

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

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

### Wellbeing – £3.2m overspend (2.4%)

2. The Wellbeing directorate has overspent by £3.2m due to additional net expenditure in adult social care services with some offset from other budget areas.

| Q3<br>Variance<br>£000's | Service                                                 | Final<br>Budget<br>£000's | Outturn<br>£000's | Outturn<br>Variance<br>£000's |
|--------------------------|---------------------------------------------------------|---------------------------|-------------------|-------------------------------|
|                          | <b>Adult Social Care Services</b>                       |                           |                   |                               |
| <b>9,541</b>             | Care packages – all ages and needs                      | 190,796                   | 201,585           | <b>10,789</b>                 |
| <b>(138)</b>             | Employees                                               | 28,320                    | 27,722            | <b>(598)</b>                  |
| <b>(3,521)</b>           | Client Contributions                                    | (32,526)                  | (33,623)          | <b>(1,097)</b>                |
| <b>(1,424)</b>           | Health Funding: CHC/JF/Sec117/BCF                       | (28,762)                  | (30,345)          | <b>(1,583)</b>                |
| <b>(832)</b>             | Other Funding: grants, other authorities, NHS           | (15,269)                  | (16,134)          | <b>(865)</b>                  |
| <b>157</b>               | Other services: training, running costs, etc.           | 305                       | 406               | <b>101</b>                    |
|                          | Bad debts provision for deferred payment                | 0                         | (1,955)           | <b>(1,955)</b>                |
| <b>3,783</b>             | <b>Total Adult Social Care Services</b>                 | <b>142,864</b>            | <b>147,656</b>    | <b>4,792</b>                  |
|                          | <b>Commissioning</b>                                    |                           |                   |                               |
| <b>(625)</b>             | ASC: Care and contracts (including Tricuro)             | 30,099                    | 29,241            | <b>(858)</b>                  |
| <b>(239)</b>             | ASC: Employees                                          | 3,238                     | 3,078             | <b>(160)</b>                  |
| <b>150</b>               | ASC: Client contributions                               | (1,598)                   | (1,525)           | <b>73</b>                     |
| <b>54</b>                | ASC: Health Funding: CHC/JF/Sec117/BCF                  | (12,510)                  | (12,492)          | <b>18</b>                     |
| <b>(22)</b>              | ASC: Grants and other income                            | (34,312)                  | (34,438)          | <b>(126)</b>                  |
| <b>(54)</b>              | ASC: Other services/voluntary sector/<br>projects, etc. | 690                       | 605               | <b>(85)</b>                   |
| <b>(736)</b>             | <b>Total Commissioning</b>                              | <b>(14,393)</b>           | <b>(15,531)</b>   | <b>(1,138)</b>                |
|                          | <b>Housing and Public protection</b>                    |                           |                   |                               |
| <b>0</b>                 | Asset Management                                        | (2,280)                   | (2,922)           | <b>(642)</b>                  |
| <b>0</b>                 | Housing and Community Management                        | 226                       | 232               | <b>6</b>                      |
| <b>(60)</b>              | Public Protection                                       | 3,474                     | 3,525             | <b>51</b>                     |
| <b>(161)</b>             | Strategic Housing and Partnerships                      | 6,500                     | 6,762             | <b>262</b>                    |
| <b>(221)</b>             | <b>Total Housing and Public Protection</b>              | <b>7,920</b>              | <b>7,597</b>      | <b>(323)</b>                  |
|                          | <b>Public Health and Communities</b>                    |                           |                   |                               |
| <b>0</b>                 | Community Engagement and Safety                         | 1,252                     | 1,158             | <b>(94)</b>                   |
| <b>0</b>                 | Public Health – ring-fenced grant funded                | 0                         | 0                 | <b>0</b>                      |
| <b>0</b>                 | <b>Total Public Health and Communities</b>              | <b>1,252</b>              | <b>1,158</b>      | <b>(94)</b>                   |
| <b>2,826</b>             | <b>Wellbeing Total</b>                                  | <b>137,643</b>            | <b>140,880</b>    | <b>3,237</b>                  |

### Adult Social Care

- The Adult Social Care (ASC) Service Unit finished the financial year 2025-26 overspending by £4.8m.
- The most prominent component of the above position is attributable to the cost of care packages driven by demand for adults aged 65+ and high-cost placements for service users with learning disability and autism related needs:

