

**Budget Pressures, Unachievable Savings and Proposed New Commitments**

Directorate	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Children & Learning	13,815	15,332	16,779	17,942
Corporate Services	4,097	4,355	4,355	4,105
Place	4,288	5,053	4,685	4,575
Strategy & Performance and CEO	190	234	234	234
Wellbeing & Housing	8,437	9,278	10,116	10,834
Centrally Held Budgets	620	3,707	6,430	6,547
<b>Total</b>	<b>31,446</b>	<b>37,958</b>	<b>42,598</b>	<b>44,237</b>

  

Portfolio	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Adult, Health & Housing	8,107	9,531	9,749	10,467
Children & Learning	13,802	15,309	16,756	17,920
Communities & Leisure	294	235	235	235
Economic Development	1,622	2,025	2,127	1,967
Environment & Transport	1,680	1,876	1,926	1,976
Finance & Change	4,532	4,698	4,698	4,448
Leader	407	311	291	291
Safer City	382	265	385	385
Non-Portfolio	620	3,707	6,430	6,547
<b>Total</b>	<b>31,446</b>	<b>37,958</b>	<b>42,598</b>	<b>44,237</b>

  

Pressure Type	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Demand and Price Pressures	25,227	28,261	30,227	32,112
Income Pressures	2,508	3,689	3,689	3,689
Growth	1,428	2,517	4,402	4,155
Unachievable Savings	2,208	3,342	4,131	4,131
New Proposed Commitment	75	150	150	150
<b>Total</b>	<b>31,446</b>	<b>37,958</b>	<b>42,598</b>	<b>44,237</b>

**CHILDREN & LEARNING**

Item	Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
<b><u>Demand and Price Pressures</u></b>					
Home to School Transport costs	Increased demand for Home to School Transport	4,098	5,045	6,103	7,267
Nursery building rectification issues	Repair liabilities	10	40	40	40
Looked After Children Placement spend pressure	High numbers in residential placements	4,775	4,775	4,775	4,775
Staffing pressures in Young People Service	High service demand reflecting in more resource required	280	280	280	280
Agency staff in the Quality Assurance Business Unit	Increased demand in this area	200	200	200	200
Safeguarding - Agency, Allowances and Overtime	High service demand reflecting in more resource required	1,690	1,690	1,690	1,690
Special Guardianship Order (SGO) placement spend pressure	Increased placement spend	395	395	395	395
Children In Care Remand	Remand costs and increasing transport costs	280	0	0	0
Education Psychologists staffing	Increased demand arising from increased numbers of Education & Health Care Plans (EHCP)	113	113	113	113
Children In Care Residential	New high cost residential and Parent & Child placements	408	0	0	0
Jigsaw - High Cost Placement SCC (50/50 with Health)	Single high cost placement	300	300	300	300
2023/24 Increased Pay Offer over and above the budget provision	Directorate wide pressure on the increase in the pay award to that assumed in the Feb budget report	518	518	518	518
Additional 1% for 2024/25 pay award - Children & Learning	Pay award forecasts affecting all SCC	0	333	333	333
<b><u>Income Pressures</u></b>					
Education - reduced capacity for traded services	Less capacity due to increased demand on support of children with EHCP's	75	75	75	75
<b><u>Growth</u></b>					
Care Director System Super User Additional Posts	Pressure relating to further system support requirements for Care Director	21	198	198	198
Year of the Child Workstream	Expenditure pressure	140	0	0	0
<b><u>Delayed or Unachieved Savings</u></b>					
Residential unit savings projections deferred (22S1)	Project delayed - one property purchased - awaiting planning permission likely operational 24/25	0	299	509	509
Merge Youth work Lead and Inclusion Officer		111	111	111	111
Fostering - savings projections deferred (22S5)	Business case in progress to make payments to carers simpler from 24/25	0	534	713	713
Home to school transport	Being addressed as part of Home to School Transport transformation	60	120	120	120
Asset Management & Capital Strategy	Unrealised prior year savings	84	84	84	84
Education Services staffing	Unrealised prior year savings	222	222	222	222
Vacancy management factor as posts filled	Full staffing complement	36	0	0	0
<b>Total</b>		<b>13,815</b>	<b>15,332</b>	<b>16,779</b>	<b>17,942</b>

