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 – £2.8m overspend (2.0%)

2. The Wellbeing directorate is projected to overspend by £2.8m due to additional net expenditure in adult social care services.

Q2 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q3 Variance £000's
	Adult Social Care Services			
7,215	Care packages – all ages and needs	191,000	200,540	**9,541**
63	Employees	28,056	27,918	**(138)**
(1,922)	Client Contributions	(32,444)	(35,965)	**(3,521)**
(1,068)	Health Funding: CHC/JF/Sec117/BCF	(28,043)	(29,467)	**(1,424)**
0	Income from NHS (Section 256)	0	0	**0**
(70)	Other Funding: grants, other authorities, NHS	(17,670)	(18,502)	**(832)**
68	Other services: training, running costs, etc.	375	532	**157**
4,286	**Total Adult Social Care Services**	**141,274**	**145,057**	**3,783**
	Commissioning			
(427)	ASC: Care and contracts (including Tricuro)	30,182	29,557	**(625)**
(54)	ASC: Employees	3,262	3,023	**(239)**
240	ASC: Client contributions	(1,624)	(1,474)	**150**
(131)	ASC: Health Funding: CHC/JF/Sec117/BCF	(9,020)	(8,966)	**54**
0	ASC: Income from NHS (Section 256)	0	0	**0**
(12)	ASC: Grants and other income	(35,948)	(35,970)	**(22)**
(12)	ASC: Other services/voluntary sector/ projects, etc.	600	546	**(54)**
(396)	**Total Commissioning**	**(12,548)**	**(13,284)**	**(736)**
	Housing and Public protection			
0	Asset Management	(2,280)	(2,280)	**0**
0	Housing and Community Management	226	226	**0**
(60)	Public Protection	3,294	3,234	**(60)**
(161)	Strategic Housing and Partnerships	6,738	6,577	**(161)**
(221)	**Total Housing and Public Protection**	**7,978**	**7,757**	**(221)**
	Public Health and Communities			
0	Community Engagement and Safety	1,259	1,259	**0**
0	Public Health – ring-fenced grant funded	0	0	**0**
0	**Total Public Health and Communities**	**1,259**	**1,259**	**0**
3,668	**Wellbeing Total**	**137,963**	**140,789**	**2,826**

Adult Social Care

3. The Adult Social Care (ASC) service unit is projected to be overspending by £3.8m at the end of third 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:

a. Short term trend analysis suggests that between April and end of December demand for care home placement for adults aged 65+ increased by 5.3%. This volume increase is mainly from hospital discharge and quicker than anticipated private service users' capital depletion. There is also significant impact on cost of care from service users accessing council commissioned care where such arrangements are backed with service users' assets.

b. Close to £0.3m of cost increase within residential care for adults aged 65+ is an effect of accepting an ordinary resident case from Hampshire (retrospective payment back 6 years).

c. Cost of residential care estimate for adults aged 65+ assumes operational actions to bring the caseload down to budgeted level by the end of the year. An estimate of £1.0m is already built into the projection to allow for the success of demand management.

d. Domiciliary care for service users with Long Term Conditions grew by 3% in the third quarter and the forecast assumes further demand management to ensure a sustainable position by the end of the year.

e. Cost of care home placements for younger adults was adversely affected by a high-cost case transferred to Adults from Children Social Care at a cost of £15,000 per week. Adults put the case forward for NHS continuing health care (CHC) joint funding with the Integrated Care Board (ICB) with a 50-50 cost split agreed. And furthermore, with adults bringing the case to Court of Protection (COP) it was possible to move the case to a better value placement. This enabled a reduction of the cost to the Council by £0.2m (further cases are expected to materialise).

f. The number of specialism cases in community care or approved for such care exceeds planned activity by 11%, whilst the cost of such care, driven by needs complexity, exceeds planned level by 5%. Specialism care home placement fees are being reviewed on an individual basis. As at the end of December 2025 the volume of projected service users in such care characterises 8.5% increase comparing to budget with forecast cost being reflection of that pressure. Several outstanding uplift negotiations are continuing over the winter and the projection includes £0.15m to allow for these changes.

