

## Exceptional Financial Support and Council Tax Flexibility: Additional Supporting Information

Please complete **all** relevant sections and return your completed additional supporting information and any attachments to the Local Authority Financial Risk Team ([LAFinancialRisk@communities.gov.uk](mailto:LAFinancialRisk@communities.gov.uk)). If applicable, **use existing documents or reports** (e.g. budget monitors, Medium-Term Financial Plans, asset registers etc.) to support any answers to the questions below – please clearly make reference to any attachment in the accompanying text box.

### GUIDANCE FOR COMPLETION

Details on how to complete this form are below:

- **For all requests** – please complete: Section 1, Section 2 (from 2.1 to 2.4) and Section 3 to Section 6.
- **If you are requesting a Council Tax increase** – please complete Section 2.5 to 2.9.
- **For existing EFS cases** – please also complete additional Section 7.

| SECTION 1: General Information |   |               |                                |
|--------------------------------|---|---------------|--------------------------------|
| <b>Local Authority</b>         | Bournemouth, Christchurch and Poole Council |               |                                |
| <b>S151 Officer</b>            | Adam Richens                                | Contact email | adam.richens@bcpcouncil.gov.uk |
| <b>Chief Executive</b>         | Aidan Dunn                                  | Contact email | aidan.dunn@bcpcouncil.gov.uk   |
| <b>Submission Date</b>         | 5 January 2026                              |               |                                |

| SECTION 2: Request for Exceptional Financial Support and / or Council Tax Flexibility   |   |                        |                        |  |
|---|---|------------------------|------------------------|--|
| An outline of the Council's request and summary of key financial pressures<br>For additional information on financial support please see the Local Government Finance 2026-27 to 2028-29 policy statement <a href="#">here</a>  |   |                        |                        |  |
| <b>2.1 Request summary table – please provide a breakdown of your request below.</b>  |   |                        |                        |  |
| Using the table below, please detail the total amount of capitalisation support that you are requesting by financial year and / or if applicable, detail any percentage additional increase to Council Tax above referendum limits.   |   |                        |                        |  |
|   | <b>2024-25</b>                                | <b>2025-26</b>         | <b>2026-27</b>         |  |
| <b>Capitalisation support:</b><br>Requested capitalisation of revenue (£m)  | £   | £                      | £                      |  |
| <b>Additional Council Tax increase</b>  |   |                        | 2.43%                  |  |
| <ul style="list-style-type: none"> <li>• <b>FOR ANY COUNCIL TAX REQUESTS ONLY:</b> please confirm the additional capitalisation support amount if a Council Tax increase was <u>not</u> available.</li> </ul>   |   | <b>2026-27</b><br>(£m) |                        |  |
|   |   | £9.9m                  |                        |  |
| <ul style="list-style-type: none"> <li>• <b>FOR EXISTING EFS CASES ONLY:</b> please detail any variations or revisions to existing in-principle capitalisation support amounts with a supporting rationale for any changes.</li> </ul>  | N/A   |                        |                        |  |
| <ul style="list-style-type: none"> <li>• <b>FUTURE YEARS CAPITALISATION SUPPORT:</b> please detail any capitalisation support that is forecast over the Medium-Term Financial Plan.</li> </ul>  | <b>2027-28</b><br>(£m)                        | <b>2028-29</b><br>(£m) | <b>2030-31</b><br>(£m) |  |
|   | £11.8   | -                      | -                      |  |
| <ul style="list-style-type: none"> <li>• <b>ADDITIONAL INFORMATION:</b> is there any other additional information or other specific asks that the Council would like to be considered via EFS?</li> </ul>   | N/A   |                        |                        |  |
| <b>2.2 How does the Council intend to finance capitalisation support.</b><br>Please set out how the Council intends to finance the capitalised revenue – to include: <ul style="list-style-type: none"> <li>• The total requested capitalisation of revenue amount and specifically:</li> <li>• The total amount capitalised via borrowing – including external borrowing and internal borrowing / cash reserves               <ul style="list-style-type: none"> <li>○ On borrowing, please include the current assessment of the potential borrowing need as a result of capitalisation.</li> </ul> </li> </ul> | <b>Capitalisation amount</b>                  |                        | £21.7m                 |  |
|   | <b>Financed by borrowing</b>                  |                        | £0m                    |  |
|   | - of which external borrowing                 |                        | £0m                    |  |
|   | - of which internal borrowing / cash reserves |                        | £0m                    |  |
|   | <b>Capital receipts applied</b>               |                        | £21.7m                 |  |
|   | - of which current existing capital receipts  |                        | £0m                    |  |