- a. Full year analysis of the care home budget for adults aged 65+ indicates over 6.5% higher demand than budgeted. This volume pressure is mainly from hospital discharges and quicker than anticipated private service users' capital depletion.
  - b. Circa £0.3m of the cost increase within residential care for adults aged 65+ is due to accepting an ordinary resident case from Hampshire with backpay for 6 years.
  - c. Apart from demand pressures, fees payable for care home placements for adults aged 65+ were 1% higher than budgeted. The price pressure however slowed down comparing to previous financial years.
  - d. Domiciliary care for service users with long term conditions grew by over 1350 hours per week in the fourth quarter translating to an additional pressure of £0.4m compared with the quarter three forecast.
  - e. Cost of care home placements for younger adults was impacted by an unforeseen high-cost case transferred from children social care with a cost of £15,000 per week. The case was put forward for NHS continuing health care (CHC) joint funding with the Integrated Care Board (ICB) with a 50-50 cost split agreed. In addition, the case was considered by the Court of Protection (COP) with it possible to secure an appropriate placement with better value. Pressures have also arisen in working age adults from expensive placements from brain injuries.
  - f. The number of Specialism cases in care homes and community care or approved for such care exceeded planned activity by 10%, whilst the total cost of such care, driven by needs complexity, exceeded planned level by 6%. The autism budget, as for care homes for adults aged 65+, was also exposed to the impact of an ordinary residence ruling with costs of specialist care home placements being £0.15m higher than expected. Fees in-year were reviewed on an individual basis to ensure providers' uplifts were awarded on a fair basis. Whilst care home fees were kept under control, only 57% of all commissioned community care was purchased via the framework resulting in 12% higher prices than budgeted.
5. The rising demand for care noted above has also increased client contributions with £1.1m more invoiced than the planned level. Over the last financial year, the number of service user contributions where providers are paid gross has increased through assessed charges. However, deferred income from asset-secured debt has reduced. The estimated number of service users who support their cost of care with assets fell in 2025/26 by 20% compared with last year, with a reduction of £1.2m from the estimate at quarter three. Higher levels of outstanding debt for other care charges increased net expenditure by a further £1.2m through the increased provision for bad and doubtful debts. No provision against asset secured debt has been made in 2025/26, releasing £2m, as historically these have proved collectable in full as they fall due.
  6. Staffing turnover has slowed with fewer vacancies than usual in the second and third quarter. The vacancy freeze implemented in the autumn and agency cost controls introduced in December resulted in a £0.6m underspend in staffing costs.
  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 £1.6m. This outturn includes newly agreed joint funded cases and recharges to the NHS following ordinary residence agreements and high-cost transition case mentioned above in paragraph 4. Also, more cases are subject to cost-sharing with out of area health authorities.

### **Commissioning**

8. The Commissioning service completed financial year 2025/26 with an underspend of £1.1m, supporting pressures in Adult Social Care.
9. Contractual arrangements continued being reviewed with block bed commitments reconfigured and contract agreements revised to achieve in-year efficiencies or allow for demand changes

where beds were not being fully used. This underspend alleviates cost of care pressure in Adult Social Care, where spot purchasing must be pursued due to complexity of service user needs.

10. There is 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 the local authority trading company, in support of their non-council commissioned activities.
11. Continued scrutiny of vacancies and agency worker expenditure controls resulted in a staffing underspend of £0.2m.

### **Housing & Public Protection**

12. Asset Management covers income and maintenance responsibilities for photovoltaic (PV) panels and garages. A review is underway to ensure these assets operate on a sustainable financial basis, with income supporting ongoing investment in maintenance and enhancement.
13. At outturn, the service has generated a surplus of £0.6m, reflecting stronger than anticipated income performance during the year.
14. Public Protection reports an overspend at outturn, a change from the surplus forecast at quarter three. The movement reflects a reassessment of anticipated income levels, alongside ongoing pressures in staffing. While one-off funding has supported the service during the year, this has not fully offset these underlying pressures. The service continues to actively manage its financial position, with a focus on maintaining stability and supporting core service delivery.
15. Strategic Housing is reporting an overspend of £0.3m at outturn, a change from the underspend projected at quarter three. This movement is largely driven by the recognition of historic loan written off. Excluding this, the service has continued to benefit from the effective use of targeted grants to support homelessness prevention and recovery initiatives, helping to offset ongoing pressures including borrowing costs for temporary accommodation, bad debt associated with a vulnerable client base, and essential repairs to older housing assets.
16. The service has also successfully maintained lower levels of emergency accommodation usage, which has significantly supported budget management and enabled grant funding to be directed towards prevention and wider homelessness initiatives.
17. During the year, additional grant funding has been received to support rough sleeping prevention and recovery, housing strategy priorities, and preparation for new legislative requirements including the Renters Rights Act. Where this funding relates to future delivery, it has been transferred to earmarked reserves to support planned activity in subsequent years.
18. The service continues to focus on aligning funding and delivery to manage demand and support sustainable service provision, with grants remaining a key component in addressing current and future pressures.

