

# Budget Overview 2025/26

Glynn Barton & Operations Directors

Operations

Overview & Scrutiny Board

23<sup>rd</sup> September 2024

# Operations Overview

## **Includes the following Service areas:**

- Environment – Kate Langdown
- Commercial Operations – Amanda Barrie
- Customer & Property – Matti Raudsepp
- Planning & Transport – Wendy Lane
- Investment & Development – Amena Matin
- Operations Strategy & Partnerships – Chris Shephard

# Operations Budget

Operations 2024/25 budget:

Operations generates over **£114m** income.

Some of the £60m cost to the Council is being covered by other income streams and revenue grants not captured as a budget

Service	Expenditure £000's	Income £000's	Cost to the council
			£000's
Commercial Operations	34,989	-58,930	-23,941
Environment	66,386	-26,564	39,822
Planning & Transport	18,684	-5,629	13,055
Investment and Development	1,409	-636	773
Operations Strategy	2,181	-473	1,708
Customer & Property	50,861	-21,909	28,952
<b>Operations Services</b>	<b>174,510</b>	<b>-114,141</b>	<b>60,369</b>

# Total Operations savings achieved 24-25

Savings achieved equate to 23% of the current net budget.

## Savings achieved 24/25 - Examples

- Increased Fees and charges across Operations (£1,024k)
- Beach hut price increases (£196k)
- Harmonisation of beach huts fees and charges (£212k)
- Reduction in Leisure Centre subsidy (£100k)
- Operations Directorate restructure (£75k)
- Procure contract for film location income (£35k)

		Count				
		Blue	Green	Amber	Red	White
Wellbeing		23	10			
Childrens		10	4	4	1	0
Operations		16	54	7	1	0
Resources		31	4	4	1	0
				11	1	0

  

		Value				
		Blue	Green	Amber	Red	White
Wellbeing		-2,472	-8,259	-3,266	-250	0
Childrens		-917	-1,818	-4,438	-100	0
Operations		-3,088	-10,495	-353	-149	0
Resources		-1,624	-182	-484	-67	0

	Budget £000s	Forecast £000s	Variance £000s	
Wellbeing	-14,247	-11,937	-2,310	16%
Childrens	-7,273	-5,078	-2,195	30%
Operations	-14,085	-13,936	-149	1%
Resources	-2,357	-2,249	-109	5%
	<b>-37,961</b>	<b>-33,199</b>	<b>-4,762</b>	

# 2024/25 projected outturn

2024/25 year-end forecast position as at Quarter 1 (June 2024)

- £2.8m projected overspend

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
Commercial Operations Total	-23,855	-21,334	2,521
Environment Total	39,823	39,355	-468
Planning & Transport Total	12,909	13,163	254
Infrastructure Total	-1,635	-1,635	0
Investment and Development Total	899	887	-12
Operations Strategy Total	1,582	1,611	29
Customer & Property Total	29,209	29,706	497
Operations Services	58,931	61,751	2,821

# Operations MTFP - Pressures

		2025/26 £000s	2026/27 £000s	2027/28 £000s
	<b>Operations</b>			
	<b>Commercial Operations</b>			
COP1	Inflationary Increases (General)	102	70	70
COP2	Beach Hut Investment (delivered through increased Beach Hut Income below)	90	90	90
COP3	Inflationary Increases (Utilities and Cleaning)	68	70	70
COP4	Seafront - Additional Investment in ICT systems (Catering)	50		
COP5	RNLI contract inflation	8	8	8
	<b>Commercial Operations - Total Service Pressures</b>	<b>318</b>	<b>238</b>	<b>238</b>
	<b>Environment</b>			
EP9	Natural Burial site	(38)		
EP10	Coroners accommodation	210		
	<b>Environment - Total Service Pressures</b>	<b>172</b>	<b>-</b>	<b>-</b>
	<b>Infrastructure</b>			
	Twin Sails Bridge - Bearing Replacement works	250		
	Street lighting utility/energy inflation	87	91	91
	<b>Infrastructure - Total Service Pressures</b>	<b>337</b>	<b>91</b>	<b>91</b>
	<b>Customer, Arts &amp; Property</b>			
CAPP1	Additional energy pressures	284	312	
CAPP2	PFI reserve - impact of loss of inflation in the MTFP.	80	80	80
CAPP3	PFI Library contingent rent pressure	20	20	20
CAPP4	One-off saving in 2023/24 Budget - Poole Museum Impact of Capital Scheme	60		
CAPP5	Business Support Budget	400		
	<b>Customer, Arts &amp; Property - Total Service Pressures</b>	<b>844</b>	<b>412</b>	<b>100</b>