5. The rising demand for care noted above has an impact on the level of contributions collected with client contributions £3.5m more than the planned level. The number of service user contributions recorded between April and December where providers are paid gross has improved the position according to assessed charges. This area now reflects all care contributions backed by service users' assets.

6. Staffing turnover has slowed with fewer vacancies than usual in the second quarter. Vacancy freeze implemented in the autumn and agency costs controls introduced in December resulted in improvement in staffing costs forecast position, which is now estimated at £0.14m underspend.

7. Due to the rising volume of service users in care, the number of cases where cost sharing with the health authority is in place or fully funded within NHS has also continued ahead of budget, estimated at £1.4m. This projection includes newly agreed joint funded cases and recharges to the NHS following ordinary residence agreements and high-cost transition case mentioned in paragraph 4. More cases are being shared also with out of area health authorities.

Commissioning

8. The Commissioning service unit is projected to underspend by £0.7m, a small increase since second quarter.

9. Contractual arrangements continue being reviewed with block bed commitments reconfigured and contract agreements revised to achieve in-year efficiencies or allow for demand changes where beds are not being fully used. This underspend alleviates cost of care pressure in Adult Social Care, where spot purchasing has to be pursued due to complexity of service user needs.
10. There are a small number of health care eligible service users in commissioning-led block contracts in the council-owned (Tricuro) care homes. The full cost of the service, previously reported as recovered and retained, was transferred to local authority trading company, in support of their non-Council commissioned element of activities.
11. Service user contribution variance was amended in second quarter to reflect deferred contributions backed by a service user's property. Service users' contributions to block commissioned beds noted improvement in third quarter.
12. Continued scrutiny of vacancies and agency worker expenditure controls introduced resulted in improving employment cost forecast with projected underspend of £0.2m.

Public Health & Community Engagement and Safety

13. 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.
14. Early this financial year, the service received an assurance visit from Regional Director of Public Heath (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.
15. Community engagement and safety is primarily funded through grants, community initiatives, and strategic partnerships, with allocations confirmed for the year. The service continues to operate within budget with no forecast variances anticipated, consistent with the previously reported position.

Housing & Public Protection

16. Strategic Housing is maintaining a projected underspend of £0.16m for the current year. This reflects the effective use of targeted grant funding to support homelessness prevention and recovery initiatives, reducing pressure on the core budget. These grants have helped offset significant challenges, including borrowing costs for temporary accommodation, managing bad debt linked to a vulnerable client base, and essential repairs to older housing assets.
17. A major focus this year is the additional £2m Rough Sleeping Prevention and Recovery Grant (RSPARG). This funding is being used to strengthen local services and improve outcomes for people at risk of homelessness or rough sleeping. Key areas of planned spend include a new floating support service with additional move-on accommodation, increased capacity for the rough sleeper outreach team, and a small grants scheme for voluntary and community sector partners. Further investment will support training across the homelessness partnership, updated health and housing needs assessments, and additional winter provision. These initiatives will help address immediate pressures while building resilience for the future.
18. Looking ahead, following the recently announced finance settlement, next year's consolidated grants and the planned roll-forward of some funding into the Revenue Support Grant will provide greater certainty and support financial planning. While these allocations do not impact the current year's forecast, they will be important in shaping how we manage future pressures and sustain service delivery.

19. Public protection continues to report a small surplus, consistent with the position in the previous quarter. This reflects the benefit of one-off funding that has helped offset pressures in income generation and staffing. While these challenges remain, they are being actively managed to maintain financial stability within the service. The overall position is steady, with no significant changes since quarter two, and the focus remains on ensuring resources are used effectively to support core service delivery.

20. Asset Management covers income and maintenance responsibilities for photovoltaic (PV) panels and garages. A review is currently underway to assess ongoing repairs and maintenance requirements for these assets. The aim of this review is to ensure the stock can operate on a sustainable financial basis, with income supporting the investment needed to maintain and enhance the asset base. Income this year is strong and will help meet these investment needs, which is essential to sustain and maximise future income generation.