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

19. 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. Government was assured in their visit during the year that the planned use was consistent with their expectations and the grant conditions, but indications are that future funding growth will be limited. Budget scrutiny and reserve management will be necessary for future sustainable public health services.
20. Community engagement and safety is primarily funded through grants, community initiatives, and strategic partnerships. The service has delivered an overall underspend of £0.1m at outturn. This variance is largely attributable to staffing savings achieved through the recharging of costs to external grant funding during the year. As a result, the service required less call on earmarked reserves than originally anticipated. However, in line with the planned

use of reserves to support the overall general fund position, the full budgeted contribution has been maintained.

### Children's Services – £9.1m overspend (9.1%)

21. Children's Services closed the 2025/26 financial year with an overspend of £9.1m being 9.1% more than the approved budget. This is £4m (4%) above the quarter three forecast reflecting a further increase for demand and cost of children in care.

| Forecast<br>Variance |                                                       | Budget         | Outturn         | Outturn<br>Variance |
|----------------------|-------------------------------------------------------|----------------|-----------------|---------------------|
| <b>(3,215)</b>       | <b>Management</b>                                     | <b>(9,820)</b> | <b>(12,936)</b> | <b>(3,116)</b>      |
| 847                  | Child Health & Disability                             | 4,573          | 5,979           | 1,406               |
| 1,553                | Children & Families First, Care Proceedings and Court | 6,559          | 8,719           | 2,160               |
| 7,492                | Children In Care and Care Experienced Young People    | 43,294         | 53,010          | 9,716               |
| (545)                | Children's Social Care Management                     | 1,292          | 1,851           | 559                 |
| 90                   | Early Help & Targeted Intervention                    | 3,440          | 2,321           | (1,120)             |
| (275)                | Safeguarding Hub, Assessment & Out of Hours Service   | 5,315          | 5,105           | (210)               |
| 32                   | Youth Justice Service                                 | 692            | 692             | 0                   |
| <b>9,193</b>         | <b>Children's Social Care</b>                         | <b>65,165</b>  | <b>77,677</b>   | <b>12,512</b>       |
| 65                   | Adoption                                              | 0              | 61              | 61                  |
| (147)                | Aspire Adoption                                       | 2,083          | 2,248           | 165                 |
| (518)                | Children's Commissioning                              | 1,504          | 1,443           | (62)                |
| (275)                | Commissioning, Resources and Quality Assurance        | 1,032          | 747             | (286)               |
| 155                  | Fostering & Supported Lodgings                        | 12,303         | 12,694          | 391                 |
| (113)                | Performance, Management Information & Governance      | 1,214          | 1,014           | (200)               |
| (78)                 | Quality Assurance, Safeguarding & Partnership         | 2,540          | 2,509           | (32)                |
| <b>(911)</b>         | <b>Commissioning, Resources and Quality</b>           | <b>20,677</b>  | <b>20,715</b>   | <b>37</b>           |
| 12                   | Adult Learning and Skills                             | 0              | 0               | (0)                 |
| (422)                | Education Management                                  | (321)          | (113)           | 208                 |
| (119)                | Education Effectiveness                               | 1,378          | 1,065           | (313)               |
| (607)                | School Organisation                                   | 18,338         | 17,035          | (1,303)             |
| 1,175                | SEND Team                                             | 4,573          | 5,660           | 1,087               |
| 1                    | Virtual School                                        | 312            | 312             | 0                   |
| <b>41</b>            | <b>Education &amp; Skills</b>                         | <b>24,280</b>  | <b>23,959</b>   | <b>(322)</b>        |
| <b>5,108</b>         | <b>Children's Total</b>                               | <b>100,303</b> | <b>109,414</b>  | <b>9,111</b>        |

22. **Children's Social Care:** The most significant pressure remains within the children's social care service which reported an overspend of £12.5m. This was primarily driven by increased numbers of children in care (CIC) and higher placement costs due to complexities of needs. Overspends were also seen in other social care services such as in short breaks for children with disabilities.
23. The table below details the cost of care packages for children in care those and with care experience. The CIC costs for 2025/26 were £55.8m, which is £7.9m (17%) above budget, and £2.5m higher than the quarter three forecast, and £16.2m above actual expenditure for 2024/25. The overspend is primarily driven by a higher-than-anticipated rise in the number of children in care, increasing from 556 in March 2025 to 643 by March 2026 (a 16% increase representing 87 net in-flow compared to 17 in 2024/25). This is alongside higher placement

costs, sufficiency challenges in fostering provision, and increasing complexity of need. The position was partly offset by underspends in in-house fostering and income from unaccompanied asylum-seeking children (UASC). It also includes £0.84m of costs relating to young adults aged 18+ that are more appropriately aligned to adults or housing budgets. In response to these ongoing pressures, the service has commissioned an invest-to-save project expected to deliver £2m of savings by the end of 2027/28 while supporting a more sustainable approach to managing future demand.