|  |   |  |        |
|--|---|--|--------|
| <ul style="list-style-type: none"> <li>The total amount capitalised via capital receipts – including current existing capital receipts and capital receipts from future disposal.             <ul style="list-style-type: none"> <li>On future receipts, please include details of any indicative timescale and readiness of asset disposal plans – including the financial year that receipts are planned to be generated and applied.</li> </ul> </li> </ul> | <table border="1" data-bbox="794 129 1485 185"> <tr> <td>- of which capital receipts from future disposal</td> <td>£21.7m</td> </tr> </table> <p>Prior to this request the capital receipts scheduled was as follows.</p> <ul style="list-style-type: none"> <li>(£2.969m) Available Capital Receipts 31/3/25</li> <li>(£8.711m) Capital receipts delivered 25/26</li> <li>(£5.775m) Forecast capital receipts 25/26</li> <li>£4.460m Programmed Transformation Expend 25/26</li> <li>(£12.955m) Balance 31/3/26</li> <li>(£7.469m) Forecast capital receipts 26/27</li> <li>£6.540m Programmed Transformation Expend 26/27</li> <li>(£13.884m) Balance 31/3/27</li> <li>(£3.000m) Forecast capital receipts 27/28</li> <li>£3.644m Programmed Transformation Expend 27/28</li> <li>(£13.240m) Balance 31/3/28</li> <li>(£1.000m) Forecast capital receipts 28/29</li> <li>£3.586m Programmed Transformation Expend 28/29</li> <li>(£10.654m) Balance 31/3/29</li> </ul> <p>Therefore, the council will need to either identify further asset disposals to increase the balance from £10.7m to £21.7m or reduce the programmed expenditure.</p> | - of which capital receipts from future disposal | £21.7m |
| - of which capital receipts from future disposal   | £21.7m  |  |        |

| <ul style="list-style-type: none"> <li>On the financing costs of capitalisation, please include details of (i) forecast MRP costs and (ii) forecast interest costs of borrowing over the next 3 financial years</li> </ul> | <table border="1" data-bbox="794 1104 1485 1402"> <thead> <tr> <th></th> <th>Forecast MRP costs<br/>(£m)</th> <th>Forecast interest costs of borrowing<br/>(£m)</th> </tr> </thead> <tbody> <tr> <td>2026-27</td> <td>0.0</td> <td>0.0</td> </tr> <tr> <td>2027-28</td> <td>0.0</td> <td>0.0</td> </tr> <tr> <td>2028-29</td> <td>0.0</td> <td>0.0</td> </tr> </tbody> </table> |  | Forecast MRP costs<br>(£m) | Forecast interest costs of borrowing<br>(£m) | 2026-27 | 0.0 | 0.0 | 2027-28 | 0.0 | 0.0 | 2028-29 | 0.0 | 0.0 |
|--|---|--|----------------------------|--|---------|-----|-----|---------|-----|-----|---------|-----|-----|
|  | Forecast MRP costs<br>(£m)  | Forecast interest costs of borrowing<br>(£m) |                            |  |         |     |     |         |     |     |         |     |     |
| 2026-27  | 0.0   | 0.0  |                            |  |         |     |     |         |     |     |         |     |     |
| 2027-28  | 0.0   | 0.0  |                            |  |         |     |     |         |     |     |         |     |     |
| 2028-29  | 0.0   | 0.0  |                            |  |         |     |     |         |     |     |         |     |     |

**FOR ALL REQUESTS: please complete 2.3 and 2.4**

| <p><b>2.3 What are the key financial drivers of the Council's budget gap and request for financial support?</b></p> <p>Please outline the leading pressures and include supporting figures wherever possible. For example, detailing:</p> <ul style="list-style-type: none"> <li><b>Revenue / expenditure pressures</b> – detail of service area pressures, savings slippages etc.</li> <li><b>Income losses</b> – self-generated sources, tax losses or other.</li> <li><b>Transformation expenditure</b> – does the Council intend to fund any transformation via EFS.</li> <li><b>Any other areas of pressure</b> e.g. Housing Revenue Account, Dedicated Schools Grant, equal pay etc.</li> <li><b>Historic budgeting or accounting errors or misstatements</b></li> </ul> <p>Additionally, to include an explanation of why these costs have arisen and why they are unmanageable.</p> | <p>Financing the borrowing costs associated with historic and accruing deficit on the councils Dedicated Schools Grant.</p> <p>To include ongoing confirmation from government around the legality of continuing to “temporary” borrow in excess of the Councils Capital Financing Requirement (CFR) to fund the historic and accruing DSG deficit.</p> |      |                        |
|---|---|------|------------------------|
| <p><b>2.4 Please provide a breakdown of the requested total support by each of the drivers set out at 2.3.</b></p>  | <table border="1" data-bbox="794 1966 1485 2063"> <thead> <tr> <th>Area</th> <th>Support Amount<br/>(£m)</th> </tr> </thead> <tbody> </tbody> </table>  | Area | Support Amount<br>(£m) |
| Area  | Support Amount<br>(£m)  |      |                        |

|   |  |   |
|---|--|---|
| <p>To include a summary breakdown of the capitalisation support to be applied to key costs / service areas and any key assumptions that underpin these costs.</p> <p><i>[if applicable amend / add / delete table rows]</i></p>   | <p><i>[e.g. children's social care, adult's social care, transformation etc.]</i></p>                                  | £   |
|   | <p>Children's Services support for the interest costs on the borrowing being undertaken to finance the DSG deficit</p> | <p>£6.9m (being the amount a 2.43% increase would generate towards the overall cost estimate of £9.9m in 2026/27)</p> |
| <ul style="list-style-type: none"> <li>That any announcement by government in respect of support for historic and accruing deficits will not be made until the final local government finance settlement for 2026/27 is announced and even when it is it will be conditional on an approved Local SEND Reform Plan</li> </ul> |  |   |

