

Budget Pressures and Unachievable Savings

Directorate	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Children & Learning	10,006	10,103	9,665	9,665
Corporate Services	5,653	5,808	6,194	6,194
Place	11,770	13,414	14,647	16,522
Strategy & Performance and CEO	598	598	598	598
Wellbeing & Housing	10,822	10,940	11,658	12,377
Centrally Held Budgets	3,184	5,849	5,852	5,855
Total	42,032	46,711	48,613	51,210

Portfolio	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Adult Social Care & Health	8,472	9,190	9,908	10,627
Children & Learning	15,813	17,297	18,444	20,269
Communities & Leisure	375	375	375	375
Economic Development	1,705	1,926	1,766	1,766
Environment & Transport	3,372	3,357	3,415	3,465
Finance & Change	6,128	6,283	6,669	6,669
Housing	2,600	2,000	1,750	1,750
Leader	173	224	224	224
Safer City	211	211	211	211
Non-Portfolio	3,184	5,849	5,852	5,855
Total	42,032	46,711	48,613	51,210

Pressure Type	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Demand and Price Pressures	31,429	32,839	34,987	37,581
Income Pressures	5,248	5,168	5,168	5,168
Service Improvement	1,781	4,341	4,094	4,097
Unachievable Savings	3,575	4,364	4,364	4,364
Total	42,032	46,711	48,613	51,210

CHILDREN & LEARNING

Ref	Item	Description	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Demand and Price Pressures						
24P24	Education Services staffing	Unrealised prior year savings	222	222	222	222
24P26	Education Psychologists staffing	Increased demand arising from increased numbers of Education & Health Care Plans (EHCP)	113	113	113	113
24P60	Jigsaw - High Cost Placement SCC (50/50 with Health)	Single high cost placement	300	300	300	300
24P255	Asset Management & Capital Strategy	Unrealised prior year savings	84	84	84	84
24P402	Looked After Children Placement spend pressure	High numbers in residential placements	4,775	4,775	4,775	4,775
24P403	Staffing pressures in Young People Service	High service demand reflecting in more resource required	280	280	280	280
24P404	Agency staff in the Quality Assurance Business Unit	Increased demand in this area	200	200	200	200
24P405	Safeguarding - Agency, Allowances and Overtime	High service demand reflecting in more resource required	1,690	1,690	1,690	1,690
24P408	Special Guardianship Order (SGO) placement spend pressure	Increased placement spend	395	395	395	395
24P630	Residential Units Revenue Pressures		730	438	0	0
Income Pressures						
24P27	Education - reduced capacity for traded services	Less capacity due to increased demand on support of children with EHCP's	75	75	75	75
Service Improvement						
24P3b	Care Director business process optimisation - additional posts - Children's *	Pressure relating to further support requirements for Care Director	198	198	198	198
Delayed or Unachieved Savings						
24P108	Residential unit savings projections deferred (22S1)	Project delayed - one property purchased - awaiting planning permission likely operational 24/25	299	509	509	509
24P109	Fostering - savings projections deferred (22S5)		534	713	713	713
24P215	Merge Youth work Lead and Inclusion & Diversion Officer	Business case in progress to make payments to carers simpler from 24/25	111	111	111	111
Total			10,006	10,103	9,665	9,665

