

## 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 projected annual variances reported at quarter one is included for comparison.

### Wellbeing – overspend £1.4m (1.0%)

2. The Wellbeing directorate includes adult social care and commissioning, public health, housing and community services. The responsibility for corporate procurement transferred to finance at the end of September with the projected variances now shown within Resources.

Q1 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q2 Variance £000's
	<b>Adult Social Care Services</b>			
85	Care packages – all ages and needs	174,246	177,990	3,744
(90)	Employees	25,422	25,233	(189)
6	Client Contributions	(31,672)	(31,346)	326
0	Health Funding: CHC/JF/Sec117/BCF	(24,306)	(26,249)	(1,943)
(261)	Income from NHS (Section 256)	(2,000)	(2,306)	(306)
(2)	Other Funding: grants, other authorities, Health.	(18,058)	(18,039)	19
(6)	Other services: training, running costs, etc.	429	260	(169)
<b>(268)</b>	<b>Total Adult Social Care Services</b>	<b>124,061</b>	<b>125,543</b>	<b>1,481</b>
	<b>Commissioning</b>			
118	ASC: Care and contracts (including Tricuro)	30,744	30,563	(181)
(20)	ASC: Employees	2,604	2,654	50
(41)	ASC: Client contributions	(1,717)	(1,883)	(166)
0	ASC: Health Funding: CHC/JF/Sec117/BCF	(9,123)	(8,974)	149
(337)	ASC: Income from NHS (Section 256)	(20)	(357)	(337)
(58)	ASC: Grants and other income	(32,095)	(32,153)	(58)
348	ASC: Other services/voluntary sector/ projects	457	803	346
<b>(43)</b>	<b>Total Commissioning</b>	<b>(9,150)</b>	<b>(9,347)</b>	<b>(197)</b>
	<b>Strategic Housing &amp; Partnerships</b>			
0	Housing Options	6,701	6,701	0
0	Homelessness Strategy	159	159	0
0	Risk and Contracts	150	150	0
0	Asset Investment	(2,250)	(2,216)	34
<b>0</b>	<b>Housing Total</b>	<b>4,760</b>	<b>4,794</b>	<b>34</b>
	<b>Communities</b>			
0	Community Engagement & Partnerships	914	914	0
0	Strategic Community Safety	464	464	0
59	Regulatory Services	2,090	2,090	0
0	Safer Communities	1,014	1,014	0
0	Service Management	185	185	0
<b>59</b>	<b>Communities Total</b>	<b>4,668</b>	<b>4,668</b>	<b>0</b>
<b>59</b>	<b>Housing &amp; Communities Total</b>	<b>9,428</b>	<b>9,462</b>	<b>34</b>
<b>145</b>	<b>Public Health (fully funded by government grant)</b>	<b>(145)</b>	<b>(79)</b>	<b>66</b>
<b>(54)</b>	<b>Wellbeing Total</b>	<b>124,194</b>	<b>125,579</b>	<b>1,385</b>

## **Adult Social Care**

3. The adult social care (ASC) directorate is projected to be overspending by £1.5m at the end of second quarter of the financial year. The largest area of change between June and September is the demand increase for service purchased jointly with the NHS. Other demand from community and hospital discharges contributed to the overall change. The projection includes estimates for activity yet to take place for people with learning disabilities, mental health needs and autism as they prepare for adulthood, as well as some allowance for winter pressures for elderly 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. There is a shortfall of £0.3m in client contributions from a growing number of service users without access to their own funds where deputyship is sought. Growing delays in court proceedings are creating longer periods of uncertainty in establishing the ability to pay towards care.
5. The cost of care packages is overspent by £3.7m. Of this, £0.3m 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 £0.36m. Remaining care packages overspend of £3.4m is related to increase in demand for services, which is partially shared with the NHS and reflected in the £1.9m increase in health funding shown in the table.
6. Employees costs also show a potential saving of £0.2m due to recruitment difficulties, however the position may change depending on success in filling vacancies.
7. Other services variance of 0.2m includes the favourable impact from reviewing long standing funding arrangements with other authorities.

