



**Brighton & Hove
City Council**

**POLICY, RESOURCES & GROWTH
COMMITTEE
ADDENDUM**

4.00PM, THURSDAY, 4 MAY 2017

**COUNCIL CHAMBER, HOVE TOWN HALL, NORTON ROAD,
HOVE, BN3 4AH**

ADDENDUM

ITEM	Page
155 MINUTES	1 - 14
To consider the minutes of the meeting held on 23 March 2017 (copy attached).	
<i>Contact Officer: Ross Keatley Tel: 01273 291064</i>	
<i>Ward Affected: All Wards</i>	
161 TARGETED BUDGET MANAGEMENT (TBM) PROVISIONAL OUTTURN 2016/17	15 - 100
Report of the Executive Director for Finance & Resources (copy attached).	
<i>Contact Officer: Jeff Coates Tel: 01273 292364</i>	
<i>Ward Affected: All Wards</i>	

BRIGHTON & HOVE CITY COUNCIL
POLICY, RESOURCES & GROWTH COMMITTEE

4.00pm 23 MARCH 2017

COUNCIL CHAMBER, HOVE TOWN HALL, NORTON ROAD, HOVE, BN3 3BQ

MINUTES

Present: Councillors , Hamilton (Deputy Chair), G Theobald (Opposition Spokesperson), Mac Cafferty (Group Spokesperson), Janio, Mitchell, A Norman, Meadows, Robins, Sykes and Wealls

PART ONE

132 PROCEDURAL BUSINESS

(a) Declarations of Substitutes

132.1 Councillor Robins was present in substitution for Councillor Morgan.

(b) Declarations of Interest

132.2 There were no declarations of interests in matters listed on the agenda.

(c) Exclusion of Press and Public

132.3 The Committee considered whether the press and public should be excluded from the meeting during the consideration of any of the items listed on the agenda.

132.4 **RESOLVED:** That the press and public be excluded from the meeting during consideration of the items contained in part two of the agenda.

133 MINUTES

133.1 **RESOLVED** – That the Chair be authorised to sign the minutes of the previous meeting held on 9 February 2017 as a correct report.

134 CHAIR'S COMMUNICATIONS

134.1 The Chair asked the Committee and all those present at the meeting to join him in a minute's silence for the victims of the 22 March 2017 Westminster Terrorist Attack.

135 CALL OVER

135.1 The following items were called for discussion:

- Item 139 – Annual Investment Strategy 2017/18
- Item 141 – 2017/18 Local Transport Plan Capital Programme
- Item 144 – Establishment of Brighton & Hove Community Fund
- Item 145 – Brighton & Hove City Council Rough Sleepers Social Impact Bond
- Item 146 – Update to the Scheme of Delegation
- Item 147 – Proposal to Create a New economic Strategy for Brighton & Hove
- Item 148 – Brighton Town Hall: City Hall and Civic Office Proposals
- Item 149 – Asset Management Fund 2017/18
- Item 150 – Circus Street Redevelopment
- Item 152 – Circus Street Redevelopment – Exempt Category 3

135.2 The Democratic Services Manager confirmed that the items listed above had been reserved for discussion, and that the following reports of the agenda, with the recommendations therein had been agreed and adopted:

- Item 138 – Treasury Management Policy Statement.
- Item 142 – Planned Maintenance Budget Allocation 2017-18 and Programme of Works for the Council's Operational Buildings.
- Item 143 – Pay Policy Statement.

136 PUBLIC INVOLVEMENT

136.1 There were no matters listed under Public Involvement.

137 MEMBER INVOLVEMENT

137.1 The Chair noted there was a letter from Councillor Mac Cafferty in relation to Business. Councillor Mac Cafferty spoke to his letter stating that the thrust of it sought clarification on how the changes would affect the city, and its profile of businesses. There was concern that the changes would be difficult for smaller businesses, and it was hoped there was an action plan proposed by the Administration. The relief fund was recognised, but there could still be the need for additional local assistance.

138.1 Councillor Hamilton gave the following response:

“The Valuation Office Agency's 2017 Revaluation has resulted in some significant changes in Rateable Value for some properties. The Rateable Value is only the starting point of calculating how much a ratepayer is liable to pay. Business Rates bills have now been issued and these will show the true increase once all the relevant calculations have been applied.