CORPORATE SERVICES

Ref	Description		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Demand and Price Pressures						
24P199	IT - Staffing & Income pressure	Shortfall in funding for existing staffing structure	452	452	452	452
24P743	Supplier Management Rebasing	Review of budgets to align with contracts in place	315	500	684	684
24P746	Revs & Bens - postage & printing	Budget reinstatement previously removed in error	240	240	240	240
24P867	IT rebase salary budgets	Review of budgets to reflect the establishment	362	362	362	362
24P870	Cost of elections	Additional costs related to elections	0	0	169	169
24P871	PA structure	Review of budget to align with the current establishment	134	134	134	134
24P872	Minor Rebasing pressures - corporate services	Minor amendments	31	1	35	35
24P873	Corporate Services Pay Award Gap	Higher than expected pay award	195	195	195	195
Income Pressures						
24P195	Cost Recovery and Charging policy	Fees and charges review income, superseded by current fees work	60	60	60	60
24P197	IT - Income pressure	Rebased budget to reflect actual achievable schools income	562	562	562	562
24P198	IT - Income pressure	Rebased budget to reflect actual achievable capital income	896	896	896	896
24P454	School Insurance premiums	Loss of income from schools	74	74	74	74
24P747	Land charges - transfer of functions to the land registry	Statutory transfer of function	29	29	29	29
24P869	Shortfall in court income for revs & bens	Reduced income due to less court activity	423	423	423	423
Unachievable Savings						
24P42	Commercialisation delivery plan and strategy	No robust plans or ideas for delivery of saving	270	270	270	270
24P98	Enhancement of Salary Sacrifice Scheme (21S90)	No achievable	42	42	42	42
24P99	Greater use of purchase cards (21S55)	Cash back opportunities lower than expected	95	95	95	95
24P100	Finance and Commercialisation Directorate - cost reduction (21S108)	This has been removed and replaced by new saving	107	107	107	107
24P101	Accounts Payable - cost reduction (21S108)	This has been removed until we can establish plans to achieve the reduction in workload	37	37	37	37
24P102	Customer Payments and Debt - cost reduction (21S108)	This has been removed as not efficient to do and focus needs to be on collecting debt	118	118	118	118
24P104	Staff Travel and office consumables (21Ss)	Staff travel, office consumables, postage etc savings did not materialise as expected	32	32	32	32
24P106	IT Major Projects - Anticipated Revenue Savings	Recharge of officer time to capital projects not realised due to reduction in IT related capital projects	200	200	200	200
24P112	Reduction in cost of collecting council tax and business rates and review of bad debt provisions	Partially achieved - actuals lower than assumptions	160	160	160	160
24P118	Customer Experience - Accounts Payable savings (19-MSA 12, 20S28, 21S60)	Savings from charging for appointeeships £26k, the reduction in duplicate payments £50k and renegotiation of payment terms with suppliers did not materialise & self serve savings £25k	101	101	101	101
24P119	Customer Experience - Accounts Receivable savings (19-MSA 7 & deferred payments)	Savings from income related to deferred payments did not materialise	22	22	22	22
24P121	Redesign of Finance service, including removal of vacant posts (23S184)	The redesign was not taken forward this has been superseded by new savings	60	60	60	60
24P122	Unachievable Directorate agency saving (21S124)	This was a generic saving and plans were not in place to achieve this	39	39	39	39
24P863	Review fees & charges across the Council (23S195) - additional income included within individual directorate proposals	Balance of saving not passed to service, fees and charges to be met by service in future	480	480	480	480
24P868	Redesign of the Human Resources & Organisational Development service following the senior management restructure (23S76)	This has been removed and further proposals will be brought forward once the service has been reviewed at present demand is too high to reduce the service	117	117	117	117
Total			5,653	5,808	6,194	6,194

PLACE

Ref	Item	Description	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Demand and Price Pressures						
24P10	Home to School Transport costs	Increased demand for Home to School Transport	5,798	7,185	8,770	10,595
24P48	Place staffing/agency costs	Historic savings targets held centrally in Directorate, replaced by new service specific cost control proposals	280	280	280	280
24P52	British Libraries Business	Future loss of funding for project, alternative solution being developed	0	101	101	101
24P72	Economic Development unfunded post	Historic unfunded post	75	75	75	75
24P81	Coroner's Service	Increase in coroners costs due to post pandemic backlog and cost inflationary pressures on the coroners service provided by Hampshire County Council.	100	100	100	100
24P165	Update of Local Plan	The Local Plan is statutory requirement to be funded by one-off budget allocations during the period of production	204	160		
24P347	Concessionary Fares increase in patronage	Forecast increase in number of concessionary bus passengers	400	450	500	550
24P429	Increased public toilet cleaning costs from new contract	Additional cost to maintain current provision	16	16	16	16
24P431	City Services - District Operating Areas - in year financial monitoring forecast variance	Operational cost pressures	50	50	50	50
24P509	Street Lighting	Cost pressures	187	187	187	187
24P611	Port Health new business rate liability - current year		88	88	88	88
24P742	Highways & Street Lighting Contracts Pressure & Unachievable Income	Rebasing	1,899	1,834	1,842	1,842
Service Improvement						
24P6	Visitor Economy	Contractual and partnership contributions to Culture & Tourism activity	50			
24P47	Home to school transport resource review	Additional resources required to manage Home to School transport service	140	140	140	140
24P158	Port Health & Private Sector Housing commitments	Commitments made previously that required underspend to be carried forward, but due to overall overspend this could not be facilitated				
24P166	Private Sector Housing condition survey	Private sector condition survey has not been carried out for some years and there is a need to evidence policy decisions in future. Pressures based on unsuccessful procurement exercise during 2022.	250	250		
24P175	Network Eagle Labs	Estimated residual Council contribution to operation of centre	60			
24P176	Formation of the Economic Development & Regeneration team, including operational budget and ongoing Freeport contributions	Investment in new team to drive local growth	350	350	350	350
24P191	Moving Traffic Enforcement - Setup & running costs	Setup & running costs of scheme are off-set by corresponding income generation included as a cost control measure	75	75	75	75
24P200	Procurement strategy post in Corporate Estates & Assets team	Post to support the development of a new strategic procurement process	75	0	0	0
24P615	Development Management staffing budgets	Resolving planning staffing budgeting issues to ensure every post is budgeted at the top of the grade and all posts are fully funded.	120	120	120	120
Income Pressures						
24P50	Planning - reduced income from fewer major development due to financial climate	Economic climate is impacting number of planning applications received	43	43	43	43
24P70	Trees team unachievable income target	Priority works for health & safety reasons are making commercial income targets unachievable	100	100	100	100
24P73	Planning Policy unachievable income	Previously achieved level income from partnership arrangements no longer viable due to team focus on Local Plan activity for the Council	88	88	88	88
24P178	Pest Control - unachievable income target	Service budgeted to generate surplus but annual trend of not meeting target	100	100	100	100
24P241	Fleet income target	Right sizing budget following change in recharging arrangements	375	375	375	375
24P560	Loss of existing lease income from sale of OGS	Loss of existing rental income from sale of the building may be offset by reduced cost	382	382	382	382
24P58b	Port Health – reduced volumes of trade	Volume of trade through the port has reduced over the last year, with consequent net adverse impact on income, and is not expected to recover to pre pandemic level	70	70	70	70
Delayed or Unachievable Savings						
24P94	Civic Centre energy controls (23S205)	Energy costs higher than assumptions	60	60	60	60
24P120	Spending less on external building security provisions with external providers (23S83)	Contract costs higher than anticipated	20	20	20	20
24P193	Partnership Delivery Models (22S32)	Historic saving proposal, replaced by new cost control proposals	165	165	165	165
24P216	Home to school transport 22S52	Being addressed as part of Home to School Transport transformation	120	120	120	120
24P559	Relocate services from One Guildhall Square into the Civic Centre and rent out vacated space (23S20)	Previous saving proposal implemented on assumption that vacant floorspace in OGS would be rented out.	0	400	400	400
24P58a	Port Health – reduced volumes of trade	Volume of trade through the port has reduced over the last year, with consequent net adverse impact on income, and is not expected to recover to pre pandemic level	30	30	30	30
Total			11,770	13,414	14,647	16,522