Children's Services – £5.1m overspend (5.1%)

21. The forecast for Children's Services at quarter three is an overspend of £5.1m, an increase of £2.4m since quarter two.

Q 2 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q3 Variance £000's
(498)	Commissioning, Resources and Quality	20,399	19,745	(655)
5,725	Children's Social Care	65,356	74,295	8,938
412	Education and Skills	24,221	24,263	41
(2,904)	Service Management	(9,894)	(13,109)	(3,215)
2,735	**Children's General Fund Total**	**100,083**	**105,193**	**5,110**

22. **Children's Social Care:** The additional overspend is driven primarily by the continuous increase in the number of children coming into care & increased costs of children in care (CIC). The complexity of children in care continues to be a concern as there is an emerging trend for providers to request additional funding to support the child once placed. There is the potential for this level of overspend to grow if recent trends continue but the service is putting in measures to reduce the number of children coming into care and how long they stay in care. A CIC strategy is currently being developed with the aim of addressing these issues. It is worth noting that this forecast is yet to account for the potential increase or reduction in cost of unplanned leavers and newcomers or changes in existing care packages as recent trends have made it very difficult to predict.

23. The forecast also includes approximately £0.7m relating to cost of young adults (over 18 years) who continue to be funded by Children's Services, despite being more appropriately aligned to housing or adults social care budgets.

24. **Commissioning, Resources and Quality:** The forecast underspend has increased due to the removal of some salary forecasts, following confirmation that planned recruitment will now take place in 2026/27.

25. **Education and Skills:** The forecast reduction reflects lower projected home to school transport expected outturn. While there has been significant increase of £365k in forecast for SEND Tribunal, compensation & mediation cost, the reduction of £0.7m in home to school transport is expected to compensate.

26. **Service Management:** This additional forecast underspend arises from the realignment of the transformation budget into children's social care, where it is more appropriately aligned.

Operations – £0.6m overspend (1.0%)

27. The budget projection for Operations is an overspend of £0.6m (increase of £0.3m since quarter two) and a variance against the net budget of 1% at the end of quarter three.

Q2 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q3 Variance £000's
	Commercial Operations			
(601)	Director	497	497	0
111	Flood and Coastal Erosion	1,123	1,123	0
(50)	Head of Commercial Operations	103	52	(52)
180	Leisure and Events	939	854	(85)
122	Parking Services	(18,837)	(18,837)	0
(268)	Seafront	(6,695)	(7,044)	(348)
(507)	**Commercial Operations**	**(22,871)**	**(23,356)**	**(485)**
	Environment			
18	Service Management	569	587	18
276	Neighbourhood & Grounds	17,305	17,230	(76)
(335)	Passenger Transport	260	(75)	(335)
(206)	Bereavement & Coroner	888	813	(75)
(90)	Strategic Waste	8,361	8,201	(160)
(27)	Greenspace	578	551	(27)
50	Transport & Operating Centres	5,191	5,241	50
(314)	**Environment**	**33,152**	**32,548**	**(604)**
	Planning & Transport			
0	Planning Management	487	487	0
592	Planning Operations	1,028	1,690	662
8	Strategic Planning	1,567	1,575	8
0	Planning System	122	122	0
36	Transport Policy / Sustainable Travel	12,693	12,879	187
636	**Planning & Transport**	**15,897**	**16,784**	**857**
	Investment and Development			
(16)	Housing Delivery	139	47	(92)
0	Regeneration Delivery	958	958	0
0	Smart Places	122	122	0
(27)	Operations Strategy	78	52	(27)
(42)	**Investment and Development**	**1,390**	**1,271**	**(119)**
	Customer & Property Operations			
46	Business Support	8,411	8,457	46
0	Culture	3,275	3,275	0
(1)	Customer Services	2,917	2,867	(50)
163	Libraries	4,542	4,695	153
0	Bournemouth Library PFI contract	1,659	1,659	0
(246)	Engineering	5,290	5,273	(17)
537	Facilities Management	7,663	8,200	537
0	Property Maintenance (CWT & IHT)	(1,357)	(1,157)	200
31	Telecare	161	251	90
529	**Customer & Property Operations**	**32,561**	**33,520**	**959**
302	**Operations Services**	**60,131**	**60,739**	**608**