## **Commissioning**

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 earmarked resources.
9. The commissioning directorate main expenditure overspend of £0.35m is largely due to additional activity using NHS funding, with the corresponding additional section 256 income also shown.
10. Service user contributions are more than expected in block contracted arrangements with Tricuro and Figbury Lodge by £0.2m.
11. The saving of £0.2m on care contracts is from rental income from Tricuro (Poole Plus and Fairways) until the locations closed and the assets were transferred centrally.

## **Public Health**

12. The pressure of £66,000 is due to undelivered budget savings, representing 9% 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**

13. The position for housing and communities is little change from quarter one. B&B numbers are reducing, and the housing acquisition scheme is progressing. It is anticipated that the borrowing costs will be managed within budget this year.
14. The in-year homelessness prevention grant (HPG) will be fully spent and there will be a need to draw down on the £1.8m HPG earmarked reserve although the benefit of the acquisition programme has begun to be realised. The 2024 budget announcements included continued support for the costs of homelessness.

15. Asset investment includes the income and maintenance from photovoltaic panels and garages. There is a delay in receiving revenue but based on current trends and comparing with income received in the same quarter last year, the forecast assumes a small revenue shortfall. There is significant maintenance due on a number of garages which is impacting the revenue potential and options are being explored for capital funding to help mitigate future pressures.
16. The majority of spend within community engagement and strategic community safety is grant funding and is currently committed to be spent in the year. A Cabinet workshop took place in August to consider the council's approach to empowering communities and how best to use the funds and reserves available.
17. 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. However, the service expects to manage the full pressure through expenditure control and currently assume no other variances to budget.
18. Safer communities may need to fund the cost of judicial reviews this year but the impact of this is currently unknown and dependant on whether BCP are successful, as some costs incurred may be recoverable.

#### **Children's Services – overspend £3.2m (3.5%)**

19. 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 £3.2m, a slight reduction in comparison to quarter 1.

Q1 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q2 Variance £000's
(1,332)	Management & Commissioning	4,574	2,889	(1,685)
0	Grant Income	(8,506)	(8,506)	0
2,944	Safeguarding & Early Help	12,954	16,069	3,116
1,118	Corporate Parenting & Permanence	54,360	54,983	623
289	Quality and Governance	4,275	4,408	132
302	Education & Skills	21,152	22,172	1,019
0	Partnerships	2,152	2,152	0
<b>3,320</b>	<b>Children's General Fund Total</b>	<b>90,962</b>	<b>94,167</b>	<b>3,205</b>

20. 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.
21. 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.
22. 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.
23. 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 £3.1m. Attracting and keeping permanent social workers for these teams is a constant challenge, making reliance on agency staff essential.
24. Corporate parenting & permanence service continues to experience high agency costs within the teams for children in care. The service unit also includes the budget and forecast for all cost of care. Whilst the numbers of children in care have remained static, the change in placement type and complexity continues to be a pressure. Significant

work has been undertaken to undertake a thorough review of the placements forecast and changes have been fed into the overall position.

25. Following notification from the Home Office the final payment for unaccompanied asylum seeking children relating to 2023/24 was an improvement on the amount anticipated with this offsetting some of the staff and care pressures.
26. The £0.1m pressure within quality & governance is due to the need to increase the number of independent reviewing officers (IRO) due to caseloads exceeding 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.
27. The cost pressure in the education & skills service has worsened due to delays with the implementation of the new SEND structure and the requirement to continue with agency costs. There are also challenges with the recruitment and retention of Educational Psychologists (EP's) with continued reliance on locums to undertake statutory work. Other pressures are in legal costs for SEND tribunals and £0.2m for school transport costs.