| Children in Care (Budget, Forecast & Outturn)   |                       |                        |                         |                            |                            |                        |
|-------------------------------------------------|-----------------------|------------------------|-------------------------|----------------------------|----------------------------|------------------------|
| Budget category                                 | 2025/26 Budget £000's | 2025/26 Outturn £000's | Outturn Variance £000's | 2025/26 Q3 Forecast £000's | 2025/26 Q2 Forecast £000's | 2024/25 Outturn £000's |
| Residential                                     | £27,896               | £35,525                | £7,955                  | £34,157                    | £31,780                    | £20,486                |
| Other - reverse residential                     |                       | £327                   |                         | £131                       | £59                        |                        |
| Independent fostering (foster care/staying put) | £6,476                | £6,999                 | £715                    | £6,945                     | £6,770                     | £6,549                 |
| Other LA foster placement                       |                       | £192                   |                         | £216                       | £290                       |                        |
| Supported accommodation (semi-independent)      | £6,414                | £3,915                 | (1,497)                 | £4,793                     | £4,627                     | £5,669                 |
| Independent living                              |                       | £1,003                 |                         | £993                       | £1,102                     |                        |
| Other (remand/secure placements)                | £95                   | £132                   | 37                      | £132                       | £128                       | £199                   |
| At home with Support                            |                       | £51                    | 51                      | £91                        | £91                        |                        |
| In-house fostering                              | £6,960                | £6,721                 | (239)                   | £5,957                     | £5,749                     | £6,638                 |
| Other                                           |                       | £908                   | £908                    | (146)                      | (146)                      |                        |
| <b>Total</b>                                    | <b>£47,841</b>        | <b>£55,772</b>         | <b>£7,931</b>           | <b>£53,269</b>             | <b>£50,450</b>             | <b>£39,541</b>         |

| Budgets are included in the main budget monitoring table as below |                |
|-------------------------------------------------------------------|----------------|
|                                                                   | £000's         |
| Children's Social Care – CIC budget                               | £40,881        |
| Commissioning, Resources and Quality) – in house fostering        | £6,960         |
| <b>Total</b>                                                      | <b>£47,841</b> |

24. **Commissioning, Resources and Quality:** Reported a small overspend at outturn compared with a significant surplus expected at quarter three. This change is mainly due to unexpected costs from in-house fostering's together with reconciliation and budget adjustment within the wider Children's services.
25. **Education and Skills:** These services achieved a modest underspend of £0.3m. This is due to £1m saving on special education needs and disability (SEND) transport from assessment delays, partially offset by additional costs of SEND tribunals, compensation and mediation expenditure.
26. **Service Management:** The budget includes grants where expenditure is attributed across the service with additional income allocated in-year. The reduced surplus from quarter three is primarily due to unexpected consultation and legal fees charged.
27. In conclusion, the 2025/26 outturn reflects a significant overspend of £9m due to growth in social care activities. Looking ahead, a £7m growth allocation has been built into 2026/27 to help address these ongoing pressures. This additional investment together with the recently commissioned service project to deliver savings and improve demand management, is expected to place the service in a stronger position to manage financial pressure more effectively in the new year.

## Operations – £1.8m overspend (3%)

28. The overspend for Operations increased over the final quarter by £1.2m to £1.8m in large part due to lower carparking income than budgeted or forecast at quarter three.