STRATEGY & PERFORMANCE AND CHIEF EXECUTIVE'S OFFICE

Ref	Description	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Service Improvement					
24P596	External Funding Manager and Business Development Officer post		133	133	133
24P597	Data Team posts	Budget to reflect the current agreed establishment	280	280	280
Income Pressures					
24P353	Senior Communications Officer post	HRA funded post duplicated income target with central services.	52	52	52
Unachievable Savings					
24P441	Administration Staffing review		61	61	61
24P442	Data team unachieved savings	Review of policy related roles across the organisation to understand any synergies and whether additional income can be obtained through funding opportunities. This review has not taken place and superseded by current transformation work.	72	72	72
Total			598	598	598

WELLBEING & HOUSING

Ref	Description		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
	Demand and Price Pressures					
24P13	Adult Social Care (ASC) - demography	Recalculated increase in demand due to demographic pressures	4,015	4,733	5,451	6,170
24P14	Adult Social Care - increased costs of care	Increase in the cost of Adult Social Care over winter 2022 into 2023 that has had an impact on base budget.	4,000	4,000	4,000	4,000
24P39	Housing Benefits Subsidy & homeless costs - increase in deficit due to unsubsidised costs of homelessness provision	Increasing numbers of homeless presentations is increasing the cost of temporary accommodation. This pressure is in excess of that which can be met through the use of government funding.	200	200	200	200
24P421	Minor variances in year	Minor variances in year				
24P456	Housing Benefits Subsidy & homeless costs	Increasing numbers of homeless presentations is increasing the cost of temporary accommodation. This pressure is in excess of that which can be met through the use of government funding.				
24P622	Housing Benefits Subsidy & homeless costs - increase in deficit due to unsubsidised costs of homelessness provision	Increasing numbers of homeless presentations is increasing the cost of temporary accommodation. This pressure is in excess of that which can be met through the use of government funding.	2,150	1,550	1,550	1,550
24P3a	Care Director business process optimisation - additional posts - Adults *	Pressure relating to further support requirements for Care Director	234	234	234	234
	Delayed or Unachievable Savings					
24P93	Adult Social Care - Contract Reviews (22S40)	Outstanding amount to be found in future years by ICU in contracts as element of savings met in 23/24 were in year only. Note that this is inclusive of the respite contract pressure amounting to £133k of the total.	223	223	223	223
	Total		10,822	10,940	11,658	12,377

CENTRALLY HELD BUDGETS

Ref	Description		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
	Demand and Price Pressures					
24P4	Nursery building rectification issues	Repair liabilities	40	40	40	40
24P37	Increased Minimum Revenue Provision (MRP) for Infrastructure Assets	Audit requirement to reassess useful economic life	100	100	100	100
24P44	Increase in charge for pre-local government reorganisation debt - held by Hampshire County Council		50	50	50	50
24P196	Treasury Management	Reducing interest rates	94	94	94	94
24P561	Externalisation of internal debt	External borrowing to match cashflow need	930	930	930	930
	Service Improvement					
24P41	Contingency for loss of rental and investment income and pump priming costs for invest to save measures			2,622	2,622	2,622
24P64	Kanes Hill site investment	Significant capital investment is required on the Kanes Hill site to bring to acceptable standard. This pressure relates to the associated capital borrowing cost of that investment.	40	160	160	160
24P117	Environment Agency and Southern Fisheries Levies - budget shortfall		10	13	16	19
	Income Pressures					
24P257	Contingency for loss of property income		1,920	1,840	1,840	1,840
	Total		3,184	5,849	5,852	5,855

* Whilst these pressures have been allocated to children's / adults services, the funding will be transferred to the Projects and Change team from where the necessary resources to support Care Director development will be deployed