

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 two is included for comparison.

Wellbeing – overspend £0.4m (0.3%)

2. The Wellbeing directorate includes adult social care and commissioning, public health, housing and community services with the projected outturn a £1m improvement compared with quarter two.

Q2 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q3 Variance £000's
	Adult Social Care Services			
3,744	Care packages – all ages and needs	175,327	179,514	4,187
(189)	Employees	26,215	26,078	(136)
326	Client Contributions	(31,672)	(32,146)	(474)
(1,943)	Health Funding: CHC/JF/Sec117/BCF	(25,406)	(27,380)	(1,974)
(306)	Income from NHS (Section 256)	(2,000)	(2,330)	(330)
19	Other Funding: grants, other authorities, Health.	(18,058)	(18,148)	(90)
(169)	Other services: training, running costs, etc.	429	413	(16)
1,481	Total Adult Social Care Services	124,835	126,002	1,167
	Commissioning			
(181)	ASC: Care and contracts (including Tricuro)	30,763	30,550	(213)
50	ASC: Employees	2,678	2,665	(13)
(166)	ASC: Client contributions	(1,717)	(1,824)	(107)
149	ASC: Health Funding: CHC/JF/Sec117/BCF	(9,123)	(9,045)	78
(337)	ASC: Income from NHS (Section 256)	(20)	(357)	(337)
(58)	ASC: Grants and other income	(32,095)	(32,195)	(100)
346	ASC: Other services/voluntary sector/ projects	457	810	353
(197)	Total Commissioning	(9,057)	(9,396)	(339)
	Strategic Housing & Partnerships			
0	Housing Options	6,836	6,836	0
0	Homelessness Strategy	159	159	0
0	Risk and Contracts	156	156	0
34	Asset Investment	(2,250)	(2,505)	(255)
34	Housing Total	4,901	4,646	(255)
	Communities			
0	Community Engagement & Partnerships	931	931	0
0	Strategic Community Safety	476	476	0
0	Regulatory Services	2,389	2,239	(150)
0	Safer Communities	864	864	0
0	Service Management	197	197	0
0	Communities Total	4,857	4,707	(150)
34	Housing & Communities Total	9,758	9,353	(405)
66	Public Health (fully funded by government grant)	(145)	(145)	0
1,385	Wellbeing Total	125,391	125,814	423

Adult Social Care

3. The Adult Social Care (ASC) directorate is projected to be overspending by £1.2m at the end of third quarter of the financial year.
4. The largest area of change between September and December is for service user contributions, where income collection recorded has caught up with demand increase for the service. This is related to the council's duty of care in circumstances where service users do not have access to their money.
5. 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.
6. Within the adult social care estimate, the cost of care packages is overspent by £4.2m. Of this, £0.3m is due to complex cases discharged from hospital but expected to be funded from Health with this reflected also in the additional Sec 256 funding projection. Remaining care packages overspend of £3m is related to an increase in demand for services, which is partially shared with the NHS under joint funding arrangements and reflected in the £1.9m variance in health funding shown in the table. An amount of £0.4m has been included in the forecast for a further year of the council's share of the Accommodation Plus potential liability. This has emerged from the Local Government and Social Care Ombudsman guidance which indicates that local councils and health authorities have joint responsibility for accommodation costs that are an intrinsic part of care needs. The total liability within the six - year statutory limit for costs is in the region of £2.4m.
7. Employee budget also show a potential saving of £0.14m due to recruitment difficulties, however the position may change depending on success in filling vacancies towards the year end.
8. Other services minor variances include the favourable impact from reviewing long standing funding arrangements with other authorities.

Commissioning

9. The 2024/25 contract with Tricuro, the council's wholly owned trading company, has been finalised. The projected outturn includes that this will be achieved within the earmarked resources, which incorporates the one-off support for the delivery of the day opportunities transformation.
10. The commissioning directorate main component is an expenditure overspend of £0.35m largely due to additional activity using NHS funding, with the corresponding additional section 256 income also shown.
11. Service user contributions are more than expected in block contracted arrangements with Tricuro and Figbury Lodge by £0.1m.
12. 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

13. Public Health and additional drug and alcohol related external grants are projected to be as budgeted. The plan of using £0.7m of public health grant to develop the council's service under the public health umbrella has delivered £0.6m of savings. Further effort is being made over quarter four to deliver the remaining target and to identify areas which could be prioritised for saving within the conditions of the public health grant.

Housing & Communities

14. The position for strategic housing remains static and the cost of homelessness pressures continue to be managed within the service. B&B numbers are reducing, and the housing

acquisition scheme is progressing which results in higher borrowing costs which are expected to be managed within budget this year.