| Q3<br>Variance<br>£000's | Service                                   | Working<br>budget<br>£000's | Outturn<br>£000's | Outturn<br>Variance<br>£000's |
|--------------------------|-------------------------------------------|-----------------------------|-------------------|-------------------------------|
|                          | <b>Commercial Operations</b>              |                             |                   |                               |
| 0                        | Director                                  | 255                         | 181               | (74)                          |
| 0                        | Flood and Coastal Erosion                 | 1,123                       | 1,125             | 3                             |
| (52)                     | Head of Commercial Operations             | 103                         | 54                | (49)                          |
| (85)                     | Leisure and Events                        | 1,452                       | 1,058             | (395)                         |
| 0                        | Parking Services                          | (18,827)                    | (17,791)          | 1,037                         |
| (348)                    | Seafront                                  | (6,629)                     | (6,827)           | (198)                         |
| <b>(485)</b>             | <b>Commercial Operations</b>              | <b>(22,524)</b>             | <b>(22,200)</b>   | <b>323</b>                    |
|                          | <b>Environment</b>                        |                             |                   |                               |
| 18                       | Service Management                        | 569                         | 547               | (22)                          |
| (76)                     | Neighbourhood & Grounds                   | 17,301                      | 17,254            | (47)                          |
| (335)                    | Passenger Transport                       | 478                         | 72                | (406)                         |
| (75)                     | Bereavement & Coroner                     | 875                         | 638               | (237)                         |
| (160)                    | Strategic Waste                           | 8,355                       | 8,343             | (12)                          |
| (27)                     | Greenspace                                | 379                         | 243               | (136)                         |
| 50                       | Transport & Operating Centres             | 4,907                       | 4,697             | (210)                         |
| <b>(604)</b>             | <b>Environment</b>                        | <b>32,864</b>               | <b>31,794</b>     | <b>(1,070)</b>                |
|                          | <b>Planning &amp; Transport</b>           |                             |                   |                               |
| 0                        | Planning Management                       | 487                         | 393               | (94)                          |
| 662                      | Planning Operations                       | 1,028                       | 1,785             | 757                           |
| 8                        | Strategic Planning                        | 1,567                       | 1,467             | (100)                         |
| 0                        | Planning System                           | 122                         | 132               | 10                            |
| 187                      | Transport Policy / Sustainable Travel     | 12,687                      | 12,845            | 158                           |
| <b>857</b>               | <b>Planning &amp; Transport</b>           | <b>15,891</b>               | <b>16,622</b>     | <b>730</b>                    |
|                          | <b>Investment and Development</b>         |                             |                   |                               |
| (92)                     | Housing Delivery                          | 139                         | 148               | 9                             |
| 0                        | Regeneration Delivery                     | 1,050                       | 1,050             | 0                             |
| 0                        | Smart Places                              | 122                         | 109               | (13)                          |
| (27)                     | Operations Strategy                       | 78                          | 76                | (2)                           |
| <b>(119)</b>             | <b>Investment and Development</b>         | <b>1,390</b>                | <b>1,384</b>      | <b>(6)</b>                    |
|                          | <b>Customer &amp; Property Operations</b> |                             |                   |                               |
| 46                       | Business Support                          | 8,411                       | 8,661             | 251                           |
| 0                        | Culture                                   | 3,145                       | 3,501             | 356                           |
| (50)                     | Customer Services                         | 2,917                       | 2,849             | (68)                          |
| 153                      | Libraries                                 | 4,358                       | 4,377             | 19                            |
| 0                        | Bournemouth Library PFI contract          | 1,457                       | 1,521             | 64                            |
| (17)                     | Engineering                               | 5,264                       | 5,283             | 19                            |
| 537                      | Facilities Management                     | 7,632                       | 8,427             | 794                           |
| 200                      | Property Maintenance (CWT & IHT)          | (563)                       | (362)             | 201                           |
| 90                       | Telecare                                  | 161                         | 344               | 183                           |
| <b>959</b>               | <b>Customer &amp; Property Operations</b> | <b>32,782</b>               | <b>34,600</b>     | <b>1,819</b>                  |
| <b>608</b>               | <b>Operations Services</b>                | <b>60,402</b>               | <b>62,199</b>     | <b>1,797</b>                  |

## Commercial Operations

29. Overall commercial operations had an overspend of £0.3m, with reduced parking income outweighing the savings in other areas.
30. Director of Commercial Operations is showing a surplus of £0.1m due to underspends on supplies and services budgets.
31. Parking services have ended the financial year with a pressure of £1m. Whilst income had been comparable with previous years throughout the first half of the year, this was less than budget. In February and March there was an income shortfall of £0.4m which was not anticipated at quarter three. Whilst discretionary expenditure had been frozen to mitigate the income shortfall, there was also £0.3m of additional salary expenditure from the new pay & reward scheme.
32. The Leisure & Events service has a surplus of £0.4m. The staffing pressures and business rates liabilities associated with Kings Park leisure centre reported at quarter three have been offset by underspends in other areas from the expenditure freeze, leading to a balanced position within the expenditure budgets. However, income is higher than had been anticipated from contracted and in house leisure services.
33. Seafront services have experienced 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. This loss of income has been partially offset by freezing, wherever possible, discretionary budgets, including staffing, equipment and repairs and maintenance. This has enabled the service to turn the position around and report a £0.2m surplus. In addition, all spend relating to the repairs and maintenance of the cliffs are being funded from the cliff slip reserve, using £0.6m of the £1.4m earmarked reserve.

## Environment

34. Overall Environment had a £1m underspend, with all service areas contributing.
35. **Neighbourhood services and grounds** had an outturn slightly below the forecast surplus at quarter three. Although a broadly balanced position overall, there were individual savings and pressures within the individual services including an unforeseen business rates bill for the Kings Park Athletics Centre, backdated for 3 years adding a £0.1m pressure.
36. Within the waste and cleansing teams, managing a salary pressure of £0.4m remained a challenge, with high levels of unbudgeted overtime needed to maintain good service levels. Added pressure arose in March to recruit and train extra staff ready for the expanded food waste collection service for Poole residents from 5th April 2026. Work continues to reduce agency spend and tackle absence issues. Pay and reward outcomes highlighted an unpaid contractual allowance applicable to new starters since April 2019 of £0.3m.
37. Green waste income overachieved by £0.1m due to the uplifted subscription rates for the 2026 service, which has helped to mitigate the salary pressure.
38. Within highways, after increased levels of work in previous years, demand in vehicle access fees fell during the year with ICT issues during the early part of the year hindering online applications. However, overall highways achieved a surplus position from savings in expenditure.
39. **Passenger transport services** had an outturn as forecast with a £0.3m underspend. This is primarily related to vacant driver posts and reduces spend on supplies and services from the expenditure freeze.
40. **Bereavement and coroner services** have a surplus of £0.2m, being better than forecast due to a slightly improved income position and salary savings from vacant posts. The number of cremations has reduced compared with last year. This trend is anticipated to grow as awareness of direct cremations increases. In addition, local competitors have established in the area and BCP death registrations have declined. Conversely, public health burial caseload