Although the setting of bills is outside of the council's control, we are concerned about the impact on local business. Although in Brighton and Hove, roughly 57% of non-domestic properties will have no increase, or a reduction to their bill, 7% will have an increase of between 0% and 5%, a further 18% will have an increase of 5% - 10% and the remaining 18% will have an increase above 10%.

However there is some transitional protection provided by the government to limit the increases to bills. This would apply to the World's End pub (as referenced in the

member letter) meaning that the 123% figure would not apply to the increase to its bill. Furthermore, pubs with a Rateable Value below £100,000 will also receive a £1,000 discount, announced by the government in the Spring Budget. However, in future years, the bills will increase as the transitional protection reduces.

A further measure that will help some businesses in the city concerns the increase in the threshold for Small Business Rate Relief from £6,000 to £12,000; more businesses are now in scope for 100% relief.

Online businesses and retailers are not specifically excluded from the change. Every non-domestic property has been revalued. However, online retailers are not necessarily limited to prime locations and premises, and so they may have more freedom to choose premises that have a lower Rateable Value.

Although revaluation was first announced in October 2016, it was only in the Spring Budget that further measures were announced on top of transitional protection:

- 1) A £300 million discretionary fund, to be split among Local Authorities and administered locally.
- 2) A £1,000 discount for pubs with a rateable value below £100,000 (this would include The World's End)
- 3) Ratepayers losing all or part of their Small Business Rate Relief as a result of revaluation will have their bill increase limited to no more than £50 per month. Many Guest Houses are particularly affected by losing this relief and so they will be beneficiaries of the new protection.

Unfortunately none of these measures were announced in time to be included on this year's Annual Bills. However, once the government has passed the necessary legislation, and our software company has issued updates so that we can apply the changes, we will rebill the customers who are affected.

However, we remain concerned about the impact on local businesses from the revaluation and we will be drawing up plans for a new discretionary scheme at the earliest opportunity."

138 TREASURY MANAGEMENT POLICY STATEMENT 2017/18

138.1 RESOLVED:

- 1) That the Committee approves the TMPS and Treasury Management Practices which remain unchanged and as approved by Policy & Resources Committee on 17 March 2016.
- 2) That the Committee approve the Borrowing Strategy as set out in Appendix 3 to this report.

139 ANNUAL INVESTMENT STRATEGY 2017/18

- 139.1 The Committee considered a report of the Executive Director for Finance & Resources in relation to Annual Investment Strategy 2017/18. The Local Government Act 2003

introduced a prudential capital finance system whereby levels of borrowing and investments were decided locally. Guidance issued under the Act required a local authority to approve an annual investment strategy which prioritised security and liquidity and required the Council to set out its policies on: determining the credit-worthiness of its investment counterparties and the frequency at which such determinations are monitored; holding investment instruments other than deposits held in financial institutions or government bodies; determining the maximum periods for which funds may be invested; the minimum level of investments to be held at any one time.

- 139.2 In response to Councillor G. Theobald it was explained that a detailed report was provided which contained information on exactly where money was invested.
- 139.3 It was agreed that a response would be provided to Councillor Wealls after the meeting in relation to increased limits to deposits with Lloyds Bank.
- 139.4 In response to Councillor Sykes it was explained that the improved performance of the Council's investments was not only linked to increased performance management on the part of the Council as a customers; these types of contracts were heavily scrutinised by the organisation and there was always an element of risk with any investment.
- 139.5 The Chair then put the recommendations to the vote.
- 139.6 **RESOLVED TO RECOMMEND** - That the Committee recommend to full Council the approval of the Annual Investment Strategy 2017/18 as set out in Appendix 1 to this report.

140 2017/18 LOCAL TRANSPORT PLAN CAPITAL PROGRAMME

- 140.1 The Committee considered a report of the Executive Director for Economy, Environment & Culture in relation to 2017/18 Local Transport Plan Capital Programme. The Chair also noted that the report had been considered at the Environment, Transport & Sustainability Committee on 14 March 2017, as set out in the associated extract. The City Council secured capital funding for transport schemes through the government's Local Transport Plan [LTP] process. The Council approved the use of capital funding for approved and new Transport schemes projects for 2017/18 on 23 February 2017 as part of the overall budget, which included £6.635m worth of new capital investment in Transport from Government sources. Further indicative allocations for the following three years (2018/19 to 2020/21) were also included within the 10-year budget planning approach.
- 140.2 In response to Councillor Sykes the following was explained. Officers would look into specific instances of heavy vehicles damaging buildings in the city. The Shelter Hall project had been complex, with significant work needed to stabilise the structure, in such a project it was expected some increased costs might be incurred; however, as the the final build contract had not yet been completed the exact costs could not be confirmed.