**REQUEST FOR ANY COUNCIL TAX INCREASES ABOVE REFERENDUM LIMITS ONLY**

Further information to support any request to increase Council Tax above referendum limits

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| <p><b>2.5 What is the Council's rationale for seeking a Council Tax increase?</b></p> <p>Please include any information relating to your comparative position to other councils e.g. regionally, class average, statistical nearest neighbours etc.</p> | <p>Over the two-year period 2021/22 and 2022/23 a previous administration of the council did not increase council tax by the maximum permissible.</p> <p><b>Thresholds</b><br/>2021/22 1.99% basic and 3% social care precept = 4.99%<br/>2022/23 1.99% basic and 1% social care precept = 2.99%<br/>With flexibility to carry an unused precept in 21/22 forward into 22/23</p> <p><b>Actual</b><br/>2021/22 1.55% basic and 0% social care precept = 1.55%<br/>2022/23 0.00% basic and 4% social care precept = 4.00%</p> <p><b>Summary</b><br/>2-year total threshold 7.98%<br/>2-year actual increases 5.55%<br/>Variance = 2.43%</p> <p>Since 2022/23 the council has always increased its council tax by the maximum assumed by government.</p> <p>This increase in 2026/27 would generate an additional £6.9m in resources which would assist the council in addressing the challenges of the existential threat to the council's financial sustainability caused by the accumulated and growing deficit on the Dedicated Schools Grant (DSG) as pertaining to the high needs block expenditure on Special Educational Needs and Disability (SEND).</p> |
|---|--|

| <p><b>2.6 Please detail the previous history and future assumptions for Council Tax decisions.</b></p> <p>Please detail Council Tax setting decisions over previous financial years and the forecast assumption for future years.</p> | Historic decisions |             | Future decisions |             |
|---|--------------------|-------------|------------------|-------------|
|   | Year               | CT increase | Year             | CT increase |
|   | 2025-26            | 4.99%       | 2026-27          | 4.99%       |
|   | 2024-25            | 4.99%       | 2027-28          | 4.99%       |
|   | 2023-24            | 4.99%       | 2028-29          | 4.99%       |
|   | 2022-23            | %           | 2029-30          | %           |

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| <p><b>2.7 What measures are the Council proposing to protect the most vulnerable through any additional increase?</b></p> <p>For example, please detail:</p> <ul style="list-style-type: none"> <li>Any plans through Council Tax Reduction or similar.</li> <li>Confirm whether there are any proposed changes to the working age LCTS eligibility thresholds (e.g. band caps, savings or income caps).</li> </ul> | <p>Continuation of the councils</p> <ul style="list-style-type: none"> <li>80% Council Tax Support (reduction) scheme.</li> <li>Section 13a discretionary policy</li> <li>Discretionary housing payments to meet shortfalls in rent</li> </ul> <p>Crisis and Resilience Fund</p> |
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| <ul style="list-style-type: none"> <li>Any proposals to introduce / remove any discretionary exemptions.</li> </ul>   | There are no plans to change the working age LCTS eligibility threshold.   |
| <p><b>2.8 Please describe any implication(s) if a Council Tax increase above referendum principles was <u>not</u> available?</b><br/>For example, would this necessitate an increase to capitalisation support, MRP costs etc and what is the impact across the MTFP.</p> | If we do not get the council tax flexibility, we would request a £6.9m capitalisation direction as set out in section 2.   |
| <p><b>2.9 Council Tax supporting information – please detail:</b></p> <ul style="list-style-type: none"> <li>Current Band D income.</li> <li>The total amount of Council Tax income raised by an additional 1%</li> <li>Council Tax taxbase growth</li> </ul>             | <p>£1,855.41 Current 2025/26 Band D</p> <p>£2.8m Amount generated by an additional 1% increase</p> <p>151,574 Council Tax Taxbase 2025/26<br/>152,458 Council Tax Taxbase 2026/27<br/>884 Taxbase growth 25/6 to 26/7 = 0.6%</p> |
|   |  |

### SECTION 3: Current Financial Position and Medium-Term Financial Plan

A summary of the Council's current / medium-term financial position, recent history and assessment of any alternatives to financial support

