

## Appendix A1: Projected Revenue Budget Variances by Service Area 2025/26

1. The projected outturn for each directorate is shown in the tables and narrative below.

### Wellbeing – £ 2.5m overspend (1.8%)

2. The Wellbeing directorate is projected to overspend by £2.5m due to additional net expenditure in adult social care services. A report from the director of adult social care of potential mitigations to reduce the overspend is included in Appendix A4a.

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
<b>Adult Social Care Services</b>			
Care packages – all ages and needs	191,058	195,178	4,120
Employees	26,794	27,115	321
Client Contributions	(32,442)	(33,614)	(1,172)
Health Funding: CHC/JF/Sec117/BCF	(28,043)	(28,345)	(302)
Income from NHS (Section 256)	0	0	0
Other Funding: grants, other authorities, Health.	(17,661)	(17,657)	4
Other services: training, running costs, etc.	446	465	19
<b>Total Adult Social Care Services</b>	<b>140,152</b>	<b>143,142</b>	<b>2,990</b>
<b>Commissioning</b>			
ASC: Care and contracts (including Tricuro)	30,381	30,375	(6)
ASC: Employees	2,858	2,827	(31)
ASC: Client contributions	(1,624)	(1,731)	(107)
ASC: Health Funding: CHC/JF/Sec117/BCF	(9,020)	(9,170)	(150)
ASC: Income from NHS (Section 256)	0	0	0
ASC: Grants and other income	(35,948)	(35,965)	(17)
ASC: Other services/voluntary sector/ projects, etc.	670	662	(8)
<b>Total Commissioning</b>	<b>(12,683)</b>	<b>(13,000)</b>	<b>(317)</b>
<b>Housing and Public protection</b>			
Asset Management	(2,280)	(2,280)	0
Housing and Community Management	271	271	0
Public Protection	3,243	3,183	(60)
Strategic Housing and Partnerships	8,730	8,569	(161)
<b>Total Housing and Public Protection</b>	<b>9,964</b>	<b>9,743</b>	<b>(221)</b>
<b>Public Health and Communities</b>			
Community Engagement and Safety	1,134	1,134	0
Public Health – ring-fenced grant funded	0	0	0
<b>Total Public Health and Communities</b>	<b>1,134</b>	<b>1,134</b>	<b>0</b>
<b>Wellbeing Total</b>	<b>138,567</b>	<b>141,019</b>	<b>2,452</b>

### Adult Social Care

3. The Adult Social Care (ASC) service unit is projected to be overspending by £2.99m at the end of first quarter of the financial year.
4. The most prominent component of the above position is attributable to cost of care and care packages driven by demand for adults aged 65+ and high-cost placements for service users with learning disability and autism related needs. Short term trend analysis suggests that between April and end of June demand on care home placement for adults

aged 65+ increased by 4.6%. This volume increase is mainly from hospital discharge and quicker than anticipated private service users' capital depletion.

The number of specialism cases in community care or approved for such care exceeds planned activity by 2%, whilst the cost of such care, driven by needs complexity, exceeds planned level by 13%. Specialism care home placement fees are being reviewed on an individual basis with the view to finish this process by the end of September. The projection includes £1.3m cost uplifts in this area.

5. The rising demand for care has an impact on the volume of contributions collected. Client contributions have 3.6% favourable variance from the planned level. The number of service user contributions recorded between April and June where providers are paid gross are contributing according to assessed charges.
6. Staffing turnover has slowed with fewer vacancies than usual in the first quarter. This suggests the budgeted vacancy allowance will not be achieved and programmed savings in employee budgets difficult to achieve, with a 1% pressure of £0.3m projected.
7. Due to rising volume of service users in care, the number of cases where cost sharing with health authority is in place or fully funded with NHS also has grown, leading to over-recovery of health funding of £0.3m. More cases are being shared also with out of area health authorities.

### **Commissioning**

8. The Commissioning service unit is projected to underspend by £0.3m at the end of first quarter.
9. There is a small number of health care eligible service users in commissioning-led block contracts in Tricuro care homes. The full cost of the service is recovered, and this is linked to the care packages overspend in ASC services noted above, with income of £0.15m more than planned.
10. Similarly, service user contributions received in quarter one from the block contracts indicates an increase of £0.1m.