### Operations – overspend £3m (5.3%)

28. The budget position is a projected overspend of £3m with the largest component being higher costs incurred in generating carparking revenues.

Q1 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q2 Variance £000's
	<b>Commercial Operations</b>			
0	Flood and Coastal Erosion	956	951	(5)
0	Head of Commercial Operations	249	249	0
157	Leisure and Events	703	799	96
2,100	Parking Services	(19,575)	(16,774)	2,801
264	Seafront	(6,427)	(6,427)	0
<b>2,521</b>	<b>Commercial Operations Total</b>	<b>(24,094)</b>	<b>(21,202)</b>	<b>2,892</b>
	<b>Environment</b>			
37	Service Management	675	671	(4)
(151)	Neighbourhood Services & Grounds	15,990	15,945	(45)
(222)	Passenger Transport	165	(158)	(323)
(132)	Bereavement & Coroner	395	435	40
0	Waste	15,813	15,763	(50)
0	Greenspace	451	586	134
0	Transport & Operating Centres	5,919	5,569	(350)
<b>(468)</b>	<b>Environment Total</b>	<b>39,408</b>	<b>38,810</b>	<b>(598)</b>
	<b>Planning &amp; Transport</b>			
(97)	Planning Management	392	392	0
544	Planning Operations	222	109	(113)
(96)	Strategic Planning	770	708	(62)
(97)	Transport Policy / Sustainable Travel	11,656	11,609	(48)
<b>254</b>	<b>Planning &amp; Transport Total</b>	<b>13,040</b>	<b>12,818</b>	<b>(223)</b>
<b>0</b>	<b>Infrastructure Total</b>	<b>51</b>	<b>51</b>	<b>0</b>
	<b>Investment and Development</b>			
0	Housing Delivery	128	(64)	(192)
0	Regeneration Delivery	734	563	(171)
(12)	Smart Places	(89)	60	149
<b>(12)</b>	<b>Investment and Development Total</b>	<b>773</b>	<b>559</b>	<b>(214)</b>

Q1 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q2 Variance £000's
29	<b>Operations Strategy Total</b>	1,708	1,667	(41)
	<b>Customer &amp; Property</b>			
0	Business Support	6,711	6,711	0
0	Culture	1,352	1,352	0
0	Customer Services	2,678	2,678	0
147	Libraries	4,553	4,653	100
0	Bournemouth Library PFI contract	1,559	1,509	(50)
0	Engineering	3,902	4,377	475
350	Facilities Management	7,571	8,021	450
0	Property Maintenance	(1,342)	(1,342)	0
0	Telecare	(103)	144	247
497	<b>Customer &amp; Property Total</b>	26,881	28,103	1,222
2,821	<b>Operations Services</b>	57,767	60,807	3,038

### Commercial Operations

29. Commercial operations are £2.9m overspent. Parking services net shortfall accounts for the majority at £1.8m. Income had remained buoyant in quarter one, but poor summer weather has created an estimated pressure of £0.1m. Inherent expenditure pressures continue with £1.7m additional costs of collection charges and £0.1m for staff costs due to labour market supplements.
30. Seafront Services experienced a reduction in visitor footfall, coupled with cliff slippages which has led to a drop in income and increased repairs and maintenance costs in quarter two. These pressures have been mitigated by a further freeze on reactive maintenance spending and savings in casual staff costs associated with a drop in trading.
31. Leisure and events are reporting a £0.1m pressure due to challenges in delivering the longer term savings associated with income growth.
32. 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

33. Transport and operating centres are showing a £0.35m saving in quarter two. Diesel is under budget due to lower prices and there has been a switch to some electric vehicles. Employee costs are also under budget due to the difficulty in retaining staff, this has increased the use of external providers to complete repair work.
34. A £0.3m 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 the impact of the expenditure freeze.
35. During quarter two, a thorough review was performed on bereavement income. This highlighted a budget shortfall from the ongoing falling demand due to strong competitors in the local market. Reduced income was partially offset by staff savings due to vacancies. A £0.04m pressure 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.
36. Greenspace are showing a £0.1m pressure as vacancies are unable to be held open to achievable the budget allowance and essential remedial maintenance works is required at certain sites.