# Operations MTFP – One off Pressures

	One-Off Service Pressures / Issues	2025/26	2026/27	2027/28
	<b>Commercial Operations</b>			
	One-off funding from 2024/25 only for the Bournemouth Air Festival	(200)		
	Upton Country Park - Full cost recovery	(56)	(50)	
	Highcliffe - Full cost recovery	(50)	(50)	
	Christmas events	(200)		
	<b>Planning &amp; Destination</b>			
	Economic Development - Move service to full cost recovery	(315)		
	Smart Places - Move service to full cost recovery	(52)		
	<b>Customer, Arts &amp; Property</b>			
	Operational Savings in Libraries	(532)		
	Externalisation of Russell Cotes Museum - One of dowry	2,000	(2,000)	
	Externalisation of Russell Cotes Museum - Base budget saving from 1 April 2024 transfer date 1/10/25	(313)	(313)	
	Externalisation of Russell Cotes Museum - One off Corporate Maintenance dowry	250	(250)	
	Externalisation of Russell Cotes Museum - Maintance base budget saving from 1/4/24 transfer date 1/10/25	(25)	(25)	
	<b>One-off Pressures - Total</b>	<b>507</b>	<b>(2,688)</b>	<b>-</b>

# Operations MTFP – Savings

Ref:	Directorate	Category of the Proposal	Description of the Proposal	2025/26 RAG Rated	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
COS1	Commercial Operations	Fees and Charges	Destination & Culture - Beach hut prices as per December 2022 Cabinet report	Green	(196)	(193)	(219)	(608)
COS2	Commercial Operations	Fees and Charges	Harmonisation of beach huts fees and charges as per December 2022 Cabinet report	Green	(212)	(219)	(219)	(650)
COS3	Commercial Operations	Service Reduction	Reduce subsidy of Leisure Centres	Red	(100)			(100)
COS4	Commercial Operations	Service Efficiency	Procure contract for film location income	Green	(35)			(35)
		<b>Saving Total - Operations - Commercial Operations</b>			<b>(543)</b>	<b>(412)</b>	<b>(438)</b>	<b>(1,393)</b>
CA&PS1	Customer, Arts & Property	Service Reduction	Cease funding the arts by the sea festival	N/a		(150)		(150)
CA&PS2	Customer, Arts & Property	Service Reduction	Removing the Council's Arts Development functions	N/a		(120)		(120)
CA&PS3	Customer, Arts & Property	Fees and Charges	Entrance charges at Poole Museum for exhibitions	Red	(5)	(10)		(15)
CA&PS4	Customer, Arts & Property	Service Reduction	Savings from amalgamating services to provide community hubs with transitional funding provided for 2024/25 to cover 2025/26 impact	Red	(968)			(968)
CA&PS5	Customer, Arts & Property	Service Reduction	Operational Savings in Cultural activity	Red	(76)			(76)
CA&PS6	Customer, Arts & Property	Service Reduction	Ward Improvement fund	Red	(324)			(324)
CA&PS7	Customer, Arts & Property	Service Reduction	Reversal of one of funding for Town Centre Improvement fund	Red	(358)			(358)
CA&PS8	Customer, Arts & Property	Service Reduction	Reversal of one of funding for Support ABID transition	Red	(100)			(100)
		<b>Saving Total - Operations - Customer, Arts &amp; Property</b>			<b>(1,831)</b>	<b>(280)</b>	<b>0</b>	<b>(2,111)</b>
OGS1	Operations - General	Fees and Charges	Allowance for increased fees and charges in future years - Commercial Operations	Green	(776)	(791)	(807)	(2,375)
OGS1	Operations - General	Fees and Charges	Allowance for increased fees and charges in future years - Customer, Arts and Property	Green	(64)	(66)	(67)	(197)
OGS2	Operations - General	Service Efficiency	Operations Directorate to restructure in line with size of services post budget savings decisions	Green	(75)			(75)
		<b>Saving Total - Operations - General</b>			<b>(915)</b>	<b>(857)</b>	<b>(874)</b>	<b>(2,647)</b>

## RAG Rating Key

Completed - Saving delivered	Blue
Progressing Well - Member / officer decision(s) needed to enable the delivery of the saving have been made. However due to the risk around assumed activity levels the saving, efficiency or additional resources may not be delivered in full.	Green
In Progress - Actions to deliver the required saving have actively started including consultations but have not been concluded.	Amber
Saving unlikely as serious risk to delivery	Red
Saving identified - Preparatory work to deliver the saving not yet to start.	White



# Key themes

## Challenges

- Seasonality / Weather
- Contract inflation e.g. parking transactions
- Inflation linked to pay
- Income is rising overall but costs are increasing faster
- Political changes causing financial uncertainty (October budget)

# Key themes

## Opportunities

- Additional income generating opportunities
- Continue to bid for grants to achieve service ambitions
- Accurate and aligned capital recharges (external funding)
- Review of fees and charges – is this exhausted? Business models need reviewing
- Continue to reduce agency workers
- Staffing and restructure opportunities
- Review of non-statutory services
- Use of systems – harmonisation