**CORPORATE SERVICES**

Description		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
<b>Demand and Price Pressures</b>					
IT - Staffing & Income pressure	Shortfall in funding for existing staffing structure	1,910	1,910	1,910	1,910
Treasury Management	Reducing interest rates	94	94	94	94
Corporate Management	Cost pressures	57	0	0	0
Business Support	Cost pressures	29	0	0	0
Customer Services	Cost pressures	16	0	0	0
Street Lighting	Cost pressures	125	187	187	187
Accounts Payable	Cost pressures	43	0	0	0
Spending less on external building security provisions with external providers (23S83)	Contract costs higher than anticipated	20	20	20	20
2023/24 Pay Offer - shortfall against budget provision - Corporate Services	Directorate wide pressure on the increase in the pay award to that assumed in the Feb budget report	451	451	451	451
Revisions to 2024/25 contract inflation estimate	Adjustment to contract inflation for major contracts - Street lighting, highways, IT, Leisure and Risk and insurance	0	(186)	(186)	(186)
Additional 1% for 2024/25 pay award - Corporate Services	Pay award forecasts affecting all SCC	0	276	276	276
<b>Growth</b>					
Strategic Procurement Projects - cost of implementing	Additional resource requirements for projects		250	250	0
Finance and Commercialisation Directorate – cost reduction (21S108)	More resource required due to stalled self serve roll out	107	107	107	107
Accounts Payable - cost reduction (21S108)	More resource required due to stalled self serve roll out	37	37	37	37
Customer Payments and Debt - cost reduction (21S108)	More resource required due to stalled self serve roll out	118	118	118	118
Redesign of Finance service, including removal of vacant posts (23S184)	More resource required due to stalled self serve roll out	60	60	60	60
Unachievable Directorate agency saving	More resource required due to stalled self serve roll out	39	39	39	39
<b>Income Pressures</b>					
Cost Recovery and Charging policy	Fees and charges review income, superseded by current fees work	60	60	60	60
School Insurance premiums	Loss of income from schools	74	74	74	74
<b>Unachievable Savings</b>					
Civic Centre energy controls (23S205)	Energy costs higher than assumptions	60	60	60	60
Improve and automate business support processes (23S58)	Resource reduction not realised due to automation of processes in City Services not meeting expectations	169	169	169	169
Greater use of purchase cards (21S55)	Cash back opportunities lower than expected	115	115	115	115
Customer Experience - Accounts Payable savings	Savings from charging for appointeeships, the reduction in duplicate payments and renegotiation of payment terms with suppliers did not materialise & self serve savings	101	101	101	101
Staff Travel and office consumables (21Ss)	Staff travel, office consumables, postage etc savings did not materialise as expected	32	32	32	32
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
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
Customer Experience - Accounts Receivable savings	Savings from income related to deferred payments did not materialise	22	22	22	22
<b>Total</b>		<b>4,098</b>	<b>4,356</b>	<b>4,356</b>	<b>4,106</b>

