

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

1. The outturn for each directorate is shown in the tables and narrative below. The projected annual variances reported at quarter three have been included for comparison.

Wellbeing – underspend £0.9m (0.7%)

2. The Wellbeing directorate includes adult social care and commissioning, public health, housing and community services with the projected outturn a £1.3m improvement compared with quarter three.

| Q3 Variance £000's | Service | Working budget £000's | Outturn £000's | Outturn Variance £000's |
|--------------------------|---|-----------------------------|-------------------|-------------------------------|
| | Adult Social Care Services | | | |
| 4,187 | Care packages – all ages and needs | 175,862 | 180,301 | 4,439 |
| (136) | Employees | 26,005 | 25,502 | (503) |
| (474) | Client Contributions | (31,672) | (31,624) | 48 |
| (1,974) | Health Funding: CHC/JF/Sec117/BCF | (25,406) | (28,651) | (3,245) |
| (330) | Income from NHS (Section 256) | (2,000) | (2,422) | (422) |
| (90) | Other Funding: grants, other authorities, Health. | (18,006) | (18,354) | (348) |
| (16) | Other services: training, running costs, etc. | 429 | 442 | 13 |
| 1,167 | Total Adult Social Care Services | 125,212 | 125,193 | (19) |
| | Commissioning | | | |
| (213) | Care and contracts (including Tricuro) | 29,902 | 29,572 | (330) |
| (13) | Employees | 2,751 | 2,605 | (146) |
| (107) | Client contributions | (1,717) | (1,812) | (95) |
| 78 | Health Funding: CHC/JF/Sec117/BCF | (9,123) | (9,059) | 64 |
| (337) | Income from NHS (Section 256) | (20) | (773) | (753) |
| (100) | Grants and other income | (32,095) | (32,303) | (208) |
| 353 | Other services/voluntary sector/ projects | 478 | 1,240 | 762 |
| (339) | Total Commissioning | (9,824) | (10,531) | (707) |
| | Strategic Housing & Partnerships | | | |
| 0 | Housing Options | 6,524 | 7,546 | 1,022 |
| 0 | Homelessness Strategy | 318 | (329) | (647) |
| 0 | Housing Portfolio | 188 | (141) | (329) |
| 0 | Housing Total | 7,030 | 7,076 | 46 |
| | Communities | | | |
| 0 | Community Engagement & Partnerships | 931 | 647 | (284) |
| 0 | Strategic Community Safety | 476 | 760 | 284 |
| (150) | Public Protection: Regulatory Services | 2,433 | 2,387 | (46) |
| 0 | Public Protection: Safer Communities | 864 | 892 | 28 |
| 0 | Public Protection: Service Management | 271 | 313 | 42 |
| (150) | Communities Total | 4,975 | 4,998 | 24 |
| | Asset Investment | | | |
| (255) | Asset Investment | (2,250) | (2,499) | (249) |
| (255) | Asset Investment Total | (2,250) | (2,499) | (249) |
| (405) | Housing & Communities Total | 9,755 | 9,575 | (180) |
| 0 | Public Health (fully funded by government grant) | 0 | 0 | 0 |
| 423 | Wellbeing Total | 125,143 | 124,237 | (906) |

