Appendix A1: Quarter 1 Revenue Budget Variances by Service Area 2026/27

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

Wellbeing – £8.3m overspend (4.1%)

2. The Wellbeing directorate is forecasting to overspend by £8.3m due to additional net expenditure in adult social care services with some minor offset from other budget areas.

	Service	Current Budget £000	Forecast £000	Forecast Variance £000
	Adult Social Care Services			
	Care packages – all ages and needs	198,437	211,695	**13,258**
	Employees	29,910	30,946	**1,036**
	Client Contributions	(33,247)	(36,396)	**(3,149)**
	Health Funding: CHC/JF/Sec117/BCF	(29,805)	(32,569)	**(2,764)**
	Other Funding: grants, other authorities, NHS	(630)	(625)	**5**
	Other services: training, running costs, etc.	538	705	**167**
	Total Adult Social Care Services	**165,203**	**173,756**	**8,553**
	Adult Social Care Commissioning			
	Care and contracts (including Tricuro)	31,980	31,825	**(155)**
	Employees	2,954	2,785	**(169)**
	Client contributions	(1,644)	(1,526)	**118**
	Health Funding: CHC/JF/Sec117/BCF	(9,790)	(9,812)	**(22)**
	Grants and other income	(766)	(783)	**(17)**
	Other services/voluntary sector/ projects, etc.	2,014	2,033	**19**
	Total Commissioning	**24,748**	**24,522**	**(226)**
	Housing and Public protection			
	Asset Management	(2,293)	(2,293)	**0**
	Housing and Community Management	229	229	**0**
	Public Protection	3,373	3,373	**0**
	Strategic Housing and Partnerships	6,130	6,130	**0**
	Total Housing and Public Protection	**7,439**	**7,439**	**0**
	Public Health and Communities			
	Community Engagement and Safety	1,228	1,228	**0**
	Public Health – ring-fenced grant funded	0	0	**0**
	Total Public Health and Communities	**1,228**	**1,228**	**0**
	Wellbeing Total	**198,618**	**206,945**	**8,327**

Adult Social Care

3. The Adult Social Care (ASC) service unit is projecting an overspend of £8.6m at the end of first quarter of 2026-27 financial year (5.2%)
4. The leading component of the above position is attributable to cost of care and care packages driven by demand for adults aged 65+ and high-cost placements for service users with learning disability and autism needs.
   a. The end of June Long Term Conditions caseload analysis suggests the number of care home placements exceeded budgeted number of placements by 7.5%, whilst the price pressure contributed further 1% to this budget area position.

b. Domiciliary care short term trend study for service users with Long Term Conditions proved the demand for care is 18% higher than budgeted. Homecare fees are kept in check due to strong framework uptake.

c. The above volume pressure finds its roots predominantly in extremely challenging situation within the care system and associated processes such as hospital discharge, no criteria to reside measures and changes in health eligibility dispute policy leading to much stronger pressure on social care than anticipated. More complex care character, longer life expectancy and cost of life crisis, leading to much quicker private assets depletion and reliance on state funded care also exacerbate the issue of accelerated demand.

d. Cost of care for service users with Learning Disability, Autism and Special Needs is projected to exceed budget by 6.8%. Growing pressure from complex cases transitioning to Adult Social Care, better understood Asperger's Syndrome needs within local population falling under Care Act needs assessment range and complicated conditions within the market catering for complex needs all contribute to this situation. Challenging position around Continuing Healthcare assessments also adds to the pressure within Learning Disability and Specialism. The projection for this budget area includes c. £0.5m related to care home placements uplifts yet to be realised.

5. Cost of ASC employees is projected to overspend by £1m. This is driven by weaker than expected vacancy drag, post Pay & Reward changes in rates payable for overtime, on-call and enhanced night rates. It is expected vacancies could be maintained for longer, which would result in lower pressure in salary budgets in future months.

6. Projections extrapolating service users' contributions to care show stronger position by £3.1m. This is in line with demand increases seen in cost of care. Additionally, ASC made £230 thousand investment in Legal Services in order to secure better contributions recovery rate, achieve better cash flow and reduce the level of outstanding debt.