37. The environment service is waiting for an announcement from the government in relation to the BCP Council share of the extended producer responsibility (EPR) income. This scheme goes live in January 2025 with the details expected to be received in late November 2024. Once the detail is known, a forecast can be calculated for the in-year effect and expected future year savings.

### **Planning and Transport**

38. The £0.25 overspend projected in quarter one has been replaced by a £0.2m surplus at quarter two. This is due to the reduction in agency costs in the planning service along with a £0.2m saving anticipated from the £0.4m provision made last year for a planning appeal based on the latest costs estimate.

### **Infrastructure**

39. The operations savings for all utility costs was previously shown here pending allocation across the directorates. This was resolved in quarter two with now only a small budget remaining for the residual restructure costs impacting on the current year only.

### **Investment and Development**

40. It is anticipated that a £0.2m surplus will be achieved this year related mainly to salary recharging to capital within the housing and regeneration delivery teams. This is partially offset by a £0.15m pressure within the smart places team from the cessation of the WAN project.

### **Operations Strategy**

41. The small surplus is mainly due to the part year salary saving from a retirement, with the full year budget being included in savings for next year.

### **Customer, Arts, & Property**

42. Libraries have reviewed branch opening hours and implemented a revised staffing structure from August 2024 which was later than planned with a pressure of £0.1m. This has been partially offset by a positive change in the library PFI costs with further work needed to confirm.
43. 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. On the 1 October three leisure centres were returned in-house, and this has led to a further £0.1m pressure due to their poor state of the facilities and the complicated technical work required to bring them back up to standard.
44. Engineering has benefitted from a thorough review in quarter two. This has highlighted pressures within the street lighting PFI originally held between Christchurch and Dorset Council, of just over £0.1m. There are also historic income pressures within building control of nearly £0.3m due to a reduction in demand for the services and external competition in the local market.
45. Property maintenance includes the construction works team (CWT) and in house team (IHT) providing repairs and maintenance to the housing and corporate property portfolios. CWT has several work projects being undertaken and is currently expecting balanced budget. The IHT has incurred higher costs due to an increase in staff and material costs to keep up with demand, however this should be fully recoverable resulting in higher income expectation. The current trend indicates the service will be on budget at year end.
46. Telecare has a £0.2m pressure mainly from an unachievable income target. The budget is in the process of being rightsized for 2025-26.

### **Resources – overspend £0.9m (2.1%)**



47. Executive and Resources provide professional support services to the council and undertake tax collection and housing benefits administration. Corporate procurement transferred from Wellbeing to finance within Resources at the end of September.

	Service	Working budget £000's	Projected Outturn £000's	Q2 Variance £000's
0	Executive	814	814	0
566	Law and Governance	4,588	5,392	804
133	Marketing, Comms and Policy	2,208	2,326	118
107	People and Culture (Incl. Workforce Development)†	3,670	3,777	107
0	Finance	14,597	14,557	(40)
(53)	- Corporate Procurement*	1,256	1,182	(74)
(55)	IT and Programmes	13,336	13,283	(53)
<b>698</b>	<b>Executive &amp; Resources Total</b>	<b>40,469</b>	<b>41,331</b>	<b>862</b>