### **Public Health & Community Engagement and Safety**

11. Public Health, including the smoking cessation service, is fully funded by external Department of Health and Social Care (DHSC) grant and currently is projected to spend all resources on planned services.
12. Early this financial year, the service received an assurance visit from Regional Director of Public Health (RDPH) to assess the council's use of grant funding. The RDPH was assured the planned use was consistent with the DHSC expectations and grant conditions. Preparations and conversations during the visit clearly indicated that future national funding growth will be limited and robust scrutiny of current budgets and reserve management will be necessary to make sure sustainable public health services can be delivered in the coming years.
13. Community engagement and safety is primarily funded through grants, community initiatives, and strategic partnerships, with allocations confirmed for the year. Robust processes ensure accurate monitoring with no forecast variances anticipated.

### **Housing & Public Protection**

14. There are in year challenges for Strategic Housing to meet its borrowing repayments associated with the temporary accommodation stock. Additional challenges include managing bad debt linked to the vulnerable client base and addressing repairs and maintenance needs on older housing assets. However, a range of targeted grants have been allocated for specific homelessness initiatives, which are expected to be fully utilised within the financial year, helping to mitigate some of these pressures and support

service delivery. A saving is anticipated as these grants are being used in place of base budget funding.

15. Public Protection is currently operating with a small surplus, supported this year by one-off funding towards operating costs. This is despite ongoing pressures around income generation and staffing costs. These challenges are being actively managed to ensure the service remains within its financial targets.
16. Asset Management includes the income and maintenance responsibilities related to photovoltaic (PV) panels and garages. While an in-year surplus may be possible, timing delays in income receipts mean it is too early in the year to forecast this with any certainty. There is also a risk of incurring maintenance costs above budget allocation.

#### **Children's Services – £1.67m overspend (1.7%)**

17. Children's services are projected to be overspent by £1.67m driven primarily by increased cost pressure from delivering Special Guardianship Order (SGO) support and rising costs and increased demand within Children in Care. The service is exploring ways to reduce service costs and the number of children in care. A report from the corporate director for children's services of potential mitigations to reduce the overspend is included in Appendix A4b.

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
Commissioning, Resources and Quality	20,236	21,057	821
Children's Social Care	64,868	69,529	4,660
Education and Skills	23,893	23893	-
Service Management	(10,152)	(13,959)	(3,807)
<b>Children's General Fund Total</b>	<b>98,845</b>	<b>100,519</b>	<b>1,674</b>

18. **Commissioning, Resources and Quality:** This area is projected to be overspent by £0.8m due to commitments for provider payments in social care budget areas.
19. **Children's Social Care:** The projected overspend of £4.7m is largely due to the increase in the number of children in care and additional staff costs.
20. **Service Management:** The underspend of £3.8m is due to savings in staff budgets and general grant and other income and use of reserves (£0.7m) that provides funding for expenditure across a range of service areas.
21. **Education and Skills:** There are pressures in legal costs for SEND services of £0.4m offset by savings in employee and historic early retirement costs.

#### **Operations – £1.4m overspend (2.4%)**

22. The budget projection for Operations is an overspend of £1.4m at the end of quarter one:

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
<b>Commercial Operations</b>			
Director of Commercial Operations	485	485	0
Flood and Coastal Erosion	1,041	1,041	0
Head of Commercial Operations	100	100	0
Leisure and Events	839	839	0
Parking Services	(18,969)	(18,969)	0
Seafront	(6,674)	(6,643)	31
<b>Commercial Operations Total</b>	<b>(23,178)</b>	<b>(23,147)</b>	<b>31</b>

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
<b>Environment</b>			
Service Management	591	608	18
Neighbourhood Services & Grounds	17,269	17,670	402
Passenger Transport	172	(33)	(205)
Bereavement & Coroner	799	784	(14)
Strategic Waste	8,273	8,273	0
Greenspace	508	508	0
Transport & Operating Centres	6,085	6,135	50
<b>Environment Total</b>	<b>33,697</b>	<b>33,947</b>	<b>250</b>
<b>Planning &amp; Transport</b>			
Planning Management	468	468	0
Planning Operations	271	644	373
Strategic Planning	1,534	1,505	(30)
Transport Policy / Sustainable Travel	12,516	12,646	130
<b>Planning &amp; Transport Total</b>	<b>14,789</b>	<b>15,263</b>	<b>474</b>
<b>Investment and Development</b>			
Housing Delivery	139	139	0
Regeneration Delivery	1,045	1,045	0
Smart Places	122	122	0
Operations Strategy	72	59	(13)
<b>Investment and Development Total</b>	<b>1,378</b>	<b>1,365</b>	<b>(13)</b>
<b>Customer &amp; Property Operations</b>			
Business Support	8,086	8,086	0
Culture	3,207	3,207	0
Customer Services	2,771	2,771	0
Libraries	4,451	4,614	163
Bournemouth Library PFI contract	1,659	1,659	0
Engineering	4,468	4,291	(177)
Facilities Management	7,982	8,669	687
Property Maintenance (CWT & IHT)	(1,358)	(1,358)	0
Telecare	91	91	0
<b>Customer &amp; Property Operations Total</b>	<b>31,357</b>	<b>32,030</b>	<b>673</b>
<b>Operations Services</b>	<b>58,057</b>	<b>59,473</b>	<b>1,415</b>