7. Considering the rising costs of care emphasized in point 1) Health partners are required to contribute nominally more to projected care services pressures. BCP Council and NHS Dorset are locked in pooled Section 75 arrangements related to Section 117 Aftercare of Mental Health Act or for service users within the Moving On From Hospital Living pool. In accordance with these agreements the additional costs that NHS Dorset funds as their share is £2.8m more than planned. It should be noted there are on-going discussions in relation to service users whose care exceeds permitted level of service prescribed by Care Act Sec 22.

8. Other costs overspend is mainly driven by use of external legal advice – legal acts interpretations, court hearing representatives and legal briefs for ASC use.

Commissioning

9. The Commissioning service unit is projecting a 2026-27 year end underspend to the tune of £0.2m.

10. Commissioning-led care contracts were negotiated and tendered with average lower uplift than spot care placements. Some out of area service users residing in such commissioned care arrangements are fully recharged to other local authorities. The cost of Commissioning-led care arrangements is underspending by close to £0.2m.

11. Existing number of vacancies and most recent staffing changes resulted in favourable variance in salary budgets nearing £0.2m.

12. There is growing number of service users admitted into Commissioning-led care settings where placement decisions were made on "gross funding" basis. Financial assessments and collection of client contributions depend on having access to information about service users' financial situation – either via Court of Protection or arranging deputyships. This

proves more time consuming and resulting in shortfall in client contributions to care – projected c. £0.1m.

Housing & Public Protection

13. Housing and Public Protection is currently forecasting a balanced position at Quarter 1. Strategic Housing continues to utilise grant funding to support homelessness prevention, recovery and wider housing initiatives, helping to manage service demand and minimise pressure on core budgets.

14. Asset Management remains on budget, with ongoing income from photovoltaic (PV) panels and garages supporting planned expenditure on asset maintenance and improvement works, including pigeon-proofing programmes. Work continues to ensure these assets operate on a sustainable financial basis.

15. Public Protection is forecasting a balanced position, although a number of budget pressures continue to be monitored, including contract inflation associated with food inspection services, contaminated land activities and the implementation of the new Civica system. A review of fees and charges is also underway to ensure income is recognised over the period to which licences and other service charges relate. At this stage, it is anticipated that these pressures can be managed within existing service budgets.

Public Health & Community Engagement and Safety

16. Public Health, including the smoking cessation service, is fully funded by the Department of Health and Social Care (DHSC) grant and currently is projected to spend all resources on planned services.

17. Community Engagement and Safety is forecasting a balanced position. The service continues to operate within existing resources while delivering a range of grant-funded initiatives, including the Crisis and Resilience Fund. Current forecasts indicate that available grant funding will be fully utilised during the year in line with programme objectives.

Children's Services – £11.8m overspend (10%)

18. Children's Services quarter one forecast is an overspend of £11.8m being 10% more than the approved budget. This forecast outturn is £2.7m more than 2025/26 outturn despite £9m growth in budget.

		Current Budget £000	Forecast £000	Forecast Variance £000
	Management	**1,502**	**(1,482)**	**(2,984)**
	Child Health & Disability	4,490	5,946	1,456
	Children & Families First, Care Proceedings and Court	7,901	7,254	(647)
	Children In Care and Care Experienced Young People	45,698	62,783	17,085
	Children's Social Care Management	2,254	449	(1,804)
	Early Help & Targeted Intervention	3,467	2,659	(807)
	Safeguarding Hub, Assessment & Out of Hours Service	4,637	4,724	87
	Youth Justice Service	628	653	24
	Children's Social Care	**69,074**	**84,468**	**15,394**
	Aspire Adoption	2,121	2,342	221
	Children's Commissioning	1,474	1,544	70

	Commissioning, Resources and Quality Assurance	1,003	685	(318)
	Fostering & Supported Lodgings	13,079	12,309	(770)
	Performance, Management Information & Governance	1,171	1,165	(6)
	Quality Assurance, Safeguarding & Partnership	2,244	2,450	206
	Commissioning, Resources and Quality	**21,092**	**20,495**	**(597)**
	Adult Learning and Skills	1	1	0
	Education Management	(64)	(490)	(426)
	Education Effectiveness	1,384	1,376	(9)
	School Organisation	19,483	19,378	(105)
	SEND Team	4,443	4,959	517
	Virtual School	450	472	23
	Education & Skills	**25,697**	**25,697**	**0**
	Children's Total	**117,365**	**129,178**	**11,813**

19. **Children's Social Care:** The most significant pressure remains within the children's social care service with forecast overspend of £17m. This is primarily driven by increased numbers of children in care (CIC) and higher placement costs due to complexities of needs. Overspends is also forecast in other social care services such as in short breaks for children with disabilities.