Commercial Operations

28. Director of Commercial Operations is no longer reporting a surplus of £0.6m in respect of the 2025-26 pay award as the distribution across the relevant services, where the equal and opposite pressures had previously been showing, has now taken place.
29. Parking services are reporting a balanced position. Whilst income has been comparable with previous years, this is less than the budgeted income expectation. However, discretionary expenditure has been frozen to mitigate the income shortfall. In the quarter two forecast the net income of £0.24m relating to the PCN trial, had not been included due to the risk of future challenge, with this set aside in an earmarked reserve. However, the quarter three position releases £0.15m to balance the in-year position.
30. The Leisure & Events service is showing a £0.09m underspend. The staffing pressures and business rates liabilities associated with Kings Park leisure centre reported at quarter two have been offset by underspends in other areas of expenditure across the service as part of the expenditure freeze.
31. 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 £0.3m, however this loss of income is due to be offset by use of freezing, wherever possible, discretionary budgets, including staffing, equipment and repairs and maintenance, which has allowed the service to turn the position around and report a £0.3m surplus. In addition to this all spend relating to the repairs and maintenance of the cliffs are being funded from the cliff slip reserve, which stands currently at £0.6m of the £1.4m reserve. Cost-of-living pressures for customers and additional cost pressures for staffing and products are still inherent. There are also some seasonal pressures as a response to the anti-social behaviour, with the service 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

32. Neighbourhood services and grounds are forecasting a £0.1m underspend, which is an improved position from quarter two of £0.35m. Within the Waste and cleansing teams there are still pressures within the salaries and unbudgeted overtime payments needed and work is ongoing to reduce agency spend and tackle absence issues. Within highways there has been an improvement in the demand for dropped crossings, which despite the expected income still being below budget is improving, resulting in less of a pressure. There is still a pressure for road markings on main roads as they naturally wear, but this has been partly offset by lower Tarmac costs and lower material disposal costs. The parks operations service continues to further cut spending in some of their supplies and services budgets in response to the spend freeze and in holding vacant posts.
33. The passenger transport service has forecast a £0.3m underspend. This is primarily related to vacant driver posts underspending on supplies and services from the spend freeze.
34. The number of cremations is down on last year. National research shows a continuing shift towards direct cremations offered by online providers, many of which have their own crematorium facilities, rising from 3% in 2019 to 20% in 2024. This trend is anticipated to grow as awareness of direct cremations increase. In addition, local competitors have established in the area and BCP death registrations have declined. The forecast income pressure is £0.3m, partly offset by a salary underspend from vacant posts.
35. The strategic waste position is forecasting a £0.16m surplus position, however, within that there are some individual pressures and savings. The waste disposal contract recycling price is lower than budgeted for in quarters one, two and three, and the recycling sales income is higher. Commercial weighbridge income is also forecast to

exceed budget. This is offset by pressures in external haulage fees, employee costs due to absence and overtime payments.

36. 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. This position remains unchanged from quarter one. The service has now secured two apprentice positions and filled a vacant fitter role, via agency, which will increase in-house capability.

Planning and Transport

37. 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. An increase in pressure of £0.07m since quarter three is from the use of agency staff. This is being addressed in the hope that it may be reduced by the end of this financial year.

38. There is also an overspend of £0.2m due to pressures driven by the tree maintenance costs, from the requirement to fulfil statutory duties. There is a backlog of tree maintenance work and to be compliant and avoid further costs this work needs to be completed.

39. Concessionary fares expenditure (statutory service) has slightly decreased by £0.07m since quarter two. However, the national trend is still growing, and a deficit is still being reported. This has been partly offset by many small underspends across the sustainable travel service.