Adult Social Care

3. The Adult Social Care (ASC) Service Unit ended 2024/25 financial year with a broadly balanced position.
4. Care cost pressures, emerging from the demand for council funded care as well as market price fluctuations were the key component impacting adult social care costs. Learning disability and specialism areas of spend were controlled at the end of financial year. The demand for adults aged 65+ population for care home beds was on average 3% higher than planned, whilst these care home beds proved to be 5.5% more expensive than budgeted. Domiciliary care demand, fees payable to home care agencies and direct payment spend were controlled, easing the pressure emerging from the residential care home budget.
5. Complexity of care provided to service users discharged from hospitals had additional impact on the cost of services by £0.42m, with costs recovered under Section 256 from the NHS.
6. Employee savings of £0.5m were due to ongoing vacancies emerging from expenditure control measures. A frugal approach was taken with reduced short term agency worker engagement in the last quarter, where this was possible without incurring to risks within services.
7. Service user contributions for social care incurred a minor deficit in the year, however the change from the December position is due to the increase in provision for doubtful debts as delays in raising invoices has led to longer collection periods.
8. Additional income from Health of £3.25m relates to funding recovered upon positive continuing health care (CHC) eligibility outcomes and favourable joint funding under various arrangements – from Section 117 Mental Health Act to Section 22 Care Act. Part of this variance is directly linked to the increase in cost of care packages, as the NHS has contractual obligation to contribute appropriate share of the cost. NHS Dorset Integrated Care Board (ICB) has set out planned changes to processes and procedures around CHC joint funding arrangements, to which both BCP and Dorset Council will respond as these changes bring increased financial risk and will likely manifest in reduced income.
9. Other funding available has increased since December by over £0.25m and favourable ordinary residence judgement with retrospective income attached was the largest contributor to this reporting line. This is achieved through the diligence of adult social care actively progressing cases.
10. Other services minor variances include the favourable impact from reviewing long standing funding arrangements with other authorities.

Commissioning

11. The commissioning service unit finished 2024/25 with an underspend of £0.7m.
12. The use of external grants has been maximised to cover expenditure along with the extension to the Fairways lease which is the key element of the £0.3m surplus within care contracts.
13. Voluntary sector investment noted an overspend of £0.8m. This was totally mitigated by Section 256 funding available from NHS Dorset shown in the separate line. When this funding source ends additional budget will be required in the future.
14. Service user contributions recorded from block commissioned arrangements with Tricuro and Figbury Lodge showed positive variance by nearly £0.1m with service users moved when Fairways closed to contracted block beds in other care homes.

15. Receipt of international recruitment grant, positive resolution of funded nursing care income related to Avon View, and care home rental fees increase – all contributed to a positive variance of £0.2m within grants and other income.
16. Better controls over the pay bill, efficient use of existing workforce in teams where vacancies existed and improved demand for agency contractors secured a £0.1m surplus for employee cost in commissioning.

Public Health

17. BCP Council public health services and those run by the Public Health Dorset Partnership are funded exclusively via the public health grant which was fully allocated. During the year a balanced position was achieved despite the dissolution of the partnership. From 2025/26 the council will be solely responsible for the administration of the public health funding for contracted services.

Housing & Communities

18. Strategic housing encountered in-year pressures, including the repayment of borrowing for the acquisition strategy and an increase in bad debt provisions. Emergency accommodation was particularly challenging during the winter. However, additional government grants were allocated to help manage pressures.
19. Bed & breakfast placements remain volatile, but the average numbers have significantly decreased in the last quarter of the year, aligning with our expectations. This improvement is due to the CNHAS programme and the increase in temporary accommodation properties. Additionally, an increase in income due to the number of properties becoming occupied has helped mitigate the higher cost of borrowing.
20. The in-year homelessness prevention grant (HPG) has been fully utilised, and the reserve maintained at £1.8m, which will help support the future management of the temporary accommodation portfolio.
21. Community engagement and strategic community safety are largely funded through grants, community support schemes and partnerships. Spending against these grants was committed in consultation with Cabinet and all funding was allocated and utilised within the year.
22. The ward improvement fund was available for community project bids and was well used. After the last bidding round in February 2025, there were unavoidable delays in projects commencing before the end of the financial year. A reserve of £0.1m has been created to continue the support for these projects into the next financial year. A further almost £0.1m of budget, for which no bids were received, has also been set aside in earmarked reserves for future community-related work.
23. The overall outturn for public protection services is a small deficit compared with a projected surplus at quarter three. The service achieved early delivery of savings ahead of financial year 2025/26 but unexpected legal costs have arisen from managing judicial reviews linked to policy challenges, such as public space protection orders. Although the costs were expected in 2025/26, some expenses were incurred earlier than anticipated reducing the planned underspend.
24. Asset investment includes the income and maintenance from photovoltaic (PV) panels and garages with the outturn in line with the quarter three forecast. The income is derived from earlier rates, which were higher than current levels. The PV stock requires substantial repairs, which may lead to a decrease in revenue in the coming years, which the service will need to develop a plan to manage.