23. The services are actively trying to mitigate costs and drive income wherever possible to obtain a balanced position by the financial year end. Reports from the service directors within Operations of potential mitigations to reduce the overspend are included in Appendix A4c.

### Commercial Operations

24. Parking services are reporting a balanced position for quarter one as the first three months of good weather have seen a better income position than budget. However, the expenditure pressure of approx. £0.6m is offsetting that income, although the service will be attempting to mitigate this in year.
25. Despite the good weather, seafront services are experiencing a fall in income mainly due to the cliff slip impact on income generating services such as the land train, beach huts,

cliff lifts and catering of £0.4m, however this loss of income is due to be offset by use of the cliff reserve. This is further compounded by cost-of-living pressures for customers and additional costs pressures for staffing and products. There are also some seasonal pressures as a response to the recent anti-social behaviour, that the service is attempting to contain within their current budgets, such as in staffing of the multi-agency control centre (MACC) and an increase in body worn cameras.

### **Environment**

26. Neighbourhood services and grounds are forecasting a £0.4m pressure due mainly to the salary pressures and unbudgeted overtime payments needed within the waste and cleansing teams. Within highways there is lower demand for dropped crossings resulting in lower income, and a pressure for road markings on main roads, but this has been partly offset by lower Tarmac costs.
27. The passenger transport service has forecast a £0.2m underspend entirely due to vacant driver posts.
28. The strategic waste position is balanced overall, however, within that there are some individual pressures and savings. The waste disposal contract recycling price is lower than budgeted for in quarters one and two, and the recycling sales income is higher. This is offset by pressures in external haulage fees, employee costs and overtime payments.
29. There is an overall £0.05m pressure within the transport & operating centres, on parts, external works, tyres and vehicle hire budgets, partly offset by underspends on salaries due to vacant fitter posts.

### **Planning and Transport**

30. The forecast pressure within planning operations is mainly due to the lower demand for planning applications and the associated income derived from this activity. This follows on from the reduction seen last financial year and is consistent with the national trend. The planning service are actively trying to mitigate this downward trend where possible.
31. Concessionary fares expenditure has increased due to higher demand for bus journeys in quarter one, likely attributable to the better weather conditions. It has been forecast that this trend will continue leading to a pressure of £0.43m. This has been partly offset by many small underspends across the Transport service to a total forecast deficit of £0.1m.

### **Investment and Development**

32. Investment & Development have forecast a small underspend of £0.01m.

### **Customer & Property Operations**

33. Within library services a forecast pressure of £0.16m is mainly related to £0.13m of unrealised savings. These were planned to come from the external let of Northmead House, but the opportunity has been lost as the space is now in use as a BCP staff hub due to the unforeseen closure of the Poole library hub. Although the budget saving was included in libraries, it will come from the rationalisation of assets within the wider corporate estate. The service is looking at other options to mitigate this pressure where possible.
34. There is also a smaller pressure of £0.03m within the Library Service related to additional security required at Bournemouth central library as a direct result of anti-social behaviour.
35. Engineering services have forecast a saving of £0.177m directly attributable to the Dorset PFI street-lighting contract from lower rates for electricity.
36. Facilities Management have forecast a pressure of £0.7m due to the growing demand, year on year for emergency/essential repairs and maintenance across the authority,

including the leisure centres and waste transfer stations brought in house last year. Works of £0.16m have been able to be capitalised with funding provided by a small contingent fund in capital reserves under officer delegations. The cleaning contract is also forecasting a pressure of £0.5m and this is mainly due to a centralised budget that was too small in addition to the annual inflation and national living wage increases from the external contractor.