15. The in-year homelessness prevention grant (HPG) will be fully spent, supported by the earmarked reserve. The October 2024 budget announcements included continued support for the costs of homelessness and the service are in the process of establishing a spending plan for the next financial year.
16. Asset investment includes the income and maintenance from photovoltaic (PV) panels and garages. Although there is a delay in receiving the income from PV panels, the trend from the first two quarters indicates a revenue surplus of £0.25m by year end due to a significant peak in the summer months. Garages are currently maintaining the expected income levels for the year.
17. Community engagement and strategic community safety are largely funded through grants, community support schemes and partnerships. Spend is committed in consultation with cabinet and all funding is anticipated to be utilised in year.
18. Delays in notice periods for in year savings meant regulatory services began the year with a budget pressure. However, in addition to mitigating this pressure, the service has also achieved early delivery of savings in advance of the 2025/26 year resulting in a forecast underspend of £0.15m.
19. Within the public protection service, there are judicial reviews pending as polices can be challenged. The outcomes could incur legal fees if unsuccessful, but it is unlikely cost implication will arise in this financial year.

Children's Services – overspend £3.4m(3.7%)

20. The 2024/25 projected outturn position presented in the table below shows a quarter three overspend of £3.4m, an increase of £0.2m in comparison with quarter two.
21. Despite this minimal increase there has been some significant pressures regarding care costs over the last 3 months.
22. The pressures have been managed overall with mitigations and application of reserves.

Q2 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q3 Variance £000's
(1,685)	Management & Commissioning	4,627	2,352	(2,275)
0	Grant Income	(8,506)	(8,506)	0
3,116	Safeguarding & Early Help	13,417	15,373	1,956
623	Corporate Parenting & Permanence	54,640	57,404	2,764
132	Quality and Governance	4,385	4,457	71
1,019	Education & Skills	21,562	22,443	881
0	Partnerships	2,152	2,152	0
3,205	Children's General Fund Total	92,277	95,675	3,398

23. 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. There has been a positive movement in the cost of agency over social care over the last quarter. There is optimism this will continue into the new financial year.
24. 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.
25. There is an expectation that not all savings will be delivered in-year due to their ambitious nature, the resources required for delivery have not been available and the full

Ofsted inspection having taking priority over quarter three. The shortfall assumed in the outturn continues to be £2.2m, the same as reported at quarter two.

26. Safeguarding & early help has seen an improvement in the quarter three forecast overspend. Successful payment by results funding relating to supporting families has been applied. There has been a slight reduction in the agency forecast. Attracting and keeping permanent social workers for these teams continues to be a challenge, making reliance on agency staff essential.
27. 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 which as mentioned above has seen a significant increase in cost over the last quarter. Placement type and complexity continues to be a pressure, and we have had 4 sibling groups come into care over the last 3 months.
28. 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.
29. The 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.
30. There has been a review of costs charged to grants over the quarter which has enabled more expenditure to be recovered within the grant conditions for the education & skills service. Staffing pressures continue 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 (EPs) 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 £0.16m (0.3%)

31. The budget position is a projected overspend of £0.16m with the largest component being higher costs incurred in generating car parking revenues.

Q2 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q3 Variance £000's
	Commercial Operations			
(5)	Flood and Coastal Erosion	956	950	(6)
0	Head of Commercial Operations	977	148	(829)
96	Leisure and Events	702	702	0
2,801	Parking Services	(19,575)	(17,839)	1,736
0	Seafront	(6,428)	(6,658)	(230)
2,892	Commercial Operations Total	(23,367)	(22,697)	670
	Environment			
(4)	Service Management	685	681	(4)
(45)	Neighbourhood Services & Grounds	16,618	16,613	(5)
(323)	Passenger Transport	255	(68)	(323)
40	Bereavement & Coroner	482	512	30
(50)	Waste	15,854	15,514	(340)
134	Greenspace	490	624	134
(350)	Transport & Operating Centres	5,876	5,126	(750)
(598)	Environment Total	40,259	39,001	(1,258)