- 140.3 In response to questions from Councillor Mac Cafferty the following was explained. Investment would be focused in areas where safety improvements could be made through engineering work; promotion of safety through education and publicity were also key tools to address collision numbers. Officers agreed to provide a response after the meeting in relation to mobility for residents in the context of a general reduction in street furniture.
- 140.4 In response to Councillor Janio it was explained that a number of schemes had traffic light improvements within them, there were some locations with additional or improved traffic lights and they sat under the work of the intelligent transport model.
- 140.5 Councillor Mitchell highlighted a parallel piece of work being undertaken by the Transport Access Fund that looked at how people travelled and the barriers to them travelling sustainable.
- 140.6 The Chair then put the recommendations to the vote.
- 140.7 **RESOLVED** – That the Committee:
- 1) Agrees the 2017/18 Local Transport Plan capital programme budget allocation of £6.635 million to projects and programmes, as set out in Appendix 2 of this report; and
 - 2) Notes the indicative allocation of future LTP budgets to projects and programmes for 2018/19 and 2019/20 of at least £5.169 million in each year to fund the Local Transport Plan 4-year Delivery Plan, as set out in paragraph 7.1 of this report.

141 EDUCATION CAPITAL RESOURCES AND CAPITAL INVESTMENT PROGRAMME 2016/2017

- 141.1 The Committee considered a report of the Executive Director for Families, Children & Learning in relation to Education Capital Resources and Capital Investment Programme 2016/2017. In order to determine an overall Capital Programme for Brighton & Hove City Council, each service was asked to consider its capital investment requirements, within the level of allocated resources for 2017/18. The purpose of the report was to inform the Committee of the level of available capital resources allocated to this service for 2017/18 and to recommend a Capital Investment Programme for 2017/18. To allocate funding available in the capital programme under Pupil Places and Condition investment for 2017/18. The Chair noted the report had also been considered by the Children, Young People & Skills Committee on 6 March 2017, as set out in the associated extract.
- 141.2 In response to questions from Councillor Sykes the following responses were provided. Smaller works for schools were allocated centrally through the capital grant. Complex negotiations were ongoing in relation to the site of the new secondary school in the city, but it was not possible to comment on any potential location at this time.
- 141.3 In response to Councillor A. Norman it was explained that work was ongoing to remove 'medium risk' asbestos from the city's schools; however, as most of the schools were built pre-2000 it was likely they contained some hidden asbestos.

141.4 The Chair then put the recommendations to the vote.

141.5 **RESOLVED:**

- 1) That the Committee agree the allocation of funding as shown in Appendices 1 and 2 and include this within the council's Capital Investment Programme 2017/18.
- 2) That Committee grant delegated authority to the Assistant Director of Property & Design to procure the capital maintenance and basic need works and enter into contracts within these budgets, as required, in accordance with Contract Standing Orders in respect of the entire Education Capital Programme.

142 PLANNED MAINTENANCE BUDGET ALLOCATION 2017-18 AND PROGRAMME OF WORKS FOR THE COUNCIL'S OPERATIONAL BUILDINGS

142.1 **RESOLVED** – That the Committee:

- 1) Approve the annual programme of planned maintenance works as detailed in Appendices 2 and 3, at a total estimated cost of £3,268,950; and,
- 2) Grant delegated authority to the Assistant Director of Property & Design to procure the planned maintenance works and enter into contracts within this budget, as required, in accordance with Contract Standing Orders.

143 PAY POLICY STATEMENT 2017/18

143.1 **RESOLVED** – That the Committee recommends to Council the adoption of the pay policy statement 2017/18 attached at Appendix 1.