20. The table below sets out the forecast cost of care packages for children in care and care-experienced young people. This includes £0.5m of forecast costs relating to young adults aged 18+, which are more appropriately aligned to Housing, and £4.5m of forecasted future growth, This reflects an assumed increase in the cost of care of approximately £0.5m per month for the remainder of the financial year, based on current trends and expected savings delivery from the current CIC savings initiative. The budget also includes an NHS income target of £0.5m and a transformation delivery target of c.£0.7m, both of which were built into the 2026/27 budget and have reduced the impact of the £7m budget growth.

Budget category	2026/27 Budget £000's	2026/27 forecast £000's	Outturn Variance £000's	2025/26 Outturn £000's	2024/25 Outturn £000's
Residential	£30,999	£40,323	£9,324	£35,525	£20,486
Other - reverse residential		£238	£238	£327	
Independent fostering (foster care/staying put)	£6,464	£7,523	£1,059	£6,999	£6,549
Other LA foster placement		£174	£174	£192	
Supported accommodation (semi-independent)	£6,516	£6,255	(£261)	£3,915	£5,669
Independent living		£926	£926	£1,003	
Other (remand/secure placements)	£95	£0	(£95)	£132	£199
At home with Support			£0	£51	
In-house fostering	£7,114	£6,095	(£1,018)	£6,721	£6,638
Forecasted Future Growth		£4,500	£4,500		
Other				£908	
UASC Income	(£2,599)	(£2,238)	£361		

Total	£48,589	£63,796	£15,207	£55,772	£39,541

Budgets are included in the main budget monitoring table as below	
	£000's
Children's Social Care – CIC budget	£41,475
Commissioning, Resources and Quality)– in house fostering	£7,114
Total	**£48,589**

Commissioning, Resources and Quality

21. The service is forecasting an overall underspend of £597k, primarily due to an underspend within the in-house fostering budget for children in care, which sits within the Commissioning, Resources and Quality budget.

Education and Skills

22. Although the SEND team is forecasting an overspend of £517k, this is expected to be offset by favourable variances across other areas of the service, resulting in an overall near-balanced position.

Service Management

23. The underspend variance relates to grant income held within this area, which is used to fund activity across Children's Social Care services.

24. Operations – £6.8m overspend (12%)

25. Operations are forecasting an overspend of £6.8m which is largely driven by an underachievement of income in Commercial Operations specifically within Seafront and Parking.

	Service	Current budget £000	Forecast £000	Forecast Variance £000
	Commercial Operations			
	Director	400	400	0
	Flood and Coastal Erosion	1,113	1,114	1
	Head of Commercial Operations	103	103	0
	Leisure and Events	867	932	64
	Parking Services	(20,569)	(17,351)	3,218
	Seafront	(7,371)	(6,303)	1,068
	Commercial Operations	**(25,456)**	**(21,105)**	**4,351**
	Environment			
	Service Management	584	610	27
	Neighbourhood & Grounds	17,711	18,018	308
	Passenger Transport	251	(69)	(320)
	Bereavement & Coroner	845	923	79
	Strategic Waste	8,237	8,437	200
	Greenspace	457	501	43
	Transport & Operating Centres	6,841	6,991	150
	Environment	**34,925**	**35,411**	**486**

	Service	Current budget £000	Forecast £000	Forecast Variance £000
	Planning & Transport			
	Planning Management	498	498	0
	Planning Operations	962	1,172	211
	Strategic Planning	1,151	1,151	0
	Planning System	119	119	0
	Transport Policy / Sustainable Travel	12,903	12,942	38
	Planning & Transport	**15,633**	**15,882**	**249**
	Investment and Development			
	Housing Delivery	79	79	0
	Regeneration Delivery	1,129	1,129	0
	Operations Strategy	0	0	0
	Investment and Development	**1,208**	**1,208**	**0**
	Customer & Property Operations			
	Director of Customer & Property	153	153	0
	Business Support	8,229	8,379	150
	Culture	496	951	454
	Customer Services	2,813	2,813	0
	Libraries	4,478	4,478	0
	Bournemouth Library PFI contract	1,936	1,936	0
	Engineering	5,139	5,503	365
	Facilities Management	8,144	8,704	560
	Property Maintenance (CWT & IHT)	(601)	(601)	0
	Telecare	28	178	150
	Customer & Property Operations	**30,814**	**32,493**	**1,679**
	Operations Services	**57,124**	**63,889**	**6,765**