has increased with extra costs of £0.1m. Regulation changes introduced the requirement for local authorities to be responsible for all local cases (including cases from hospital settings).

41. **Strategic waste service** achieved a broadly balanced position, close to the quarter three forecast. However, there are some individual pressures and savings. General waste was considerably higher than budgeted, the main causes being waste tipped at the recycling centres and increased litter bin tonnages, partially offset by lower black bin waste. Recycling sales were hindered by market conditions affecting the textiles contract. The waste disposal contract terms produced a lower than budget recycling price for the first three quarters providing an overall favourable position. Garden waste tonnages were low during the summer, impacted by the dry weather conditions. Loss of significant local commercial waste collections saw a reduction in fees, partially offset by lower disposal costs. The new commercial food waste collection service generated income during the year and the bulky household waste collections continued to produce a surplus. Services were delivered despite staff vacancy savings.
42. **Greenspace and conservation** achieved a final surplus position of £0.1m. Overall contract income is higher than expected by £0.1m
43. **Transport and operating centres** had an overall surplus of £0.2m. Fleet services have been able to use their vehicles over a longer economic life with acquisitions delayed and borrowing costs reduced. Due to changes to the structure of BBML (the council owned building company) and the in-house team (IHT), the annual recharge for vehicle and fuel costs increased in line with the larger fleet. There were also savings on diesel costs during the year as fuel prices were lower than budgeted throughout most of the year. After events in the Middle East began there was a sharp increase in price in March which has impacted late in the year, but the main pressure will be seen in 2026/27.

### **Planning and Transport**

44. Overall, planning and transport overspent by £0.7m, largely due to the planning service.
45. The overspend within planning operations is mainly due to lower demand for planning applications and the associated income. This follows on from the reduction seen last financial year and is consistent with the national trend. The planning service are continuing to try to manage the implications of downward trend where possible. In addition, a provision for £0.3m for legal costs was required to support an ongoing planning appeal.
46. Also, within planning, there was an improved outturn position for tree maintenance costs compared with the quarter three forecast. This overall pressure of £0.2m, arose from the requirement to tackle the backlog of tree maintenance work to be compliant with statutory duties and avoid potential future costs. The improved position was due to higher income through service recharges.
47. Strategic planning ended the financial year with a £0.1m surplus. This was due to savings arising in staffing and the local plan budget from the delay in the programme delivery.
48. Concessionary fares expenditure (a statutory service) overspent by £0.4m which reflects the national trend of increases in travel demand and which is set to continue into 2026/27 and beyond. This has been partly offset by many small underspends across the sustainable travel service.
49. Within network management, whilst income budgets have been achieved overall, it was less than had been forecast at quarter three. This is due primarily to street works income from falling demand, and highway enforcement activity. Expenditure has also increased further over budget within the intelligent transport system (ITS) team.

### **Investment and Development**

50. Investment & development have achieved a small surplus. This is less than expected at quarter three due to lower recharges of staff time to capital within the housing delivery team.

## **Customer & Property Operations**

51. Business support overspent by £0.25m due to higher staffing costs within the children's services business support team.
52. Culture overspent by £0.4m is largely due to the externalisation of the Russell Cotes Museum not progressing from 1 October 2025 as planned. The net annual cost of the service estimated at £0.7m will impact in 2026/27 as no budget provision has been made for this service to remain within the council.
53. Customer services had a slightly improved surplus mainly due to staff vacancies and additional income for green waste collection support.
54. Within library services an improved position compared to quarter three, still resulted in a slight service pressure. This is mainly related to £0.13m of unrealised savings from delayed opportunities for vacating corporate properties. This saving requirement has been removed for 2026/27. There were also additional costs from security required at Bournemouth central library as a direct result of anti-social behaviour. This was nearly wholly offset by additional underspends within ICT and book stock to mitigate.
55. Engineering services was in line with budget although there were savings and pressures identified within the individual services. There are savings attributable to the Dorset PFI street-lighting contract from lower rates for electricity. Pressures have come from lower capital recharges and lower income within the building control service.
56. Facilities management ended the financial year with an additional pressure of £0.3m since the quarter three forecast. This was 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 outturn position showed a pressure of £0.6m, 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 process for 2026/27, this budget has been increased for the future.
57. The construction works team (CWT) within Property Maintenance ended the year on budget. Following the strategic realignment of the CHNAS housing programme, the team adapted to a reduced pipeline of new works by identifying alternative project opportunities, enabling the service to broadly achieve full cost recovery.
58. The in-house team (IHT) for repairs and maintenance has an outturn pressure of £0.2m, in line with the quarter three forecast. This reflects the revised operating model introduced from 1 April, under which services are delivered through the council-owned company, BBML. The pressure arises from historic income assumptions that do not align with the current delivery model, where most works are not expected to generate a surplus. During the year, budgets were reviewed to better reflect the revised operating arrangements, and in-year mitigations were applied.
59. Within telecare a £0.2m pressure is due to 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 – £2m underspend (3.9%)