144 ESTABLISHMENT OF BRIGHTON AND HOVE COMMUNITY FUND

144.1 The Committee considered a report of the Executive Director for Neighbourhoods, Communities & Housing in relation to Establishment of Brighton & Hove Community Fund; the Chair also noted that the report had been considered by the Neighbourhoods, Communities & Equalities Committee meeting on 13 March 2017 as set out in the associated extract of that meeting. Through discussions with the community and voluntary sector, the Members Advisory Group, CCG colleagues, Officers and the Charity Commission, the Communities, Equality and Third Sector (CETS) Team had developed and started to deliver a new Third Sector Investment Programme consisting of the following elements: three year (2017-2020) Communities and Third Sector Commissioning Prospectus, and complemented by an annual BHCC Communities Fund. Alongside these service redesigns the team had been exploring the benefits and risks of transferring some or all of the Council held dormant and under-utilised endowment funds to Sussex Community Foundation to form a Brighton & Hove Community Fund. This would establish a strategic partnership with a key local charity with the principal aim of using the transferred funds to generate and attract additional funding to the city, to enable community and voluntary endeavour that meets

the needs of the city. The report explained the purpose of the fund, the benefits and the mechanics of establishing and delivering it.

- 144.2 In response to Councillor Sykes it was explained that the investment return that the community fund expected to achieve was higher than the Council could achieve – though they had a similar low risk portfolio. Some modelling had been undertaken which suggested it would achieve well over the next three years.
- 144.3 The Chair noted that this proposal had been endorsed by the Member Advisory Group, and welcomed the report.
- 144.4 In response to Councillor Mac Cafferty it was explained that close work with the Sussex Community Foundation would be undertaken; quarterly meetings would strategically assess the signposting and promotion of the fund, and much of this would be undertaken by the existing infrastructure of the Sussex Community Foundation.
- 144.5 In response to Councillor G. Theobald it was explained that the funds would be ring-fenced for Brighton & Hove residents; it was also explained there were sufficient checks and balances in place to manage the fund and transfer it to a different body in the unlikely event it did not perform.
- 144.6 Councillor A. Norman welcomed the report and hoped some of the funds be used for science projects that needed funds and scholarship.
- 144.7 The Chair then put the recommendations to the vote.
- 144.8 **RESOLVED:**

1) That the Committee approve the closure of the trusts and the transfer of the endowments listed in appendix 1 to Sussex Community Foundation for the purpose of establishing the Brighton and Hove Community Fund as outlined in this report.

2) That the Committee delegate authority to the Executive Director of Neighbourhoods, Communities and Housing to take all steps necessary to action and complete the transfer.

145 **BRIGHTON AND HOVE CITY COUNCIL ROUGH SLEEPERS SOCIAL IMPACT BOND**

- 145.1 The Committee considered a report of the Executive Director for Adult Care & Health in relation to Brighton and Hove City Council Rough Sleepers Social Impact Bond. The Department of Communities and Local Government (DCLG) invited funding bids from local authorities interested in commissioning a Social Impact Bond programme to drive innovative approaches to tackling entrenched rough sleeping. The Council, in partnership with Hastings Borough Council, Eastbourne Borough Council, Arun District Council and Adur and Worthing Council, submitted a successful bid and was awarded funding in December 2016 of £983,792 to address a cohort of 150 entrenched rough sleepers each individually identified. The report requested delegated power to progress

the tender process and to award a contract for the provision of services to the successful tenderer in that process.