40. An underachievement of income is being forecast within network management of £0.13m. Primarily due to the street works income falling by £0.2m due to reduced activity and compliance, in addition to highway enforcement income also slightly down, partly offset by lower contractor costs and expenditure savings within road safety and ITS.

Investment and Development

41. Investment & Development have forecast an improved position of £0.076m since quarter two which is a result of a full review of expenditure and reprioritising essential spend only. This has resulted in an underspend within the supplies and services budgets within the housing delivery team.

Customer & Property Operations

42. Customer Services are forecasting a year end surplus position of £0.05m mainly due to staff vacancies and slightly improved income.

43. Within library services a forecast pressure of £0.16m is mainly related to £0.13m of unrealised savings from delayed opportunities for vacating corporate properties. This saving requirement has been removed as part of the MTFP process for the next financial year 2026/27. There is also a smaller pressure of £0.03m from additional security required at Bournemouth central library as a direct result of anti-social behaviour.

44. Engineering services position has worsened since quarter two by £0.23m. Whilst there are still savings attributable to the Dorset PFI street-lighting contract from lower rates for electricity. There is a lower capital recharge opportunity for engineering services in addition to an income pressure within the building control service.

45. Facilities management have forecast a pressure of £0.5m due to the growing demand, year on year for emergency/essential building repairs and maintenance across the council's estate, including the leisure centres and waste transfer stations brought in house last year. Works of £0.16m have been 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. As part of the MTFP process this budget has been rightsized so the pressure should cease from April 2026.

46. The Construction Works Team (CWT) within Property Maintenance has adapted well following the strategic realignment of the CHNAS housing programme, which reduced the pipeline of new works. The team has successfully identified new project opportunities and is now broadly on track to achieve full cost recovery. Resource agreements have been reviewed and recharges updated to reflect service delivery and ensure alignment with operational requirements.

47. From 1 April, the In-House Team (IHT) for repairs and maintenance transitioned to a revised operating model, with services now delivered through the council owned company, Bournemouth Building & Maintenance Ltd. This change has highlighted that the income budget was based on historic assumptions, including a year where a significant surplus was recorded, which does not reflect the current delivery model. Under the new arrangements, most works are not expected to generate a surplus, so the current pressure reflects historic budgeting assumptions rather than the performance of the In-House Team.

48. Work is underway to realign budgets to ensure they accurately reflect the revised delivery model. While forecast adjustments to fleet allocations will help mitigate the initial impact, a remaining forecast pressure of £200k is expected for the year.

49. Within telecare a £0.09m pressure is due to £0.115m in income with annual budget increases not being matched by demand and a slower than anticipated switch to digital from analogue. This is partly offset by other savings, mainly in staffing.

Resources – £0.9m underspend (1.7%)

50. 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	929	929	**0**
330	Law and Governance	5,774	6,054	**280**
(3)	Marketing, Comms and Policy	2,568	2,565	**(3)**
0	People and Culture	5,124	4,627	**(497)**
(170)	Finance, Estates and Benefits	17,383	17,163	**(220)**
(360)	IT and Programmes	18,798	18,357	**(441)**
(203)	**Executive & Resources Total**	**50,576**	**49,695**	**(881)**

51. Resources overall are projecting a significant underspend of £0.9m compared with £0.2m at quarter two. This improvement reflects continued vacancy management, deferred expenditure, and the release of reserves where appropriate. These actions have strengthened the financial position and provided additional flexibility to manage service pressures.

52. Law and Governance is reporting a projected overspend of £0.3m, an improvement from last quarter. The reduction is primarily due to improved land charges income, although this remains subject to external market conditions. Staffing pressures within Registrars continue, but these are partially offset by income surpluses. The service is actively reviewing options to address ongoing staffing challenges.

53. Legal services continue to manage locum usage, with plans progressing to establish a more stable staffing base and reduce reliance on temporary arrangements.

54. Marketing, Communications and Policy services remain broadly on budget, with a minor surplus variance. The service continues to implement its mitigation strategy and manage expenditure carefully, although income generation remains challenging.