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

| Q3<br>Variance<br>£000's | Service                                | Working<br>budget<br>£000's | Outturn<br>£000's | Outturn<br>Variance<br>£000's |
|--------------------------|----------------------------------------|-----------------------------|-------------------|-------------------------------|
| 0                        | Executive                              | 929                         | 928               | (1)                           |
| 280                      | Law and Governance                     | 5,927                       | 6,269             | 342                           |
| (3)                      | Marketing, Comms and Policy            | 2,608                       | 2,706             | 98                            |
| (497)                    | People and Culture                     | 5,124                       | 4,423             | (701)                         |
| (220)                    | Finance, Estates and Benefits          | 17,539                      | 17,013            | (526)                         |
| (441)                    | IT and Programmes                      | 18,812                      | 17,635            | (1,177)                       |
| (881)                    | <b>Executive &amp; Resources Total</b> | <b>50,938</b>               | <b>48,973</b>     | <b>(1,965)</b>                |

61. Resources is reporting an underspend of just under £2m, a significant improvement from the position reported at earlier quarters. The final position reflects a combination of in-year savings and adjustments across services, including vacancy management, controls on expenditure, and the application of new funding and income received during the year.
62. Law and Governance's overspend is greater than anticipated at quarter three. The final position reflects income underperformance within registrars and land charges. Additional cost pressures have also arisen within electoral services, driven by higher than anticipated postage and printing costs, some of which has been offset from new burdens funding. While improved cost recovery in some areas partially mitigated these pressures, they were insufficient to offset the overall budget challenges.
63. Legal Services and Information Governance faced recruitment challenges which resulted in a reliance on locum cover for longer than expected. Legal services continue to review its staffing and operating model, with further improvements anticipated in 2026/27.
64. There is an adverse variance for Marketing, Communications and Policy, a change from the broadly balanced position projected last quarter. This reflects ongoing challenges in income generation, alongside increased staffing costs. While mitigation measures have been implemented and expenditure has been carefully managed, these have not fully offset the combined impact of income shortfalls and in-year cost pressures. The service continues to focus on strengthening income performance and maintaining tight control over expenditure.
65. People and Culture services have achieved an underspend of £0.7m, an improvement from the £0.5m forecast at quarter three. This reflects the continued impact of actions reported previously, including the allocation of base staffing costs to the pay and reward project and the release of reserves no longer required. The improved position also reflects the continuation of vacant posts during the latter part of the year, alongside higher than anticipated income from the provision of HR and payroll services. These factors have further reduced pressure on the core budget and contributed to the overall underspend.
66. Finance, Estates and Benefits has reported an underspend of £0.5m, an improved outturn position compared to quarter three. This movement is largely driven by a reassessment of potential additional fees for the 2025/26 external audit, together with the late allocation of government grant towards these costs and those incurrent and charged in prior years. In addition, larger underspends have been realised across the service areas, including from increased recharges to companies, charities and the HRA, alongside general savings arising from the expenditure freeze.
67. An underspend of £1.2m is reported for IT and Project Management, a significant improvement from the quarter three forecast of £0.4m. This reflects a continuation of the vacancy savings and efficiencies reported previously, particularly across desktop replacement, telephony, mobile and printing costs. Quarter four movements included one-off credits from suppliers of

£0.2m, the reprofiling of software expenditure into future years, and higher than anticipated income from recharges to projects and council companies.

