annual budget savings for the service as a whole have also been set against management & commissioning. Where savings have been achieved and are showing as an underspend in specific cost centres under other services, these are offset in this service line.
20. There is an expectation that not all savings will be delivered in-year due to their ambitious nature, the corporate resources required for delivery and the forthcoming full Ofsted inspection taking priority. The shortfall assumed in the outturn is £2.2m.
21. Safeguarding & early help front door teams maintain a consistent ratio of 55% permanent staff to 45% agency workers. This composition leads to substantial agency costs, contributing to a significant budget variance of £2.9m. Attracting and keeping permanent social workers for these teams is a constant challenge, making reliance on agency staff essential.
22. Staffing costs for corporate parenting & permanence, particularly within the teams for children in care, are currently dealing with high agency costs. The responsible director has a clear brief to lower these costs at pace, and the financial forecast includes an assumed plan aimed at decreasing both the number of agency staff and the associated costs.

23. The main pressure within this service area is the cost of care. Whilst the numbers of children in care have remained static, the change in placement type and complexity has further increased the cost. The children's commissioning team is in the process of preparing detailed analysis to further understand this change in trend. A thorough review of all end dates is being led by commissioning colleagues to make sure the forecast is as accurate as possible. The reliance on data is fundamental to the accuracy of the year end position and may move placement costs in a more favourable direction if the number of children in care do not increase during the year.
24. The financial pressure within quality & governance is due to the need to increase the number of independent reviewing officers (IRO) which is due solely to caseloads that exceed the statutory limit an IRO can hold. This situation was unforeseen since there was an expectation that the numbers of children in care would decrease to levels anticipated by the original staffing establishment.
25. The cost pressure in the education & skills service relates to school transport costs, approximately £0.2m over budget.

Operations – overspend £2.8m (4.8%)

26. The budget position is a projected overspend of £2.8 with the largest component being higher costs incurred in generating carparking revenues.

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
Commercial Operations			
Flood and Coastal Erosion	956	956	0
Leisure and Events	568	725	157
Parking Services	(19,457)	(17,357)	2,100
Seafront	(5,922)	(5,658)	264
Commercial Operations Total	(23,855)	(21,334)	2,521
Environment			
Service Management	675	712	37
Neighbourhood Services & Grounds	16,068	15,917	(151)
Passenger Transport	165	(58)	(222)
Bereavement & Coroner	583	451	(132)
Waste	15,841	15,841	0
Greenspace	537	537	0
Transport & Operating Centres	5,954	5,954	0
Environment Total	39,823	39,355	(468)
Planning & Transport			
Planning Management	487	391	(97)
Planning Operations	147	691	544
Strategic Planning	750	654	(96)
Transport Policy / Sustainable Travel	11,524	11,427	(97)
Planning & Transport Total	12,909	13,163	254
Infrastructure			
Service Director / utility saving	(1,635)	(1,635)	0
Infrastructure Total	(1,635)	(1,635)	0
Investment and Development			
Housing Delivery	254	254	0
Regeneration Delivery	734	734	0
Smart Places	(89)	(101)	(12)
Investment and Development Total	899	887	(12)

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
Operations Strategy Total	1,582	1,611	29
Customer & Property			
Business Support	6,640	6,640	0
Culture	1,376	1,376	0
Customer Services	2,737	2,737	0
Libraries	5,589	5,736	147
Bournemouth Library PFI contract	1,559	1,559	0
Engineering	5,121	5,121	0
Facilities Management	7,595	7,945	350
Property Maintenance	(1,304)	(1,304)	0
Telecare	(103)	(103)	0
Customer & Property Total	29,209	29,706	497
Operations Services	58,931	61,751	2,821

Commercial Operations

27. Parking services income has remained buoyant in quarter one due to an increase of 11.6% in average spend per vend, despite a 9% drop in number of vends compared with last year. Future trading conditions and customer behaviour will play a significant factor in determining the final year end position. Inherent expenditure pressures including £1.5m cost of collection charges and £0.1m for staff labour market supplements are contributing to the reported overspend.
28. Seafront services have experienced a drop in visitor number and spend per head during quarter one. Coupled with increased costs this has created an in-year pressure which the service is seeking to mitigate.
29. Leisure and events are reporting a £0.1m pressure due to challenges in delivering the longer term savings.
30. Flood and coastal erosion risk management (FCERM) services is reporting a balanced position and partnership working with East Devon Council is anticipated to deliver savings in future years.

Environment

31. Neighbourhood services and grounds maintenance £0.15m savings has been achieved by holding vacancies and a strict spend freeze in line with the Council's requirements. Although savings are forecast for this year there is a risk that by halting spend, particularly on repairs and maintenance, this will cause more expense in future years.
32. A £0.2m saving is expected within passenger transport due to the underspend within the driver salaries budget whilst a full review of adults community services takes place. It is attributed to vacancies being held along with some spend freeze underspends.
33. A £0.1m saving has been forecast within coroners and mortuary and whilst there is currently no service lead, the estimates have been based on the previous year performance and with no High Court inquests known currently.