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| <p><b>3.1 Please detail the current financial year's budget requirement.</b><br/>To include the current financial year's budget (net revenue expenditure using the Revenue Outturn return methodology) and the agreed level of Council Tax.</p>   | <b>Net revenue expenditure</b>   | £367.517m |
|   | <b>In-year Council Tax increase</b>  | 4.99%     |
| <p><b>3.2 What is the latest forecast in-year financial position from the Council's most recent budget monitor.</b><br/>To include the projected outturn position for the current financial year and if an overspend is forecast, how is the Council planning to fund the overspend.</p> <p>Please summarise the overall position and any key (under)overspends against core service areas and include up-to-date Medium Term Financial Plan projections (with supporting background about the MTFP's key assumptions i.e. inflation, interest, future Council Tax increases etc.).</p> | <p>Attached as Doc1. Is the council's quarter two budget monitoring report for 2025/26. This indicates the council was forecasting that it's in-year predicted overspend would be £4.2m.</p> <p>Early indications from the quarter three report due to be presented to Cabinet on the 3 February 2026 is that the overspend will have grown to £5.2m</p>   |           |
| <p><b>3.3 Please detail the current year's agreed savings target and performance against those targets – including the savings delivery record in previous years.</b><br/>To include any performance tracking and any savings slippage; to clearly identify savings totals rolled on from previous years; and the savings delivery record over the previous 3 financial years.</p>  | As set out in the savings monitoring section of Doc1 the council is expected to deliver at least 90% of the 2025/26 assumed £9.6m savings in-year with only £0.1m ultimately unachievable.   |           |
| <p><b>3.4 Please detail the current Medium-Term Financial Plan forecast and include the key assumptions that underpin this.</b><br/>To include the Council's assessment and key planning assumptions e.g. grant allocations, National Insurance contributions, National Living Wage, council tax, inflation, funding reform etc.</p>  | <p><b>Current Medium-Term Financial Plan:</b></p> <ul style="list-style-type: none"> <li>Doc2. Medium Term Financial Plan (MTFP) Update report to Cabinet on 17 December 2025 includes as Figure 4 key assumptions.</li> </ul> <p><b>Key assumptions:</b></p> <ul style="list-style-type: none"> <li>Doc3. Medium Term Financial Plan (MTFP) Update report to Cabinet on the 29 October 2025 with specific reference to Doc3. Appendix C which provides further details of the key assumptions.</li> </ul> |           |

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| <p><b>3.5 Has the Council sought any independent assurance of its current financial position and/or obtained any benchmarking analysis?</b><br/>Please provide details of any completed / ongoing independent assurance and if available, links to published reports (e.g. CIPFA, LGA peer review, external consultancy). Additionally, if possible, please share any information about how the Council benchmarks against its peers.</p> | <p>Doc2 and Doc 3 provide benchmarking comparisons in respect of unearmarked reserves, council tax base, council tax requirements, council tax levels, and debt.</p> <p>Annual CFO Financial Resilience Index for CFO's</p> <p>Previously has undertaken extensive internal benchmarking however in future considering using Grant Thornton's CFO's insights tool.</p>   |
| <p><b>3.6 Please outline what actions the Council has already implemented to mitigate pressures in-year.</b><br/>For example, further savings identification, transformation, spend controls, repurposing reserves etc.</p>   | <p>Doc4. Details the implementation on of a freeze on all nonessential expenditure and a vacancy freeze from 1 October 2025.</p> <p>Doc4. Appendix 4a to Appendix 4d details individual service led mitigation strategies.</p> <p>Doc1. Details the November Quarter 2 in-year budget monitoring report for 2025/26 requested the council's senior leadership team and portfolio holders consider what further action can now be taken to ensure the actual financial outturn is within the Council approved budget for 2025/26, including bringing forward any planned savings already approved by Council for 2026/27 that can be delivered early.</p> |
| <p><b>3.7 In recent years, what notable key decisions has the Council taken to maintain a balanced position.</b><br/>Considering the previous two financial years, please provide a summary of key decisions to maintain a balanced position in recent years e.g. asset sales, efficiencies / cuts to service provision, capital spend reduction, sales, fees and charges increases, transformation etc.</p>                              | <p>Programme of savings, efficiencies, additional income generation and service reductions (this includes transformation and invest to save based savings).</p> <ul style="list-style-type: none"> <li>• £34m 2023/24</li> <li>• £38m 2024/25</li> <li>• £9.6m 2025/26</li> </ul> <p>Implementation of the 100% second homes premium from the 1 April 2025, which was estimated to generate £9,340m in support of the 2025/26 budget.</p>  |
| <p><b>3.8 Does the Council have an alternative option to EFS and / or an additional Council Tax increase?</b><br/>Please describe the impact if EFS or an additional Council Tax increase was not available and any likely immediate next steps.</p>  | <p>Not without an announcement from government of guaranteed support for its historic and accruing DSG deficit.</p>  |

## SECTION 4: Key Services, Transformation, Fair Funding and Other Financial Pressures

A summary of the current position of services, plans for transformation, assessment of funding reform and any other financial pressures