Commercial Operations

26. **Parking Services** have had a significant drop in income which has been evident since the start of the calendar year. It is currently averaging at around a 7% reduction against the budget on both on and off-street parking. In addition to this there is a delay to a scheme scheduled to deliver £600k of savings, to Autumn 2027. There is also a pressure within expenditure budgets for Business rates (£0.5m), car park maintenance (£0.2m) and staffing (0.2m). The staffing pressure is a result of pay and reward impacts in addition to additional agency resource due to the seasonal response and the increased number of ‘red’ days. Despite this there are mitigations being actively looked into including a reduction in fees to encourage an increase in parking demand.

27. **Seafront** are continuing to experience a drop in income most notably across their catering offer, although all services including the arcade, land train and beach huts are all down on their income generation for this point in the year. Despite the weather having been very good and drawing large crowds to the beach, customers are not spending as they have previously which may be due to many factors such as the cost of living crisis and prices reaching a saturation point. The lower sales are reflected in the anticipated lower costs, particularly for catering, with a forecast expenditure underspend of £0.4m. The other factor that is affecting seafront is the impact of pay and reward which is also contributing to the overall forecast

pressure of nearly £1.1m. The overall forecast position may change for quarter two if the summer trade improves.

Environment

28. **Neighbourhood services and grounds** is forecasting an overspend of £0.3m. There is a pressure on the salary budget within waste and cleansing service in line with last year, however, this has worsened by the impact of P&R implementation and continued challenge to maintain the required staff levels.

29. **Passenger transport services** are continuing to hold vacant driver posts which is resulting in a forecast underspend of £0.3m.

30. **Strategic waste service** is forecasting an overspend of £0.2m. There are ongoing business rates pressures for sites within this area combined with the recycling centre machine operatives contractual price increases. This is partially offset by a reduction in the recycling treatment price in quarter two resulting in a lower contractual commitment. Within the commercial waste service there is a continuing reduction of bin collection income, as a result of a falling customer base, which is being reviewed. This loss is partially offset by lower tonnages and waste disposal costs.

31. **Transport and operating centres** are experiencing pressures leading to a £0.15m overspend. Vehicles are having a longer economic life, and whilst that is a saving in the amount of prudential borrowing required and subsequent revenue repayments, the costs are increasing for vehicle parts, and the parts budget has not been increased for several years in line with this necessary external growth cost.

32. Within Environment there is a pay and reward related pressure of £0.54m that has been included in the quarter 1 forecasts. In addition to this there is a terms and conditions related pay and reward pressure of £0.4m that is not being forecast as a pressure, and which should be funded through the corporately held fund.

Planning and Transport

33. **Planning Operations** have reported an overspend of £0.25m. This is largely driven by tree maintenance costs within the planning arboriculture and landscape team.

Investment and Development

34. This service is expected to end the financial year on budget with a nil variance.

Customer & Property Operations

35. **Business Support** are expecting a total forecast overspend of £0.15m relating to staffing pressures within the children's service area of business support in both salaried staff and agency.

36. **Culture** is forecasting an overspend of £0.45m. This is a direct result of the Russell Cotes museum experiencing a delay in externalisation. The pressure is the ongoing monthly costs of running this service in house, until the externalisation date estimated December 2026.

37. **Engineering** have an overall pressure of £0.37m, which is mainly related to income targets that are not expected to be achieved, specifically within building control. This has been partially offset by expenditure savings including staffing within building control in an attempt to mitigate the pressure.

38. **Facilities Management** are forecasting an overspend position of £0.56m. £0.2m can be attributed to repairs and maintenance pressures across the Council, in addition to security cost pressures of £0.16m. The other notable cost pressure is related to the inflationary costs attached to the corporate cleaning contract of £0.2m. Whilst the budget did receive some growth for this financial year, the inflationary costs outweigh this increase causing the in-year pressure.

39. **Property Maintenance** is expected to be on budget this year with suitable work programs planned on a full recovery basis.

40. **Telecare** is expecting an income pressure based on their previous year levels of income received in addition to the switch to digital, along with a smaller pressure for equipment purchases.