37. The Construction Works Team (CWT) within Property Maintenance is actively adapting to changes following the strategic realignment of the CHNAS programme. In response to this shift, the team is proactively identifying new project opportunities to support full cost recovery. The service is reviewing existing resource agreements to ensure that recharges are appropriately aligned with service delivery.
38. From 1 April, the In-House Team (IHT) for repairs and maintenance implemented a revised operating model to ensure transparent and accountable charging to the Housing Revenue Account (HRA). These services are now delivered through the BBML company. As part of this transition, work is underway to right-size budgets and charging arrangements within the general fund, ensuring they reflect the new delivery model and support a balanced financial position.

### **Resources – £0.2m overspend (0.7%)**

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

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
Executive	894	894	0
Law and Governance	5,566	5,766	200
Marketing, Comms and Policy	2,459	2,459	0
People and Culture	4,988	4,988	0
Finance, Estates and Benefits	16,892	16,892	0
IT and Programmes	18,594	18,594	0
<b>Executive &amp; Resources Total</b>	<b>49,393</b>	<b>49,593</b>	<b>200</b>

40. Most Resources areas are currently operating within budget being able to manage their resources effectively while supporting wider organisational priorities. Where service directors reported overspends, mitigations are included in their reports at Appendix A4d.
41. IT and Programmes is maintaining a stable financial position and is actively focused on driving forward the council's ambition to become a more data-driven organisation. This includes ongoing work to enhance digital productivity and support digital transformation initiatives.
42. The legal services within Law and Governance are not reporting an overspend. They are actively addressing ongoing staffing challenges related to the use of locums and working to establish longer-term staffing solutions to reduce reliance on temporary arrangements.
43. However, there are pressures in Law and Governance due to the underachievement of income in land charges. The service is monitoring income closely although there remains a risk if income levels do not recover.
44. Similarly, Marketing, Communications & Policy is facing budgetary pressures linked to difficulties in generating income. Advertising opportunities are limited, and some long-standing arrangements have capped income which impacts the service's ability to offset costs. Alternative options are being explored. Mitigations have been implemented, including using £0.1m of the climate change reserve to support expenditure.

## Corporate Budgets

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

Service	Working budget	Projected Outturn	Q1 Variance
	£000's	£000's	£000's
Pay related costs	5,911	6,091	160
Contingency	3,195	353	(2,842)
Interest Payable	9,345	9,045	(300)
Investment Income	(655)	(655)	0
Pay & grading project	430	430	0
Debt Repayment - MRP & VRP	8,797	8,797	0
Transformation	0	0	0
Housing Benefits	(1,323)	(423)	900
Contribution from HRA	(3,743)	(3,743)	0
Investment Properties	(5,301)	(5,301)	0
Dividend Income	(316)	(316)	0
Levies	658	658	0
Apprentice Levy	782	782	0
Parishes / Town Precept / Chartered Trustee	1,491	1,491	0
Earmarked Reserves use	(8,440)	(8,441)	0
Pension Backfunding	3,716	3,716	0
Admin Charged to Grant Income	(1,820)	(1,820)	0
One off Corporate Items	(1,712)	(1,712)	
<b>Corporate Items</b>	<b>11,015</b>	<b>8,452</b>	<b>(2,062)</b>
<b>Funding</b>			
Council Tax Income	(281,232)	(281,232)	0
Parishes / Town Precept / Chartered Trustee	(1,491)	(1,491)	0
New Homes Bonus	(246)	(246)	0
Revenue Support Grant	(4,416)	(4,416)	0
NNDR Net Income	(43,243)	(43,243)	0
NNDR 31 Grants	(26,215)	(26,215)	0
Estimated Deficit Collection Fund - NNDR	(678)	(678)	0
Estimated Surplus Collection Fund - CTAX	0	0	0
<b>Corporate Total</b>	<b>(346,506)</b>	<b>(348,268)</b>	<b>(2,062)</b>

46. An overall £180k pressure in pay related costs combine an underspend in budget set aside for NI increases (£0.5m) with a £0.7m overspend on the cost of annual pay award which was agreed at 3.2% compared to budget 2.8%.
47. The underspend of contingency of £2,842k represents the release of all available budget to support overspends elsewhere.
48. An underspend of £0.3m from reduced expenditure in the treasury management function from our continued ability to borrow in the local authority market as opposed to needing to take longer term borrowing via the Public Works Loan Board.
49. A £0.9m overspend on housing benefit is forecast based on an increase in costs unable to be recovered by government subsidy.