*\*Corporate Procurement has transferred to Finance from Adults Commissioning*

*† Pay and Reward has transferred from Corporate Items to People & Culture*

48. Executive remains consistent with the quarter one position. There are some minor variances but overall, it is forecast on budget for the year.
49. Within law and governance, recruitment challenges are continuing to place a significant strain on budgets due to locums being employed to fill vacancies. The service is working to make permanent appointments where possible and options are being considered to reduce the pressure by use of local market supplements, however this will take time to consider and implement with a £0.5m overspend forecast.
50. Also, within law and governance, the current income trend for land charges indicates an underachievement of £0.1m against budget. Income has been challenging in recent years and although showing signs of improvement, it is unlikely to reach budget expectations. The registrars service is on track to achieve the income target, however, there are staffing cost pressures due to the need to use local market supplements to retain and recruit staff. Historically, surplus income mitigated this pressure but in recent years, the surplus has not been possible to maintain due to a reduction in demand resulting in an expected overspend of £0.2m.
51. Marketing, communications & policy are reporting a pressure due to credit notes issued relating to invoices raised and accounted for in late March 2024. However, the service has been able to reduce this pressure marginally since quarter one and will continue to explore other mitigations before the year end.
52. The people and culture restructure is anticipated to be delivered within budget and there is no change to the £0.07m budget shortfall due to non-delivery of the apprenticeship saving from the lack of posts being converted to apprenticeships corporate-wide. The workforce development services are forecasting a £0.04m overspend due to a savings target on employees which was not delivered prior to the services transferring into people & culture.
53. Within Finance there is a £0.04m underspend attributable to estates. Recruitment has been difficult resulting in vacancies remaining unfilled for some time. The underspend is reduced in part by agency costs and options are being considered as to how the recruitment challenges can be managed going forward.
54. Recruitment challenges are also present in the revenues & benefits services, with a £0.16m underspend arising. Income is currently forecast to be on target, although there is uncertainty from the impact of programmed system changes in November and the implications for court date scheduling. The staff savings are offset by additional bank charges within the accountancy service.

55. Corporate procurement has transferred into finance from adults commissioning with a £0.07m underspend now forecast as a result of vacancies and staff changes.
56. IT and programming continue with a steady small underspend. There are a number of savings from vacancies which are taking time to fill, although this is partially offset from contract price increases.

### Corporate Budgets – surplus £5.5m

57. The surplus arises from the release of the central contingency to mitigate net pressures across all budget areas. The table below provides a summary of the variances:

Service	Working budget £000's	Projected Outturn £000's	Q2 Variance £000's
Pay related costs	8,002	7,002	(1,000)
Contingency	7,898	0	(7,898)
Interest Payable	4,607	6,002	1,395
Investment Income	(1,855)	(850)	1,005
Pay & grading project – move to reserves	1,329	1,329	0
Debt Repayment - MRP & VRP	5,955	5,955	0
Transformation	3,813	4,648	835
Housing Benefits	(1,623)	(1,453)	170
Contribution from HRA	(1,717)	(1,717)	0
Investment and vacant properties incl Poole Civic	(5,034)	(4,667)	367
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	15,385	15,385	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)
Unapportioned overheads	1,375	1,375	0
One off Corporate Items	2,323	2,323	0
<b>Corporate Items</b>	<b>45,567</b>	<b>40,041</b>	<b>(5,526)</b>
<b>Funding</b>			
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
<b>Corporate Total</b>	<b>(313,228)</b>	<b>(318,754)</b>	<b>(5,526)</b>

58. Following the confirmation of the 2024/25 pay award which was subject to trade union agreement, the Council can release £1m underspend against budget.
59. An amount of £6.5m 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. The remaining contingency budget has been released to support the overall deficit.

60. The current investment income forecast is a deficit of 1m and increased borrowing costs of £1.4m. This is 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 is incurred on the council's capital program and the increasing deficit on the dedicated school grant is incurred without any increased long-term borrowing.
61. The budget included £0.8m of staff costs in services being transferred to the transformation budget and funded by the flexible use of capital receipts. Sufficient evidence is not available to justify using this funding source, consistent with the approach taken in finalising the accounts last year.
62. Costs of running, maintaining and securing vacant properties is forecast to cost £367,000 more than budget. This includes £247,000 unbudgeted costs incurred at Poole Civic centre.
63. 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 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.