## Corporate Budgets

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

| Q3<br>Variance<br>£000's | Service                                        | Working<br>budget<br>£000's | Outturn<br>£000's | Outturn<br>Variance<br>£000's |
|--------------------------|------------------------------------------------|-----------------------------|-------------------|-------------------------------|
| <b>338</b>               | Pay related costs                              | (338)                       | 0                 | <b>338</b>                    |
| <b>(2,828)</b>           | Contingency                                    | 2,828                       | 0                 | <b>(2,828)</b>                |
| <b>(700)</b>             | Interest Payable                               | 6,488                       | 6,118             | <b>(370)</b>                  |
| <b>(400)</b>             | Investment Income                              | (655)                       | (1,414)           | <b>(759)</b>                  |
| <b>(0)</b>               | Prudential Borrowing                           | 2,920                       | 2,920             | <b>0</b>                      |
| <b>0</b>                 | Pay & grading project                          | 710                         | 569               | <b>(141)</b>                  |
| <b>0</b>                 | MRP & Property Repairs                         | 11,800                      | 8,415             | <b>(3,385)</b>                |
| <b>900</b>               | Housing Benefits                               | (1,323)                     | (165)             | <b>1,159</b>                  |
| <b>0</b>                 | Contribution from HRA                          | (3,300)                     | (3,322)           | <b>(22)</b>                   |
| <b>0</b>                 | Investment Properties                          | (5,301)                     | (4,941)           | <b>359</b>                    |
| <b>180</b>               | Vacant Properties                              | 507                         | 892               | <b>385</b>                    |
| <b>0</b>                 | Dividend Income                                | (725)                       | (1,245)           | <b>(520)</b>                  |
| <b>0</b>                 | Levies                                         | 658                         | 674               | <b>16</b>                     |
| <b>0</b>                 | Apprentice Levy                                | 782                         | 859               | <b>77</b>                     |
| <b>0</b>                 | Parishes / Town Precept /<br>Chartered Trustee | 1,491                       | 1,491             | <b>0</b>                      |
| <b>(580)</b>             | Earmarked Reserves use                         | (8,440)                     | (9,038)           | <b>(598)</b>                  |
| <b>0</b>                 | Pension Backfunding                            | 3,716                       | 3,959             | <b>243</b>                    |
| <b>0</b>                 | Admin costs charged to Grants                  | (1,820)                     | (1,987)           | <b>(167)</b>                  |
| <b>0</b>                 | One off Corporate Items                        | 1,554                       | 1,479             | <b>(76)</b>                   |
| <b>(3,090)</b>           | <b>Corporate Items</b>                         | <b>11,552</b>               | <b>5,264</b>      | <b>(6,288)</b>                |
|                          | <b>Funding</b>                                 |                             |                   |                               |
| <b>0</b>                 | Council Tax Income                             | (281,232)                   | (281,232)         | <b>0</b>                      |
| <b>0</b>                 | Parishes / Town Precept /<br>Chartered Trustee | (1,491)                     | (1,491)           | <b>0</b>                      |
| <b>0</b>                 | New Homes Bonus                                | (246)                       | (246)             | <b>0</b>                      |
| <b>0</b>                 | Revenue Support Grant                          | (4,416)                     | (4,416)           | <b>0</b>                      |
| <b>0</b>                 | NI Government Support                          | (3,318)                     | (3,152)           | <b>166</b>                    |
| <b>0</b>                 | NNDR Net Income NI                             | (43,243)                    | (43,350)          | <b>(107)</b>                  |
| <b>0</b>                 | NNDR 31 Grants                                 | (26,215)                    | (27,590)          | <b>(1,375)</b>                |
| <b>0</b>                 | Estimated Deficit Collection<br>Fund - NNDR    | (678)                       | (679)             | <b>(1)</b>                    |
| <b>0</b>                 | Estimated Surplus Collection<br>Fund - CTAX    | 0                           | 0                 | <b>0</b>                      |
| <b>(3,090)</b>           | <b>Corporate Total</b>                         | <b>(349,287)</b>            | <b>(356,893)</b>  | <b>(7,606)</b>                |

69. 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%.

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

71. Minimum Revenue Provision (MRP) and Property repair contribution is £3.4m underspent. This reflects that only the statutory level of the MRP is being charged in 2025/26. Instead of repaying debt early through additional voluntary contributions as budgeted, amounts are being set aside in an earmarked reserve in recognition of the poor condition of some council buildings. The balance of the budget is unused to support the overspend across services.
72. A positive variance of £1.4m on NNDR income and S31 grants is a result of stronger business rates collection performance.
73. A positive variance in earmarked reserves of £0.7m represents the release of capital reserves to support expenditure in services not previously planned.
74. An underspend of £0.4m 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. Surplus funds have been invested until required with increased interest receivable of £0.7m.
75. A £1.2m overspend on housing benefit is forecast based on an increase in costs unable to be recovered by government subsidy.
76. An overspend of £0.4m in vacant properties is due to higher than budgeted maintenance and security costs at sites including Constitution Hill and Fairways along with business rates at Parkway House.
77. An overspend of £0.4m on investment properties resulting from higher than expected vacant units during the year, notably this includes units at Parkway house and reduced income from contracts at Poole Dolphin Centre.