PLACE

Item	Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
<b>Demand and Price Pressures</b>					
British Libraries Business	Future loss of funding for project, alternative solution being developed	0	71	101	101
Sunday site opening charge for street cleansing waste	Cost to enable disposal of collected waste on Sunday. Cost free, alternative arrangement now implemented.	30	0	0	0
Economic Development unfunded post	Historic unfunded post	75	75	75	75
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
Update of Local Plan	The Local Plan is statutory requirement to be funded by one-off budget allocations during the period of production	104	148	160	0
Food safety inspections	Carry forward of funding identified to undertake food safety inspection work in line with FSA requirements.	45	0	0	0
Reactive repairs levels	Based on estimated level of reactive repairs required in year	200	0	0	0
Concessionary Fares increase in patronage	Forecast increase in number of concessionary bus passengers	0	400	450	500
School Ground Maintenance - in year financial monitoring forecast variance	Operational cost pressures creating adverse variance	60	0	0	0
Increased public toilet cleaning costs from new contract	Additional cost to maintain current provision	16	16	16	16
City Services - District Operating Areas - in year financial monitoring forecast variance	Operational cost pressures	116	0	0	0
City Services - Fleet & Landscapes Trading in year financial monitoring forecast	Operational cost pressures	46	0	0	0
Development Management - in year financial monitoring forecast variance	Staffing pressures from requirement to keep team fully staffed to meet performance targets	120	0	0	0
Minor pressures	Minor variances from across directorate from budget monitoring activity	24	0	0	0
Property Portfolio Management	Additional legal fees from lease arrangements	82	0	0	0
Landscapes	Residual costs borne by service that are unable to be recharged to capital	100	0	0	0
2023/24 Pay Offer - shortfall against budget provision - Place	Directorate wide pressure on the increase in the pay award to that assumed in the Feb budget report	576	606	606	606
Revision to 2024/25 contract inflation estimate - Building Costs	Adjustment to existing pressure based on updated inflation estimates	0	(6)	(6)	(6)
Revision to 2024/25 contract inflation estimate - Waste Contracts	Adjustment to existing pressure based on updated inflation estimates	0	53	53	53
Revision to 2024/25 contract inflation estimate - Concessionary Fares	Adjustment to existing pressure based on updated inflation estimates	0	(234)	(234)	(234)
Additional 1% for 2024/25 pay award - Place	Pay award forecasts affecting all SCC	0	376	376	376
<b>Growth</b>					
Visitor Economy	Contractual and partnership contributions to Culture & Tourism activity	160	50	0	0
Home to school transport resource review	Additional resources required to manage Home to School transport service	70	140	140	140
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	60	0	0	0
Mayflower Park redevelopment - revetments	Development of an improvement scheme for the revetments in the park	200	175	0	0
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.	0	500	0	0
Arts & Heritage - Urgent conservation & income generation	Commitments made previously that required underspend to be carried forward, but due to overall overspend this could not be facilitated	96	0	0	0
Formation of the Economic Development & Regeneration team, including operational budget and ongoing Freeport contributions	Investment in new team to drive local growth	100	350	350	350
Network Eagle Labs	Estimated residual Council contribution to operation of centre	60	60	0	0
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
Procurement strategy post in Corporate Estates & Assets team	Post to support the development of a new strategic procurement process	60	75	0	0
<b>Income Pressures</b>					
Planning - reduced income from fewer major development due to financial climate	Economic climate is impacting number of planning applications received	338	283	283	283
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
Trees team unachievable income target	Priority works for health & safety reasons are making commercial income targets unachievable	100	100	100	100
Pest Control - unachievable income target	Service budgeted to generate surplus but annual trend of not meeting target	100	100	100	100
Fleet income target	Right sizing budget following change in recharging arrangements	375	375	375	375
Port Health - reduced trade volumes - Month 5	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. Updated estimate provided during month 5 monitoring,	100	0	0	0
Crematorium	Income forecast	30	0	0	0
Loss of existing lease income from OGS	Loss of existing rental income from sale of the building may be offset by reduced cost		382	382	382
City Services Trees & Ecology	Reduced in-year grant funding	17	0	0	0
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	100	100	100	100
<b>Delayed or Unachievable Savings</b>					
Delay in saving from solar bins	Compaction rates to be optimised once new vehicle operational	100	0	0	0
Transfer Cobbett Road Library to third party operator (23S119)	Transfer to operator later than estimated in budget saving, making a proportion of the saving unachievable in-year.	11	0	0	0
Partnership Delivery Models (22S32)	Historic saving proposal, replaced by new cost control proposals	0	165	165	165
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	0	400	400
Place staffing/agency costs	Historic savings targets held centrally in Directorate, replaced by new service specific cost control proposals	280	280	280	280
<b>New Proposed Commitment</b>					
Masterplanning & Development	Investment in master planning required as a catalyst for local growth	75	150	150	150
<b>Total</b>		<b>4,288</b>	<b>5,053</b>	<b>4,685</b>	<b>4,575</b>