### Core Services

|  |  |        |               |        |         |               |        |         |               |        |
|--|--|--------|---------------|--------|---------|---------------|--------|---------|---------------|--------|
| <p><b>4.1 On core services, what are the key adverse variances against agreed budgets and have these variances been a recurring pressure?</b><br/>Please include:</p> <ul style="list-style-type: none"> <li>• A summary of the Council's core service variances listed by the most significant pressure and key drivers of those pressures (e.g. demand pressures, staff resourcing).</li> <li>• If applicable, a history of variances from previous financial years.</li> <li>• Details of any growth included in service budgets for the current financial year as well as the last 3 financial years growth and outturn.</li> <li>• To include any details of recent judgements on services from Ofsted and / or the CQC.</li> </ul> | <p>Doc.5 presents the councils position in regard to its expenditure on SEND and the consequential increase in its Dedicated Schools Grant Deficit as follows</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">£63.5m</td> <td style="width: 15%;">31 March 2024</td> <td style="width: 70%;">Actual</td> </tr> <tr> <td>£113.3m</td> <td>31 March 2025</td> <td>Actual</td> </tr> <tr> <td>£183.1m</td> <td>31 March 2026</td> <td>Actual</td> </tr> </table> <p>At the current rate of growth the deficit will be over £350m by 31 March 2028</p> <p><b>Judgements</b></p> | £63.5m | 31 March 2024 | Actual | £113.3m | 31 March 2025 | Actual | £183.1m | 31 March 2026 | Actual |
| £63.5m   | 31 March 2024  | Actual |               |        |         |               |        |         |               |        |
| £113.3m  | 31 March 2025  | Actual |               |        |         |               |        |         |               |        |
| £183.1m  | 31 March 2026  | Actual |               |        |         |               |        |         |               |        |

|   |  |
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|   | <p>Children’s Services were rated “Good” by Ofsted in December 2024 which was a marked improvement from the 2021 “inadequate” rating</p> <p>Additionally, the council is hopeful that it will receive positive feedback on the following external inspections carried out in November and December 2025.</p> <ul style="list-style-type: none"> <li>• Adult Social Care assessment by the Care Quality Commission.</li> <li>• BCP Homes by the Social Housing Regulator.</li> <li>• Special Educational Needs and Disability by Ofsted (previously received a Statutory Improvement Direction).</li> </ul> |
| <p><b>4.2 How do the Council’s key services benchmark against peers?</b><br/>If available, please share any background information or analysis of the Council’s performance for services relative to peers (e.g. costs, demand etc.) i.e. statistical nearest neighbours or geographical.</p>   | <p>Key benchmarking is as set out in section 3.5 including the CIPFA Financial Resilience Index which it is assumed MHCLG will have access to.</p>   |
| <p><b>Transformation</b></p>  |  |
| <p><b>4.3 Please detail the Council’s current Transformation Programme.</b><br/>Please provide summary details of the Council’s current approach to transformation, its objectives, how it aligns with the Corporate Plan, pace for delivery and forecast benefits.<br/><br/>Please attach any relevant documentation about any plans for transformation.</p> | <p>Doc7. Is the <u>first draft</u> of an appendix which the council will include in its 2026/27 budget report (so not yet public) which sets out how it wishes to use the Flexible Use of Capital Receipts flexibility to fund its transformation and invest to save programmes.</p>   |
| <p><b>4.4 What plans are currently in place or being developed to help return the Council to a sustainable position?</b></p>  | <p>Programme and Project Management Team lead approach to service transformation and invest to save programmes</p> <p>Lead Member for performance (ex-Newton Consulting employee) with a focus on Children’s and Adult Services</p>  |
| <p><b>4.5 Has the Council implemented any additional layers of scrutiny or support around its improvement or recovery programme?</b><br/>For example, how is progress against the improvement or recovery programme assessed, has the Council implemented / considered an independent board etc.</p>  | <p>Children’s Services Overview and Scrutiny Board looking at DSG deficit and drilling down into social care budgets.</p> <p>SEND Improvement Board including DfE advisor</p> <p>High Needs Recovery Board</p>   |
| <p><b>4.6 Has any external support been commissioned to assist transformation activity?</b><br/>For example, please detail any external support for demand led services – adult / children’s services, SEND and / or temporary accommodation.</p>   | <p>As part of the council’s local government review journey the council were supported in its transformation journey by KPMG and at of the 31 March 2026 it spent £39m delivering an annual net revenue saving of £35m (£50m saving less £15m annual licensing and financing costs).</p> <p>Newton’s supporting transformation across the council and NHS partners.</p> <p>Starting procurement for SEND transport – Edge provided work to support Council approved Business Case.</p> <p>Consultants have been used to support the development of the council’s waste strategy.</p>                       |