Q2 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q3 Variance £000's
	Planning & Transport			
0	Planning Management	467	467	0
(113)	Planning Operations	346	232	(114)
(62)	Strategic Planning	814	752	(62)
(48)	Transport Policy / Sustainable Travel	11,856	11,843	(13)
(223)	Planning & Transport Total	13,482	13,293	(189)
	Investment and Development			
(192)	Housing Delivery	135	(58)	(192)
(171)	Regeneration Delivery	751	580	(171)
149	Smart Places	(63)	86	149
(214)	Investment and Development Total	822	608	(214)
(41)	Operations Strategy Total	1,740	1,699	(41)
	Customer & Property			
0	Business Support	7,555	7,555	0
0	Culture	1,410	1,410	0
0	Customer Services	2,810	2,791	(19)
100	Libraries	4,731	4,717	(14)
(50)	Bournemouth Library PFI contract	1,559	1,509	(50)
475	Engineering	3,961	4,531	571
450	Facilities Management	7,660	8,040	380
0	Property Maintenance	(1,340)	(1,340)	0
247	Telecare	(25)	297	322
1,222	Customer & Property Total	28,321	29,510	1,189
3,038	Operations Services	61,257	61,415	158

Commercial Operations

32. Commercial operations are £0.7m overspent. Parking services net shortfall accounts for the majority at £1.7m and this is being mitigated from savings across other activities. Income generation saw a buoyant quarter one followed by poor summer trading which continued into November. December income vastly improved as a consequence of higher than forecast visitor numbers to the Christmas events and activities. Inherent expenditure pressures continue with £1.5m additional costs of collection charges and £0.1m for staff costs due to labour market supplements. However, the service managers have worked hard to freeze discretionary spending and hold vacancies to mitigate the ongoing unavoidable pressures.
33. The 2024 pay award budget uplift has been reflected against the head of service budget until it can be re-allocated to the individual service areas during quarter four.
34. Seafront services experienced a reduction in visitor footfall, coupled with cliff slippages which 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. The surplus of £0.2m is mainly due to an increase in beach hut income.
35. Flood and coastal erosion risk management (FCERM) services is reporting a balanced position and partnership working with East Devon Council is anticipated continue to progress positively.

Environment

36. Transport and operating centres are showing a £0.75m saving in quarter three. 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, and this has increased the use of external providers to complete repair work. The additional £0.4m positive variance since quarter two is related to the budget for borrowing that will not be required until 2025/26 due to slippage in the fleet replacement programme.

37. A £0.3m saving is expected within passenger transport due to the underspend within the driver salaries budget whilst a full review of adult's community services takes place. It is attributed to vacancies being held along with the impact of the expenditure freeze.
38. The bereavement service is experiencing 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 £0.03m 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.
39. Waste disposal contract tonnages are forecast higher than budgeted, but this is covered by a lower-than-expected recycling price in each of the first three quarters. Internalisation of Christchurch household recycling centre and Hurn waste transfer station have incurred one off revenue costs. Net commercial waste income exceeds budget, and this mitigates pressures within employee costs. The sale of replacement bins is also favourable against budget. This all contributes to a forecast outturn position of £0.3m surplus.
40. Greenspace are showing a £0.1m pressure as vacancies are unable to be held open to achieve the budget allowance and essential remedial maintenance works is required at certain sites.

Planning and Transport

41. The Planning and Transport surplus of £0.2m 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.

Investment and Development

42. 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

43. 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

44. 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 offset by a positive change in the library PFI costs with further work needed to confirm.
45. 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 the poor state of the facilities and the complicated technical work required to bring them back up to standard.
46. Within Engineering the street lighting PFI pressure remains at just over £0.3m, due to increasing electricity prices in the last 2 years. Discussions have been held with Dorset Council, and it is expected that a 19% reduction in electricity costs for 2025/26 will be achieved due to a national reduction in charges this year.

47. The Twin Sails bridge is forecasting a pressure of £0.2m mainly due to legal costs. A review is being undertaken as to whether to proceed with the legal challenge.
48. Within building control there are historic income pressures of nearly £0.3m due to a reduction in demand for the discretionary services and external competition in the local market.
49. The overall pressures within the engineering service are being partially offset by vacancies within the team.
50. 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 some work projects outstanding, but these are assumed within the budget expectation. The IHT is experiencing a delay on their pricing and inspection works due to the increase in demand-led workload, however all costs are anticipated to be fully recovered.
51. Telecare has a £0.3m pressure mainly from an unachievable income target. The budget is in the process of being rightsized for 2025-26.