- 145.2 Councillor Janio welcomed the principle in the report, but argued that there was not a lack of funding to address homelessness, but the work needed to be better coordinated and managed.
- 145.3 In response to Councillor Sykes it was explained that the DCLG had very stringent guidelines on verification of outcomes for this payment by results model – the Council would implement these guidelines as part of the scheme.
- 145.4 In response to a series of questions from Councillor G. Theobald the following was explained. The guidance from DCLG did not specify that those being housed needed to have a connection with the local area. The allocated funding had been assessed and was based on a similar cohort in London. The type of housing could be very flexible as part of the programme.
- 145.5 It was confirmed for Councillor A. Norman that the Housing Department worked closely with the Civil Military Partnership Board with success.
- 145.6 In response to a series of questions from Councillor Wealls the following was explained. The DCLG had undertaken learning from the Thames Reach Scheme, and used that to make this programme a firm outcome based model; how this was achieved by entirely down to the provider to give flexibility. In terms of addressing behaviours, this model sought to focus on the individuals and designing services around their specific needs. This would give the Council the mechanism to commission services differently, and the accommodation based services gave greater flexibility.
- 145.7 The Chair then put the recommendations to the vote.
- 145.8 **RESOLVED:**
- 1) That the Committee agrees to delegate authority to the Executive Director Health & Adult Social Care, following consultation with Executive Director Finance & Resources, to procure and enter into a contract to secure effective delivery of a service to reduce numbers of entrenched rough sleepers, in accordance with the requirements of funding made available to the Council by the DCLG. The proposed service will be delivered in partnership with Hastings Borough Council, Eastbourne Borough Council, Arun District Council and Adur and Worthing Council.
 - 2) That the Committee notes that the procurement will be aligned with priorities within the Council's Rough Sleeping Strategy 2016, the Council's Housing Strategy 2015, Homelessness Strategy 2014-19, and the Council's priorities for the integration of social care and health through Better Care.

146 UPDATE TO THE SCHEME OF DELEGATION

- 146.1 The Committee considered a joint report of the Executive Director for Families, Children & Learning and the Executive Lead Officer for Strategy, Governance & Law in relation to Update to the Scheme of Delegation. The Committee was asked to resolve

to change the Constitution's Scheme of Delegations to transfer the Print & Sign function currently in the Communications Team, (part of the Strategy Governance & Law Directorate) to the Families, Children and Learning Directorate's Employment and Skills service. The function was not separately identified in the Scheme but was part of the general Corporate Communications function. The Graphic Design Team was not included in the proposal. The transfer involved seven members of staff, who would be moved between these Directorates.

146.2 Councillor Janio welcomed the report, and highlighted the social benefits that this service provided.

146.3 The Chair then put the recommendations to the vote.

146.4 **RESOLED:**

- 1) That the Committee resolves to amend the council's Scheme of Delegations to transfer the Print & Sign function from the Strategy Governance and Law Directorate to the Families Children and Learning Directorate;
- 2) That the transfer takes effect from 1 April 2017 or at the conclusion of the consultation process with staff, whichever is later.

147 PROPOSAL TO CREATE A NEW ECONOMIC STRATEGY FOR BRIGHTON & HOVE

147.1 The Committee considered a report of the Executive Director for Economy, Environment & Culture in relation to the Proposal to Create a New Economic Strategy for Brighton & Hove. The current Economic Strategy would come to an end in 2018. Since the strategy was published in 2013, there had been multiple factors impacting on the city's economy and, of particular note, were Brexit and its imminent impact on the city, and the Government's recently published Green Paper on the Industrial Strategy. The report set out the rationale for preparing a new Economic Strategy for the city and alignment with wider policy developments. It considered the proposed approach and overall indicative timescales for its development.

147.2 Councillor Wealls stated that he did not oppose the report in principle, but queried how much it actually drove change; arguing that education, planning policy and transport were much greater factors.

147.3 Councillor Janio stated he was not supportive of this work.

147.4 Councillor Sykes welcomed this work, in particular in the context of uncertainty created by Brexit; he asked that the Council consider both the threats and the opportunities that were created.

147.5 The Executive Director responded to some of the points raised in the debate and stated the process of drafting would include review of the previous strategy. He highlighted some of the successes including the living wage, 'Ride the Wave' programme, business training services and funding that had been secured through the regional growth fund; which allowed businesses to invest in their own growth. He went

on to highlight the development of the city region approach which had helped attract capital investment and funds for infrastructure projects. There were also things the Council could do in terms of bringing together key partners and facilitating growth; as well as working with the universities.

147.6 The Chair noted that the final draft would need approval at Full Council.

147.7 The Chair then put the recommendations to the vote; these were carried with 6 in support and 4 abstentions.

147.8 **RESOLVED:** That the Committee:

- 1) Approves the development of a new Economic Strategy (2018-2022) for the city.
- 2) Approves the proposed approach and overall indicative timescales to develop the new Economic Strategy. The final draft strategy will be reported to committee and Council for approval.
- 3) Agrees that Officers commence delivery of the new Economic Strategy with the commissioning of a background paper on the economic and political context in the city ('The City's Economic Story and Policy Context').