|   |  |
|---|--|
| <p><b>4.7 EFS ONLY: Do you currently forecast a need for EFS in future years?</b><br/>Please include an assessment about any future EFS requirement – including forecast EFS and its end point.</p>   | <p>If the council were to receive the council tax flexibility, then the answer would be no. Without the flexibility and with a £6.9m capitalisation direction for 2026/27 the answer is maybe.</p>   |
| <b>Fair Funding</b>   |  |
| <p><b>4.8 Fair Funding Review: Has the Council modelled the impact of the Fair Funding Review following the 2026-27 to 2028-29 policy statement?</b> Please include your assessment.<br/><br/>Please also include any additional uncertainties and / or any questions following the policy statement.</p>   | <p>Doc6. Is an excel summary document which demonstrates BCP Council will be receiving almost £6m less cash in 2028/29 than it is actually receiving in 2025/26.<br/><br/>A position is made worse by the fact that under the previous formula the council would have been assuming these resources would have been increasing especially the specific Social Care grants.<br/><br/>National models of the potential impact of the model, prior to the change in the Secretary of State, were not as severe as set out in the eventual provisional 2026/27 settlement.</p> |
| <b>Other Financial Pressures</b>  |  |
| <p><b>4.9 Does the Council have a Dedicated Schools Grant deficit?</b><br/>To include a summary of the current DSG deficit position e.g. forecast position, details of Safety Valve agreement or deficit management plan as part of Delivering Better Value, any related cash flow pressures due to servicing DSG costs.</p>  | <p>See table provided in 4.1</p>   |
| <p><b>4.10 Does the Council have any acute pressures related to the Housing Revenue Account?</b><br/>For example, costs of maintenance and repairs, the decency of stock etc.</p>   | <p>No</p>  |
| <p><b>4.11 Does the Council have any potential or pending issues with equal pay claims or other claims that could result in revenue pressure requiring financial support?</b><br/>For example, if would be helpful to understand any indicative quantum for an equal pay claim, the plan to deal with costs, any likely timings and whether any costs fall to other areas (DSG, HRA etc).<br/><br/>We are aware that claims can be of a sensitive nature and can arrange a separate discussion if needed.</p> | <p>No</p>  |
| <p><b>4.12 Please include any other additional financial pressures not detailed above.</b></p>  | <p>N/a</p>   |

## SECTION 5: Current Resources

A summary assessment of current resources and planned future use

**5.1 What is the Council's current forecast useable reserves position.**  
To detail both general fund balance and earmarked reserves that are not ringfenced (using the Revenue Outturn methodology i.e. lines 916 unallocated financial reserves and 915 other earmarked reserves (inc. line 1026 for other earmarked reserves – budget stabilisation)).  
  
Please include commentary about any movement from the previous financial year, forecast year-end position and headline assessment from the S151 Officer's most recent s.25 statement.

| <i>Unringfenced reserves</i>          |                                       |                                       |  |
|---------------------------------------|---------------------------------------|---------------------------------------|--|
|                                       | 2024-25<br>(at 31 March 2024)<br>(£m) | 2025-26<br>(at 31 March 2025)<br>(£m) | Forecast:<br>2026-27<br>(at 31 March 2026)<br>(£m) |
| <b>Unallocated financial reserves</b> | £26.1                                 | £27.3                                 | £27.3  |
| <b>Other Earmarked reserves</b>       | £39.0                                 | £55.7m                                | £39.2  |