Children's Services – overspend £2.9 (3%)

25. The 2024/25 projected outturn position presented in the table below shows an outturn position of £2.9m overspent an improvement of £0.5m compared with quarter three.

26. The pressures have been managed across services with mitigations and application of reserves with the improved position largely due to children's social care costs.

| Q3 Variance £000's | Service | Working budget £000's | Outturn £000's | Outturn Variance £000's |
|--------------------------|--------------------------------------|-----------------------------|-------------------|-------------------------------|
| (2,275) | Management & Commissioning | 3,917 | 1,779 | (2,137) |
| 0 | Grant Income | (8,506) | (8,506) | 0 |
| 1,956 | Safeguarding & Early Help | 13,415 | 15,323 | 1,908 |
| 2,764 | Corporate Parenting & Permanence | 55,352 | 57,649 | 2,297 |
| 71 | Quality and Governance | 4,419 | 4,574 | 155 |
| 881 | Education & Skills | 21,527 | 22,215 | 688 |
| 0 | Partnerships | 2,161 | 2,168 | 8 |
| 3,398 | Children's General Fund Total | 92,285 | 95,204 | 2,919 |

27. 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. Use of agency staff has reduced over the year and there is optimism this will continue into the new financial year.

28. The annual budget savings for the service were also set against management & commissioning. Where savings have been achieved for the year, these will be included as underspends within other services. There has been an expectation since early in the year that not all savings would be delivered in-year. This is due to their ambitious nature and the resources required to achieve in full have not been available due to the full Ofsted inspection taking priority until the final quarter. The shortfall in 2024/25 has been reflected in the budget for 2025/26 or carried forward to a future year, if ultimately expected to be delivered.

29. Safeguarding & early help financial position has seen a further slight improvement over the final quarter. Payment by results funding for successfully supporting families has been applied over the year.

30. Corporate parenting & permanence service continued to experience high agency costs within the teams for children in care with the costs of care also over budget. The final allocation for the unaccompanied asylum-seeking children (UASC) grant income for 2023/24 provided some offset as it had been under-accrued. The number of new arrivals has slowed over 2024/2025, with the Home Office grant for the first 6 months lower than for the last six months of the previous year. The council claim the grant in arrears, and the Home Office can disallow claims with a prudent estimate made for the grant covering the second half of the year. Overall, the additional UASC grant accounted for in 2024/25 provided a £0.9m contribution to offset additional care costs.

31. There has been a review of costs charged to grants over the quarter which has enabled more expenditure to be charged to grants within their 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 for case workers and educational psychologists. School transport was broadly in line with budget.

Operations – Underspend £0.9m (1.5%)

32. The outturn position is an underspend of £0.9m. Many of the services had accurately forecast their outturn position but the main positive variances compared to quarter three are attributable to leisure, bereavement, seafront and waste services as explained in more detail in the individual service commentary below.