**STRATEGY & PERFORMANCE AND CHIEF EXECUTIVE'S OFFICE**

Description		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
<b>Demand and Price Pressures</b>					
2023/24 Pay Offer - shortfall against budget provision - Strategy & Performance	Adjustment to existing pressure based updated inflation estimates	66	66	66	66
Additional 1% for 2024/25 pay award - Strategy & Performance and CEO	Adjustment to existing pressure based updated inflation estimates	0	44	44	44
<b>Income Pressures</b>					
Senior Communications Officer post	HRA funded post duplicated income target with central services.	52	52	52	52
<b>Unachievable Savings</b>					
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	72
<b>Changes to Inflation</b>					
<b>Total</b>		<b>190</b>	<b>234</b>	<b>234</b>	<b>234</b>

**WELLBEING & HOUSING**

Description		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
<b>Demand and Price Pressures</b>					
Adult Social Care (ASC) - demography	Recalculated increase in demand due to demographic pressures	2,690	4,015	4,733	5,451
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
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.	260	200	200	200
Smaller variances in ASC	Minor variances in year	46	0	0	0
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.	60	0	0	0
2023/24 Pay Offer - shortfall against budget provision - Wellbeing & Housing	Pay award affecting all SCC	360	360	360	360
Revision to 2024/25 contract inflation estimate - Care Home Contracts	Movement in inflation forecast reducing care home pressure forecast	0	(23)	(23)	(23)
Additional 1% for 2024/25 pay award - Wellbeing & Housing	Pay award forecasts affecting all SCC	0	229	229	229
<b>Growth</b>					
Care Director System Super User Additional Posts - Adults	Pressure relating to further system support requirements for Care Director	21	234	234	234
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.	0	40	160	160
<b>Income Pressures</b>					
Bad Debt provision increase	Increasing debt levels having an effect on bad debt provision. Review of aged debt	1,000	0	0	0
<b>Delayed or Unachievable Savings</b>					
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.	0	223	223	223
<b>Total</b>		<b>8,437</b>	<b>9,278</b>	<b>10,116</b>	<b>10,834</b>

**CENTRALLY HELD BUDGETS**

Description		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
<b>Demand and Price Pressures</b>					
Inflationary pressure on capital projects	Adjustment to existing pressure based updated inflation estimates	92	244	342	456
Increase in charge for pre-local government reorganisation debt - held by Hampshire County Council		50	50	50	50
Externalisation of internal debt	External borrowing to match cashflow need	0	930	930	930
Increased Minimum Revenue Provision (MRP) for Infrastructure Assets	Audit requirement to reassess useful economic life	100	100	100	100
<b>Growth</b>					
Transformation Programme operational costs		0	0	2,622	2,622
Environment Agency and Southern Fisheries Levies - budget shortfall		5	10	13	16
<b>Income Pressures</b>					
Contingency for loss of property income		0	2,000	2,000	2,000
<b>Unachievable Savings</b>					
Commercialisation delivery plan and strategy		270	270	270	270
Enhancement of Salary Sacrifice Scheme (21S90)		42	42	42	42
Administration Staffing review		61	61	61	61
<b>Total</b>		<b>620</b>	<b>3,707</b>	<b>6,430</b>	<b>6,547</b>