|  | <table border="1" data-bbox="794 129 1493 208"> <tr> <td style="background-color: #006666; color: white;">- of which budget stabilisation</td> <td style="text-align: center;">£0</td> <td style="text-align: center;">£0</td> <td style="text-align: center;">£0</td> </tr> </table> <ul style="list-style-type: none"> <li>Generally, the current Political Administration have been focussed on restoring the financial health of BCP Council through traditional and conventional approaches to local government finance. This has included increasing unearmarked reserves from the £17.9m they stood on 31 March 2023.</li> <li>The increase in earmarked reserves as of the 31 March 2025 generally reflects a number of grants allocated in the final quarter of 2025/26 where the expenditure could not be delivered/commissioned in the short period of time after their announcement and which accounting regulations require to be carried forward via reserves.</li> </ul>   | - of which budget stabilisation | £0         | £0 | £0   |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
|--|---|---------------------------------|------------|----|------|---------------------------|--------|----------------------------|-----|-------------------|----|------------------------------|----|--------------------------|-----|--------------------------|---------------|-----------------------|----|-----------------------------|----|--------------------|----|-------------------|------|-------------------------|-----|----------------------|-------------|
| - of which budget stabilisation  | £0  | £0                              | £0         |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <p><b>5.2 Please provide an earmarked reserves breakdown</b><br/>Please include a line-by-line assessment of earmarked reserves and specify e.g.:</p> <ul style="list-style-type: none"> <li>What balances are held for a contractual purpose or are ringfenced under statute (e.g. Schools and Public Health balances).</li> <li>What balances are held for risk mitigation purposes.</li> <li>What balances are held for internally earmarked projects – including ASC Live Debt from fees and charges.</li> </ul> | <p>Doc.1 Appendix B sets out the analysis of the councils earmarked reserves as published as part of the Quarter 2 Budget Monitoring report for 2026/27.</p>  |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <p><b>5.3 What is the Council’s current level of available capital receipts and plans for future use.</b><br/>To include current levels of capital receipts, planned usage and a summary of any plans to generate future capital receipts.<br/><br/>Please attach any existing documents / reports e.g. on asset disposal plans etc. and to confirm whether the Council has a complete and up-to-date asset register.</p>  | <p>Doc7. Is the <u>first draft</u> of an appendix which the council will include in its 2026/27 budget report (so not yet public) which sets out how it wishes to use the Flexible Use of Capital Receipts flexibility to fund its transformation and invest to save programmes.</p>  |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <p><b>5.4 Please provide a summary of non-current assets and financial assets – to include:</b></p> <ul style="list-style-type: none"> <li>The total value of current assets.</li> <li>Your assessment of what is technically saleable / non-saleable (e.g. operational and non-liquid assets)</li> <li>Whether you have recent external assurance on the value of your asset base and potential disposal</li> </ul>   | <table border="1" data-bbox="794 1312 1161 2024"> <thead> <tr> <th></th> <th style="background-color: #006666; color: white;">31/03/2025</th> </tr> <tr> <th></th> <th style="background-color: #006666; color: white;">(£m)</th> </tr> </thead> <tbody> <tr> <td><i>PPE (inc heritage)</i></td> <td style="text-align: center;">£2,087</td> </tr> <tr> <td><i>Investment Property</i></td> <td style="text-align: center;">£72</td> </tr> <tr> <td><i>Intangible</i></td> <td style="text-align: center;">£0</td> </tr> <tr> <td><i>Long Term Investments</i></td> <td style="text-align: center;">£0</td> </tr> <tr> <td><i>Long Term Debtors</i></td> <td style="text-align: center;">£25</td> </tr> <tr> <td style="background-color: #006666; color: white;"><b>Total Non Current</b></td> <td style="background-color: #d3d3d3; text-align: center;"><b>£2,184</b></td> </tr> <tr> <td><i>St Investments</i></td> <td style="text-align: center;">£0</td> </tr> <tr> <td><i>Assets Held for Sale</i></td> <td style="text-align: center;">£4</td> </tr> <tr> <td><i>Inventories</i></td> <td style="text-align: center;">£1</td> </tr> <tr> <td><i>ST Debtors</i></td> <td style="text-align: center;">£103</td> </tr> <tr> <td><i>Cash and Cash Eq</i></td> <td style="text-align: center;">£17</td> </tr> <tr> <td style="background-color: #006666; color: white;"><b>Total Current</b></td> <td style="background-color: #d3d3d3; text-align: center;"><b>£125</b></td> </tr> </tbody> </table> |                                 | 31/03/2025 |    | (£m) | <i>PPE (inc heritage)</i> | £2,087 | <i>Investment Property</i> | £72 | <i>Intangible</i> | £0 | <i>Long Term Investments</i> | £0 | <i>Long Term Debtors</i> | £25 | <b>Total Non Current</b> | <b>£2,184</b> | <i>St Investments</i> | £0 | <i>Assets Held for Sale</i> | £4 | <i>Inventories</i> | £1 | <i>ST Debtors</i> | £103 | <i>Cash and Cash Eq</i> | £17 | <b>Total Current</b> | <b>£125</b> |
|  | 31/03/2025  |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
|  | (£m)  |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <i>PPE (inc heritage)</i>  | £2,087  |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <i>Investment Property</i>   | £72   |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <i>Intangible</i>  | £0  |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <i>Long Term Investments</i>   | £0  |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <i>Long Term Debtors</i>   | £25   |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <b>Total Non Current</b>   | <b>£2,184</b>   |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <i>St Investments</i>  | £0  |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <i>Assets Held for Sale</i>  | £4  |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <i>Inventories</i>   | £1  |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <i>ST Debtors</i>  | £103  |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <i>Cash and Cash Eq</i>  | £17   |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |
| <b>Total Current</b>   | <b>£125</b>   |                                 |            |    |      |                           |        |                            |     |                   |    |                              |    |                          |     |                          |               |                       |    |                             |    |                    |    |                   |      |                         |     |                      |             |