| Q3 Variance £000's | Service | Working budget £000's | Outturn £000's | Outturn Variance £000's |
|--------------------------|---|-----------------------------|-------------------|-------------------------------|
| | Commercial Operations | | | |
| (6) | Flood and Coastal Erosion | 1,032 | 1,032 | 0 |
| (829) | Head of Commercial Operations | 262 | 127 | (135) |
| 0 | Leisure and Events | 788 | 440 | (348) |
| 1,736 | Parking Services | (19,566) | (17,495) | 2,071 |
| (230) | Seafront | (6,313) | (7,739) | (1,426) |
| 670 | Commercial Operations Total | (23,797) | (23,635) | 162 |
| | Environment | | | |
| (4) | Service Management | 685 | 645 | (40) |
| (5) | Neighbourhood Services & Grounds | 16,570 | 16,276 | (294) |
| (323) | Passenger Transport | 522 | 121 | (401) |
| 30 | Bereavement & Coroner | 530 | (150) | (680) |
| (340) | Waste | 15,854 | 15,322 | (531) |
| 134 | Greenspace | 490 | 428 | (62) |
| (750) | Transport & Operating Centres | 5,892 | 4,875 | (1,016) |
| (1,258) | Environment Total | 40,542 | 37,518 | (3,024) |
| | Planning & Transport | | | |
| 0 | Planning Management | 467 | 456 | (11) |
| (114) | Planning Operations | 346 | 817 | 471 |
| (62) | Strategic Planning | 814 | 730 | (84) |
| (13) | Transport Policy / Sustainable Travel | 11,756 | 11,923 | 167 |
| (189) | Planning & Transport Total | 13,382 | 13,925 | 543 |
| | Investment and Development | | | |
| (192) | Housing Delivery | 135 | 66 | (69) |
| (171) | Regeneration Delivery | 751 | 751 | 0 |
| 149 | Smart Places | (63) | 86 | 149 |
| (214) | Investment and Development Total | 822 | 902 | 80 |
| (41) | Operations Strategy Total | 1,702 | 1,643 | (139) |
| | Customer & Property | | | |
| 0 | Business Support | 7,555 | 7,632 | 77 |
| 0 | Culture | 1,383 | 1,261 | (122) |
| (19) | Customer Services | 2,815 | 2,848 | 33 |
| (14) | Libraries | 4,563 | 4,442 | (121) |
| (50) | Bournemouth Library PFI contract | 1,505 | 1,463 | (43) |
| 571 | Engineering | 4,666 | 5,308 | 641 |
| 380 | Facilities Management | 7,278 | 8,046 | 769 |
| 0 | Property Maintenance | (1,356) | (1,315) | 41 |
| 322 | Telecare | (25) | 182 | 208 |
| 1,189 | Customer & Property Total | 28,384 | 29,867 | 1,483 |
| 158 | Operations Services | 61,115 | 60,221 | (894) |

Commercial Operations

33. Commercial operations are almost at breakeven for the year. Despite this, parking services net overspend is £2.1m. Income generation was slightly down on forecast particularly within pay and display car parks. However, permit income offset most of this shortfall. Inherent expenditure pressures include £1.5m additional costs of collection charges and £0.1m for staff costs due to labour market supplements. The service managers have worked hard to freeze discretionary spending and hold vacancies to mitigate those unavoidable pressures. The expenditure pressures have also been reviewed and partially mitigated for 2025/26 and the shift to different channels of cost collection should see reduced costs going forward.
34. The 2024 pay award budget uplift was allocated against the head of service budget in quarter three with this redistributed in quarter four. This has reduced the surplus between the two quarters. The overall saving achieved of £0.1m within this area was due to spend freezes against project budgets to mitigate a service overspend.
35. 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. Those pressures were mitigated by a further freeze on reactive maintenance spending and savings in casual staff associated with a drop in trading. The surplus of £1.6m is mainly due to an increase in beach hut income of £0.3m, savings in casual employee costs of £0.5m, spending freeze of repairs and maintenance £0.3m and smaller spend freeze savings across the seafront, some partly connected to a drop in trade of £0.4m.
36. Flood and coastal erosion risk management (FCERM) services reported a balanced position and partnership working with East Devon Council is anticipated to continue to progress positively.
37. Within leisure services there is an unanticipated surplus of £0.35m. This is primarily due to a review of transition costs from insourcing the leisure centres that established some could be capitalised.