Planning and Transport

34. There is an overall pressure within planning, resulting mainly from the use of agency to fill the vacancies within the planning department. There are mitigation plans in place to reduce these agency costs but until full recruitment can be achieved these pressures will continue.

Infrastructure

35. Restructuring of budgets in quarter four last year ready for 2024/25 service delivery has distributed the services previously included within infrastructure across other service directorates. Remaining within infrastructure is the service director costs for the part year until his retirement and the budget for electricity which has not yet been allocated across the relevant services.

Investment and Development

36. The new service director is collaborating with the service teams and accountants to gain a clearer picture of the budgetary position. Given that a substantial share of expenses is allocated to capital, there are currently no anticipated budget issues, and this position will be closely monitored.

Operations Strategy

37. Small pressure due to delayed voluntary redundancies with costs being incurred while staff work their notice period.

Customer, Arts, & Property

38. Libraries have reviewed branch opening hours and the implementation of a revised staffing structure will now commence from August 2024. This delay in the new staffing structure has led to an in year pressure of £0.1m
39. In facilities management historically, there has been a trend of exceeding the budget allocated for corporate repairs and maintenance, a pattern expected to continue despite limiting expenditures to urgent works. This shortfall could further impact funding for public conveniences.

Resources – overspend £0.8m (2.1%)

40. Executive and Resources provide professional support services to the council and undertake tax collection and housing benefits administration.

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
Executive	733	733	0
Law and Governance	4,588	5,154	566
Marketing, Comms and Policy	2,208	2,341	133
People and Culture	2,524	2,591	67
- <i>Workforce Development – Adults & Children*</i>	981	1,021	40
Finance	15,983	15,983	0
IT and Programmes	13,336	13,282	(55)
Executive & Resources Total	40,354	41,105	751

**Workforce Development has transferred to People & Culture from Adults & Children's*

41. Executive has experienced some turnover this year, but the small saving generated will be consumed by the vacancy factor and associated recruitment costs.
42. Recruitment challenges continue in law and governance. Vacancies are difficult to fill by those suitably qualified with locums being used, causing a £0.6m pressure. The service is working to make permanent appointments where possible, but it is likely this issue will continue for the foreseeable future.
43. Marketing, communications & policy are facing income challenges this year with £0.1m of credit notes issued relating to invoices raised and accounted for in late March 2024. Options are being considered in mitigation.
44. People and culture will be undertaking a restructure this year in line with their new operating model and additional budget has been provided from that released from other

services. It is anticipated this will be within budget. The £0.07m budgeted apprenticeship saving (by converting 15 entry-level posts across services to apprenticeships posts upon vacancy) will not be delivered with just one post converted so far this year with alternative savings not considered possible.

45. IT and programming small underspend due to minor staff restructuring and some vacancies unfilled for longer than usual.

Corporate Budgets

46. The table below provides a summary of the variances:

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
Pay related costs	8,002	8,002	0
Contingency	7,860	3,558	(4,302)
Interest Payable	4,607	4,607	0
Investment Income	(1,855)	(360)	1,495
Pay & grading project	1,329	1,329	0
Debt Repayment - MRP & VRP	5,955	5,955	0
Transformation	3,813	3,813	0
Housing Benefits	(1,623)	(1,623)	0
Contribution from HRA	(1,717)	(1,717)	0
Investment Properties	(5,034)	(5,034)	0
Dividend Income	(227)	(227)	0
Levies	652	652	0
Apprentice Levy	782	782	0
Parishes / Town Precept / Chartered Trustee	1,384	1,384	0
Earmarked Reserves & One-off Business Rates surplus use	14,417	14,417	0
Pension Backfunding	3,561	3,561	0
Admin Charged to Grant Income	(1,043)	(1,043)	0
Release of historic income suspense	0	(400)	(400)
One off Corporate Items	2,323	2,323	0
Corporate Items	43,186	39,979	(3,207)
Funding			
Council Tax Income	(258,620)	(258,620)	0
Parishes / Town Precept / Chartered Trustee	(1,384)	(1,384)	0
New Homes Bonus	(55)	(55)	0
Revenue Support Grant	(4,198)	(4,198)	0
NNDR Net Income	(38,922)	(38,922)	0
NNDR 31 Grants	(26,562)	(26,562)	0
Service Grant	(383)	(383)	0
Estimated Deficit Collection Fund - NNDR	(25,671)	(25,671)	0
Estimated Surplus Collection Fund - CTAX	(3,000)	(3,000)	0
Corporate Total	(315,609)	(318,816)	(3,207)

47. An amount of £4.3m has been released from the contingency to cover savings not expected to be delivered during the year but expected to be delivered in full in future to address the optimum bias in budgeted savings for the year.
48. The current investment income forecast is a deficit of £1.495m due to lower than forecasted cash balances available for investments and likely further reduction in interest

rates during 2024/25. Cash balances have reduced as expenditure on the council's capital program and increasing deficit on the dedicated school grant continue without any increased long-term borrowing.

49. One off release of £0.4m from historic income suspense. This is income that has been received by the council but due to poor referencing by those making the payments and amounts could not be allocated to any income codes. After 3 years the policy is to write off these balances to central income. Should the item be resolved at a later date, the correct service account will be credited.