|  | Limited opportunity to dispose of assets as generally they have been being sold to avoid the draw down of the indicative £20m capitalisation direction in 2022/23 and to fund the councils previous and future transformation and invest to save costs.  |                      |            |               |            |          |    |      |    |             |    |    |    |              |      |    |     |              |             |             |            |                   |                                    |                      |    |      |    |
|--|--|----------------------|------------|---------------|------------|----------|----|------|----|-------------|----|----|----|--------------|------|----|-----|--------------|-------------|-------------|------------|-------------------|------------------------------------|----------------------|----|------|----|
| <p><b>5.5 Debt and financial assets: please list total current outstanding borrowing split by PWLB, inter local authority loans, and other.</b></p> <p>For example, PWLB, external finance agreements, inter-local authority borrowing, breakdown of borrowing at HRA/Certainty Rate etc. and to include short-term and long-term borrowing.</p> <p>In addition, please list all current loans to third parties (including other local authorities) split by loans to subsidiaries, associates and joint ventures and other companies.</p> | <p><i>Current outstanding borrowing</i></p> <table border="1"> <thead> <tr> <th>Maturity structure</th> <th>PWLB (£m)</th> <th>Inter LA (£m)</th> <th>Other (£m)</th> </tr> </thead> <tbody> <tr> <td>&lt; 1 year</td> <td>£0</td> <td>£181</td> <td>£0</td> </tr> <tr> <td>2 – 5 years</td> <td>£0</td> <td>£0</td> <td>£0</td> </tr> <tr> <td>Over 5 years</td> <td>£189</td> <td>£0</td> <td>£58</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>£189</b></td> <td><b>£181</b></td> <td><b>£58</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>As at 30 November 2025</li> </ul> <p><i>Loans to third parties</i></p> <table border="1"> <thead> <tr> <th>Subsidiaries (£m)</th> <th>Associates and joint ventures (£m)</th> <th>Other companies (£m)</th> </tr> </thead> <tbody> <tr> <td>£0</td> <td>£3.7</td> <td>£0</td> </tr> </tbody> </table> | Maturity structure   | PWLB (£m)  | Inter LA (£m) | Other (£m) | < 1 year | £0 | £181 | £0 | 2 – 5 years | £0 | £0 | £0 | Over 5 years | £189 | £0 | £58 | <b>TOTAL</b> | <b>£189</b> | <b>£181</b> | <b>£58</b> | Subsidiaries (£m) | Associates and joint ventures (£m) | Other companies (£m) | £0 | £3.7 | £0 |
| Maturity structure   | PWLB (£m)  | Inter LA (£m)        | Other (£m) |               |            |          |    |      |    |             |    |    |    |              |      |    |     |              |             |             |            |                   |                                    |                      |    |      |    |
| < 1 year   | £0   | £181                 | £0         |               |            |          |    |      |    |             |    |    |    |              |      |    |     |              |             |             |            |                   |                                    |                      |    |      |    |
| 2 – 5 years  | £0   | £0                   | £0         |               |            |          |    |      |    |             |    |    |    |              |      |    |     |              |             |             |            |                   |                                    |                      |    |      |    |
| Over 5 years   | £189   | £0                   | £58        |               |            |          |    |      |    |             |    |    |    |              |      |    |     |              |             |             |            |                   |                                    |                      |    |      |    |
| <b>TOTAL</b>   | <b>£189</b>  | <b>£181</b>          | <b>£58</b> |               |            |          |    |      |    |             |    |    |    |              |      |    |     |              |             |             |            |                   |                                    |                      |    |      |    |
| Subsidiaries (£m)  | Associates and joint ventures (£m)   | Other companies (£m) |            |               |            |          |    |      |    |             |    |    |    |              |      |    |     |              |             |             |            |                   |                                    |                      |    |      |    |
| £0   | £3.7   | £0                   |            |               |            |          |    |      |    |             |    |    |    |              |      |    |     |              |             |             |            |                   |                                    |                      |    |      |    |

| <b>SECTION 6: Other Information</b>   |  |
|---|--|
| <p><b>6.1 What are the key internal milestones / deadlines for local budget setting?</b></p> <p>Please detail any key budget setting dates / times e.g. budget Cabinet, Full Council budget meeting etc.</p>  | <p>23 January 2026 Budget report is released into public domain</p> <p>2 February 2026 - Overview &amp; Scrutiny Board</p> <p>4 February 2026 – Cabinet</p> <p>10 February 2026 – Council</p>  |
| <p><b>6.2 On external audit – please confirm:</b></p> <ul style="list-style-type: none"> <li><b>The Council's current's progress on the completion of previous years accounts.</b> <ul style="list-style-type: none"> <li>To include whether those accounts are audited or the current plans for any outstanding accounts to be audited.</li> </ul> </li> <li><b>Have external auditors issued any statutory recommendations or a Public Interest Report against the Council in the past 5 years.</b> <ul style="list-style-type: none"> <li>If so, has the Council issued a response and / or developed an action plan for any recommended actions.</li> </ul> </li> </ul> | <p>Final Audited 2024/25 Statement of Accounts to be presented to Audit &amp; Governance Committee on the 15 January 2026.</p> <p>All previous years filed and audited as per backstop arrangements.</p> <p>No Statutory Recommendations issued.</p> |
| <p><b>6.3 Any further information</b></p> <p>Please use this section to add any further supporting information not detailed in the sections above.</p>  | <p>None.</p>   |

| <b>SECTION 7: FOR EXISTING EFS COUNCILS ONLY</b>   |            |
|--|------------|
| <p><b>7.1 Following receipt of EFS, what actions have been taken in response to the recommendations from external assurance and how does the Council plan to return to a sustainable position.</b></p> <p>Please detail the progress made against any recommended actions following external assurance and the plan to return to sustainable medium-term position.</p> | <p>N/a</p> |

**7.2 For any previous existing capitalisation directions please confirm:**

- The total amount of capitalised borrowing and /or capital receipts by financial year.
- Additionally, if applicable, please confirm any capitalised borrowing that attracted the historic 1% borrowing premium.
- The amount of Minimum Revenue Provision paid for any capitalised borrowing.

N/a

**Please return your completed proforma as soon as possible.**

- We will continue to work with you throughout the process and for any additional questions, please email [LAFinancialRisk@communities.gov.uk](mailto:LAFinancialRisk@communities.gov.uk).

**On next steps...**

- We understand the financial position will remain iterative, and you will want to revise your request following the provisional Local Government Finance Settlement. We will write to you again shortly after this point to confirm the updated position and any changes.
- In previous years, decisions on any support have closely followed the final Local Government Finance Settlement. We aim to work with councils to support them ahead of their Full Council budget setting meetings, delivering their budgets and meeting statutory deadlines.