Environment

38. Transport and operating centres underspent by just over £1m which was a favourable movement of £0.3m from quarter three. Diesel was under budget due to lower prices and a switch to electric vehicles. The fuel budget underspend of £0.3m has been taken towards 2025/26 budget savings. Employee costs are also under budget due to the difficulty in retaining staff, however, this was partly offset by the increased use of external providers to complete repair work. Additionally, there was a significant underspend in the budget for borrowing with costs delayed until 2025/26. This is due to planned slippage in the fleet replacement programme as efforts are made in the fleet management service to maximise the efficient lifespan of existing assets.
39. A £0.4m underspend is within passenger transport due to vacancies being held whilst a full review of adult community services takes place.
40. The bereavement service achieved an unexpected surplus outturn position of £0.6m. Cremation numbers are down on last year, but there has not been a corresponding fall in income. Much of this is attributable to increased memorial income and prudent accruals being made whilst the service caught up on invoicing, with a one-off spike in income for this year. In addition, debt collection processes have improved, enabling some release of the bad debt provision. Underspends have also been realised due to staff vacancies and lower expenditure on some supplies and services.
41. Waste disposal contract tonnages and recycling costs were lower than expected each quarter. Internalisation of the Christchurch household recycling centre and Hurn waste transfer station incurred one off revenue costs, but they were lower than forecast. Net commercial waste income exceeded budget, and this mitigated pressures within employee costs. The sale of replacement bins was also favourable against budget. This all contributed to a forecast outturn position of £0.5m surplus.

42. Greenspace achieved a positive outturn of £0.06m mainly due to the spike in contracted income from improved collection of backdated rents.

Planning and Transport

43. The planning and transport overall deficit of £0.5m is mainly attributable to an underachievement of the planning income target previously thought to have been achievable by the service at quarter three. The demand for planning has reduced and the income generation will need to be monitored carefully in 2025/26.
44. The overspend in transport of £0.2m is in large part due to two budget areas. Concessionary fares were over budget by £0.1m from increased free bus passenger journeys, particularly in the last quarter, compared with previous years. This is a statutory duty that is not within the control of the council. Second, network management, incurred higher costs for the repair and maintenance of traffic signal equipment coupled with a reduction in income from street works from a large-scale broadband provider scaling back operation.

Investment and Development

45. The overall deficit position is mainly due to a £0.15m pressure within the smart places team from the cessation of the WAN project. This was partially mitigated by recharges to capital within the housing delivery team although, this was lower than had been previously expected.

Operations Strategy

46. The surplus of £0.1m is mainly due to the part year salary saving from a retirement, with the full year budget being included in savings for next year. Higher than anticipated recharge income has also contributed to the overall surplus.

Customer, Arts, & Property

41. Poole museum is currently undergoing a major capital project due to finish and re-open in July 2025. As it has been closed for the entirety of 2024/25 this has led to savings in business rates and staff causing an overall underspend of £0.2m
42. The libraries underspend of £0.2m is primarily due to staffing savings and the private finance initiative (PFI) charge.
43. In facilities management historically, there has been a trend of exceeding the budget allocated for corporate repairs and maintenance, despite limiting expenditures to essential works necessary to keep buildings open. The corporate repairs overspend of £0.3m was also compounded by the three leisure centres which returned in-house on 1 October and the waste transfer stations. These facilities were in a poor state and there is ongoing complicated technical work required to bring them back up to standard. The cleaning contract has also resulted in a £0.4m deficit, partially due to increased fees from the contractor. Work is ongoing to rationalise the council's estate and progress needs to be made in 2025/26 to avoid a further overspend.
44. Within engineering the street lighting PFI pressure remains at just over £0.3m, due to increased electricity prices. 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 with the budget adjusted accordingly.
45. Within building control there are historic income pressures from a reduction in demand for the discretionary services and external competition in the local market. The outturn position showed a £0.1m overspend with the £0.24m income shortfall mitigated by savings in staff and a reduction in other expenditure.
46. The overall pressure within the engineering service has been partially offset by staff vacancies within the team.
47. Property maintenance includes the construction works team (CWT) and in house team (IHT) providing repairs and maintenance to the council housing stock and corporate property portfolios. Overall, both areas combined were below the budgeted surplus

resulting in a combined outturn pressure of £0.04m. CWT had less turnover than anticipated resulting in a lower absorption of overhead costs and the IHT experienced higher material costs than forecast.