Resources – overspend £0.5m (1.3%)

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

Q2 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q3 Variance £000's
0	Executive	836	836	0
804	Law and Governance	4,751	5,535	784
118	Marketing, Comms and Policy	2,273	2,351	78
107	People and Culture (Incl. Workforce Development) †	3,899	3,965	66
(114)	Finance (Incl. Corporate Procurement)	16,425	16,255	(170)
(53)	IT and Programmes	13,638	13,428	(210)
862	Executive & Resources Total	41,822	42,370	548

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

53. Executive remains consistent with the previously reported positions. There are some minor variances but overall, it is forecast on budget for the year.
54. Law and governance are reviewing their vacancies and locum costs against budget to identify a sustainable approach to recruitment in the longer term. However, for the current year the pressure continues at £0.5m in line with quarter two reporting and is unlikely to be mitigated further.
55. The pressures remain the same within the other areas of law and governance, with land charges falling behind on income at £0.1m. In the registrar's service there are staff cost pressures from the need to use local market supplements to retain and recruit staff and a reduction in demand for the service has led to a £0.2m expected overspend.
56. Marketing, communications & policy has carried a pressure throughout the year due to credit notes issued across financial years and this has been mitigated where possible. However, in-year income has also remained challenging due to an optimistic income target.
57. People and culture have been able to mitigate part of their previously forecast overspend due to expenditure control and attentive budget monitoring, and their restructure has been delivered within budget. The £0.07m overspend is attributable to non-delivery of the apprenticeship savings from the lack of posts being converted to apprenticeships corporate-wide, as identified early in the year.

58. Within Finance there are underspends across estates, revenues & benefits and procurement totalling £0.3m because of vacancies and ongoing recruitment challenges across the service. This is offset partly by an increase in bank charges in accountancy.

59. IT and programming are reporting an increase on their underspend as the service has been able to charge some projects to transformation. Due to the transformation funding ending this year, the IT service is reviewing budget priorities to identify how they can manage work programmes within the resources available for future years.

Corporate Budgets – surplus £4.5m

60. 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:

Q2 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q3 Variance £000's
(1,000)	Pay related costs	793	0	(793)
(7,898)	Contingency	7,883	949	(6,934)
1,395	Interest Payable	4,607	6,002	1,395
1,005	Investment Income	(1,855)	(1,050)	805
0	Pay & grading project – move to reserves	1,060	1,060	0
0	Debt Repayment - MRP & VRP	5,955	5,955	0
835	Transformation	3,813	4,648	835
170	Housing Benefits	(1,623)	(1,383)	240
0	Contribution from HRA	(1,717)	(1,717)	0
367	Investment and vacant properties incl Poole Civic	(5,034)	(4,667)	367
0	Dividend Income	(227)	(227)	0
0	Levies	652	652	0
0	Apprentice Levy	782	782	0
0	Parishes / Town Precept / Chartered Trustee	1,384	1,384	0
0	Earmarked Reserves & One-off Business Rates	15,385	15,385	0
0	Pension Back funding	3,561	3,561	0
0	Admin Charged to Grant Income	(1,043)	(1,043)	0
(400)	Release of historic income suspense	0	(400)	(400)
0	Unapportioned overheads	1,375	1,375	0
0	One off Corporate Items	2,298	2,298	0
(5,526)	Corporate Items Total	38,049	33,564	(4,485)
	Funding			
0	Council Tax Income	(258,620)	(258,620)	0
0	Parishes / Town Precept / Chartered Trustee	(1,384)	(1,384)	0
0	New Homes Bonus	(55)	(55)	0
0	Revenue Support Grant	(4,198)	(4,198)	0
0	Business Rates (NNDR) Net Income	(38,922)	(39,380)	(458)
0	NNDR levy	0	417	417
0	NNDR 31 Grants	(26,562)	(26,562)	0
0	Service Grant	(383)	(383)	0
0	Estimated Surplus Collection Fund - NNDR	(25,671)	(25,671)	0
0	Estimated Surplus Collection Fund - CTAX	(3,000)	(3,000)	0
(5,526)	Corporate Total	(320,746)	(325,272)	(4,526)

61. Following the confirmation of the 2024/25 pay award which was subject to trade union agreement, the budget has been allocated out to services with £0.8m not needed.

62. An amount of £4.7m has been released from the contingency to cover savings not expected to be delivered during the year. Further contingency has been released to balance the overall position bringing the total released to £6.9m. This leaves £0.9m remaining in the contingency to cover unexpected costs in the final quarter.
63. The current investment income forecast is a deficit of £0.8m 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 impact of the increasing deficit on the dedicated school grant without any increased long-term borrowing.
64. 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.
65. Costs of running, maintaining and securing vacant properties is forecast to cost £0.37m more than budget. This includes £0.25 unbudgeted costs incurred at Poole Civic centre.
66. 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.
67. An additional £0.5m of business rates income from the national collection is expected as indicated by government in December 2024. This is largely offset by an increase of £0.4m in the council's own levy payment to government.