55. People and Culture is now projecting an underspend of £0.5m, a significant improvement from a balanced position last quarter. This change reflects the allocation of base staffing costs to the pay and reward project (£0.25m) and the release of reserves previously held but no longer required (£0.2m). These actions have reduced pressure on the core budget and contributed to the overall surplus.

56. Finance, Estates and Benefits is forecasting an underspend of £0.2m, up slightly from last quarter. This improvement is driven by increased vacancy savings within Finance and continued underspends in Estates and Procurement due to the recruitment freeze. Revenues and Benefits remain balanced through planned use of reserves.

57. IT and Programmes is projecting an underspend of £0.4m. The small increase from last quarter reflects additional vacancy savings alongside previously reported efficiencies in desktop replacement programme, photocopying, telephony, and mobile costs. These savings continue to support the council's digital transformation agenda while maintaining a stable financial position.

Corporate Budgets

58. 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
338	Pay related costs	(338)	0	**338**
(2,790)	Contingency	2,828	0	**(2,828)**
(300)	Interest Payable	6,488	5,788	**(700)**
0	Investment Income	(655)	(1,055)	**(400)**
0	Prudential Borrowing	2,920	2,920	**(0)**
0	Pay & grading project	854	854	**0**
0	Debt Repayment - MRP & VRP	12,044	12,044	**0**
900	Housing Benefits	(1,323)	(423)	**900**
0	Contribution from HRA	(3,744)	(3,743)	**0**
0	Investment Properties	(5,301)	(5,301)	**0**
80	Vacant Properties	590	770	**180**
0	Dividend Income	(316)	(316)	**0**
0	Levies	658	658	**0**
0	Apprentice Levy	782	782	**0**
0	Parishes / Town Precept / Chartered Trustee	1,491	1,491	**0**
(580)	Earmarked Reserves use	(8,440)	(9,020)	**(580)**
0	Pension Backfunding	3,716	3,716	**0**
0	Admin costs charged to Grants	(1,820)	(1,820)	**0**
0	One off Corporate Items	(1,666)	(1,666)	**0**
(2,351)	**Corporate Items**	**8,767**	**5,677**	**(3,090)**
	Funding			
0	Council Tax Income	(281,232)	(281,232)	**0**
0	Parishes / Town Precept / Chartered Trustee	(1,491)	(1,491)	**0**
0	New Homes Bonus	(246)	(246)	**0**

Q2 Variance £000's	Service	Working budget £000's	Projected Outturn £000's	Q3 Variance £000's
0	Revenue Support Grant	(4,416)	(4,416)	**0**
0	NNDR Net Income	(43,243)	(43,243)	**0**
0	NNDR 31 Grants	(26,215)	(26,215)	**0**
0	Estimated Deficit Collection Fund - NNDR	(678)	(678)	**0**
0	Estimated Surplus Collection Fund - CTAX	0	0	**0**
(2,351)	**Corporate Total**	**(348,753)**	**(351,843)**	**(3,090)**

59. An overall £0.3m pressure in pay related costs combine an underspend in the budget set aside for national insurance increases (£0.5m) with a £0.8m overspend on the cost of annual pay award which was agreed at 3.2% compared with the budget of 2.8%.

60. The underspent contingency of £2.8m represents the release of all available budget to support overspends across other budgets.

61. An underspend in earmarked reserves of £0.6m represents the release of capital reserves to support expenditure in services not previously planned.

62. An underspend of £0.7m in the treasury management function arises 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, with the rates also falling quicker than expected. The need to borrow has also reduced following better than expected housing benefit subsidy receipts, although borrowing ahead of need has been undertaken to avoid increased rates in quarter four with surplus funds invested over the early weeks of the final quarter in £0.4m generating more interest receivable compared with the quarter two position.

63. A £0.9m overspend on housing benefit is forecast based on an increase in costs unable to be recovered by government subsidy.

64. An overspend of £0.2m in vacant properties is due to higher than budgeted security costs at sites including Constitution Hill and Fairways along with business rates at Parkway House.