48. Telecare achieved a slightly better outturn position compared with quarter three at £0.2m overspent, due to some staff salary savings equating to just over £0.1m. The telecare pressure stemmed mainly from unachieved savings as the higher income target proved unachievable. The agreed fee increases for 2025/26 will help narrow the income shortfall and the budget will continue to be monitored closely.

Resources – overspend £1m (2.3%)

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

| Q3 Variance £000's | Service | Working budget £000's | Outturn £000's | Outturn £000's |
|--------------------------|--|-----------------------------|-------------------|-------------------|
| 0 | Executive | 895 | 961 | 66 |
| 784 | Law and Governance | 4,894 | 5,265 | 372 |
| 78 | Marketing, Comms and Policy | 2,314 | 2,447 | 133 |
| 66 | People and Culture (Incl. Workforce Development) | 3,956 | 3,780 | (176) |
| (170) | Finance, Estates and Benefits | 17,001 | 17,851 | 850 |
| (210) | IT and Programmes | 13,751 | 13,502 | (249) |
| 548 | Executive & Resources Total | 42,811 | 43,806 | 995 |

50. Executive ended the year with a small overspend due to recruitment costs and the shortfall in achieving the vacancy factor.
51. Law and governance were able to reduce their forecast outturn by £0.4m. Mitigation of the overspend was partly achieved though reducing by £0.2m some of the locum costs. Plans are in place to review their vacancies and locum costs going forward to identify a sustainable long term recruitment strategy.
52. Democratic Services achieved a late saving of £0.1m as members chose not to implement the pay award increase as provided for in the budget.
53. Income from land charges and registrars exceeded expectation in the last quarter of the year reducing the pressure by £0.1m. Additionally the registrar's service was able to manage some of their staff cost pressures through vacancy control.
54. 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 remained challenging due to an optimistic income target and the situation has deteriorated over the year as advertising has not generated the expected revenue.
55. The outturn for people and culture showed positive improvement. The service was able to use the transformation budget to offset costs and had already implemented expenditure control methods. Grants were used to release base budget and there was unexpected late income to the service.
56. 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 by increases in contributions towards insurance and bad debt provisions.
57. IT and Programming ended the year as expected, in line with the forecast. Some projects were charged to the transformation budget where allowed, and the service has been conservative in managing contracts and keeping salary costs within budget.

Corporate Budgets – surplus £3.4m

58. 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:

| Q3 Variance | Service | Working budget | Outturn | Outturn Variance |
|----------------|---|-------------------|------------------|---------------------|
| £000's | | £000's | £000's | £000's |
| (793) | Pay related costs | 793 | - | (793) |
| (6,934) | Contingency | 7,858 | (8) | (7,866) |
| 1,395 | Interest Payable | 5,175 | 6,570 | 1,394 |
| 805 | Investment Income | (1,855) | (1,195) | 660 |
| 0 | Pay & grading project – move to reserves | 1,060 | 1,060 | - |
| 0 | Debt Repayment - MRP & VRP | 10,188 | 10,188 | - |
| 835 | Transformation | 3,813 | 4,602 | 789 |
| 240 | Housing Benefits | (1,623) | 396 | 2,019 |
| 0 | Contribution from HRA | (3,564) | (3,219) | 344 |
| 367 | Investment and vacant properties incl Poole Civic | (4,898) | (3,875) | 1,023 |
| 0 | Dividend Income | (227) | (311) | (84) |
| 0 | Levies | 652 | 648 | (4) |
| 0 | Apprentice Levy | 782 | 804 | 22 |
| 0 | Parishes / Town Precept / Chartered Trustee | 1,384 | 1,384 | - |
| 0 | Earmarked Reserves & One-off Business Rates | 15,385 | 18,606 | 3,221 |
| 0 | Pension Back funding | 3,819 | 3,812 | (7) |
| 0 | Admin Charged to Grant Income | (1,445) | (1,629) | (184) |
| (400) | Release of historic income suspense | - | (400) | (400) |
| 0 | One off Corporate Items | 140 | (338) | (478) |
| (4,485) | Corporate Items Total | 37,439 | 37,093 | (344) |
| | Funding | | | |
| 0 | Council Tax Income | (258,620) | (258,618) | 2 |
| 0 | Parishes / Town Precept / Chartered Trustee | (1,384) | (1,384) | - |
| 0 | New Homes Bonus | (55) | (55) | - |
| 0 | Revenue Support Grant | (4,198) | (4,198) | - |
| (459) | Business Rates (NNDR) Net Income | (38,922) | (38,323) | 599 |
| 417 | NNDR levy | - | - | - |
| 0 | NNDR 31 Grants | (26,562) | (30,177) | (3,615) |
| 0 | Service Grant | (383) | (383) | (0) |
| 0 | Estimated Surplus Collection Fund - NNDR | (25,671) | (25,673) | (2) |
| 0 | Estimated Surplus Collection Fund - CTAX | (3,000) | (3,000) | - |
| (4,526) | Corporate Total | (321,356) | (324,716) | (3,360) |

Expenditure Budgets

59. 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.

60. An amount of £7.9m has been released for unused contingency, including £5.5m to cover undelivered savings across services. The budget also included a general contingency and at quarter three £0.9m had not been released into the projected outturn to cover unexpected costs in the final quarter.

61. The outturn is an investment income deficit of £0.6m and increased borrowing costs of £1.4m. This is due to lower than forecasted cash balances available for investments and

reduction in interest rates during 2024/25. Cash balances have reduced as expenditure is incurred on the council's capital programme and the impact of the increasing deficit on the dedicated school grant without any increased long-term borrowing.

62. 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 all of this funding source, consistent with the approach taken in finalising the accounts last year.
63. The expected income from housing benefits has been replaced by a net cost with a £2m overspend on the budget. This is due to a complex housing benefit rules in awarding for 'exempt accommodation' cases. These cases involve landlords who meet specific criteria and provide care, support, or supervision to tenants. The council must use the 'old scheme' rules, which only allow housing benefit to be restricted if suitable, cheaper accommodation is available and it is reasonable for the tenant to move. However, due to the vulnerability and care needs of these tenants, and the high rents in the housing market, it is nearly impossible to meet these criteria. As a result, the council often has to pay the full rent minus ineligible service charges.
64. Costs of running, maintaining and securing vacant properties is forecast to cost £1m more than budget due to delayed disposals and additional costs of security, energy and some cases business rates. This overspend amount includes £0.25 unbudgeted costs incurred at Poole Civic centre.
65. The budget was set allocating £15.4m of earmarked reserves across services, including £14m from the collection fund surplus reserve established in the previous year. In addition to the planned drawdown of reserves, the central budget has set aside funding in-year for cliff stabilisation investigation activity £1.4m and £1.5m in support for urgent dilapidation works in a number of properties.
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.
67. One off corporate item saving of £0.5m is net of pension costs being higher than expected by £0.2m offset by release of a provision no longer required.

Funding

68. An additional £3.6m of national non-domestic rates (NNDR) income via Section 31 grants has been received. Of this, £0.6m is from the national collection which was slightly ahead of the amount indicated by government in December 2024. The increase in grants had largely been expected to be offset by a similar increase in the council's own levy payment to government, but this did not occur due to the increased provision needed for appeals.