Resources – £0.082m overspend (0.02%)

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

	Service	Current Budget £000	Forecast £000	Forecast Variance £000
	Executive	935	935	**0**
	Law and Governance	6,239	6,294	**55**
	Marketing, Comms and Policy	2,591	2,701	**110**
	People and Culture	4,465	4,492	**27**
	Finance, Estates and Benefits	17,417	17,307	**(110)**
	IT and Programmes	18,458	18,458	**0**
	Executive & Resources Total	**50,105**	**50,187**	**82**

42. Law and Governance is forecasting an adverse variance of £0.055m. While Registrars income is performing well, Land Charges income remains sensitive to market activity and is currently forecast to be below budget. In addition, Electoral Services is experiencing increased postage costs, reflecting both wider increases in postal charges and the impact of changes to postal voting arrangements introduced last year.

43. Marketing, Communications and Policy is forecasting an adverse variance of £0.11m. This is primarily driven by income performance within the service. Work is ongoing to identify opportunities to mitigate the pressure and reduce the impact on the overall service position.

44. People and Culture is forecasting a small adverse variance at Quarter 1, reflecting staff related pressures. Challenges are emerging around the cost of supporting key corporate strategies and service priorities. The position remains under review as the service continues to assess the impact of these pressures and identify opportunities to mitigate them during the year.

45. Finance, Estates and Benefits is forecasting a favourable variance of £0.11m, largely arising from staff vacancies across the service. While this provides a favourable position at Quarter 1, recruitment activity and wider staffing costs may affect the position as the year progresses.

46. IT and Programmes is forecasting expenditure in line with budget at Quarter 1. The service continues to support delivery of the council's digital and improvement priorities. While there are expected to be challenges around resourcing and supplies and services budgets during the year, these are currently anticipated to be manageable within the overall service budget.

Corporate Budgets – £0.014m overspend

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

	Service	Current Budget £000	Forecast £000	Forecast Variance £000
	Pay related costs	5,569	6,569	**1,000**
	Contingency	5,540	3,161	**(2,379)**

	Service	Current Budget £000	Forecast £000	Forecast Variance £000
	Interest Payable	9,483	9,483	**0**
	Investment Income	(655)	(655)	**0**
	Prudential Borrowing	2,898	2,898	**0**
	Pay & grading project	2,564	2,564	**0**
	Debt Repayment - MRP & VRP	12,717	12,717	**0**
	Housing Benefits	(723)	77	**800**
	Contribution from HRA	(3,404)	(3,404)	**0**
	Investment Properties	(5,281)	(5,281)	**0**
	Vacant Properties	407	757	**350**
	Dividend Income	(716)	(716)	**0**
	Levies	683	683	**0**
	Apprentice Levy	782	782	**0**
	Parishes / Town Precept / Chartered Trustee	5,426	5,426	**0**
	Earmarked Reserves & One-off Business Rates surplus use	516	516	**0**
	Pension back funding	3,473	3,716	**243**
	Admin Charged to Grant Income	(1,960)	(1,960)	**0**
	One off Corporate Items	1,629	1,629	**0**
	Corporate Items Total	**38,948**	**38,962**	**14**
	Funding			
	Council Tax Income	(301,984)	(301,984)	**0**
	Parishes / Town Precept / Chartered Trustee	(5,426)	(5,426)	**0**
	Revenue Support Grant	(81,886)	(81,886)	**0**
	NNDR Net Income	(62,534)	(62,534)	**0**
	Estimated Deficit Collection Fund - NNDR	(11,499)	(11,499)	**0**
	Estimated Surplus Collection Fund - CTAX	1,169	1,169	**0**
	Funding Total	**(462,160)**	**(462,160)**	**0**
	Corporate Total	**(423,212)**	**(423,198)**	**14**

48. A £1.0m pressure in pay related costs is s result of an overspend on the cost of annual pay award which is proposed at 3.2% compared with the budget of 2.8%.
49. The underspent contingency of £2.4m represents the release of all available budget to support overspends across other budgets, with the exception of £1m allocated to cover the overspend in the annual pay award.
50. A £0.8m overspend on housing benefit is forecast based on an increase in costs unable to be recovered by government subsidy.
51. An overspend of £0.4m in vacant properties is due to unbudgeted costs at Poole Civic Centre, higher than budgeted maintenance and security costs at sites including Fairways along with business rates at Parkway House.
52. An overspend of £0.2m on pension back funding is a result of income no longer due from maintained schools.