148 BRIGHTON TOWN HALL: CITY HALL AND CIVIC OFFICE PROPOSALS

148.1 The Committee considered a report of the Executive Director for Economy, Environment & Culture in relation to Brighton Town Hall: City Hall and Civic Office Proposals. Brighton Town Hall was a landmark of the city. It was centrally located, adjacent to the Customer Service Centre in Bartholomew Square, and accommodated important life events such as wedding ceremonies and the registration of births, deaths and marriages. It was a building of political significance, hosting Full Council meetings and coordinating electoral events. However, the building was under occupied and substantial grade two listed structure with ever increasing required maintenance needs. The report set out options for continued use of the building, addressing the issues of under-occupancy and increasing maintenance costs. It considered proposals that supported growing business and inward investment through the development of a new civic hub, positioning the city internationally.

148.2 Councillor G. Theobald stated that the building was listed and a local focal point; he welcomed the 'city hall' proposals for the underused building, and felt the Council could look further into the work undertaken in Manchester. He was concerned that the historic Council Chamber should remain in use, and agreed that the appointment of ambassadors needed to be done with cross-party agreement at the Leaders' Group. He was conscious that the role of the Mayor not be downgraded.

148.3 Councillor Sykes noted that the proposals were innovative and interesting; in response to a query it was explained that a low carbon approach was very much being considered.

148.4 Councillor Janio welcomed the creative approach, but expressed his concern in relation to the proposed ambassadors.

148.5 The Chair then put the recommendations to the vote.

148.6 **RESOLVED** – That the Committee:

- 1) Agrees that Officers continue to develop the Civic Office proposals, including piloting a programme of civic events hosted by the mayor's office, linked to attracting inward investment and supporting key business-related campaigns or policy initiatives.
- 2) Agrees that Officers further develop designs and a financial business case to refurbish and modernise Brighton Town Hall to become a multi-sector hub for business growth, international trade, inward investment activity, and destination marketing to position the City as 'open for business', and that the full business case will return to a future Policy, Resource and Growth committee for consideration.
- 3) Agrees that Officers design a role and a recruitment process for a number of 'city ambassadors': a small pool of council-recognised people drawn from the business sector. Proposals around the ambassador role will be developed in consultation with the Leaders Group with a view to the first appointments being made in the 2017/18 municipal year.

149 **ASSET MANAGEMENT FUND 2017/18**

- 149.1 The Committee considered a report of the Executive Director for Economy, Environment & Culture in relation to Asset Management Fund 2017/18. The report sought approval for the £1 million of the 2017/18 Asset Management Fund allocation.
- 149.2 Councillor G. Theobald moved an amendment on behalf of the Conservative Group in relation to the toilet facilities in the cemetery to the north of Old Shoreham Road. He noted that the lack of a facility made it difficult for older people and others to attend services, and he hoped the Committee could agree to the amendment on equality grounds.
- 149.3 Councillor Janio formally seconded the amendment; he noted there had been a deputation to the Environment, Transport & Sustainability (ET&S) Committee on this, and hoped the Committee could agree the funding.
- 149.4 Councillor Mitchell highlighted the issue to date; a deputation had been received by the ET&S Committee, at that meeting it had been agreed that Officers would look at the capital and revenue implications of bringing the toilet back into use (currently there was only an adult toilet, with no disabled facility). It was the intention to now bring a report back, to either Committee, setting out the background to closure, the level of usage and funding streams in the contexts of savings within the wider public toilets budget; any report would need to identify savings from within the same service.
- 149.5 The Chair noted that the Administration could not support the proposed amendment in the context of other toilet closures in the city.

- 149.6 Councillor Sykes noted that he would wait for the full report before committing a view.
- 149.7 Councillor Janio highlighted that the Conservative Group were of the view that closing this toilet had been a mistake, and they were seeking to rectify it.
- 149.8 The Chair then put the proposed amendment to the vote. This was **not carried** with 4 in support and 6 against.
- 149.9 In response to a general query from Councillor Wealls it was explained that there was a bidding process for the fund; most bids were agreed and those that were not had largely related to revenue maintenance.
- 149.10 The Chair then put the recommendations to the vote; these were **carried** with 6 in support and 4 against.
- 149.11 **RESOLVED** – That the Committee approve the Asset Management Fund bids for 2017/18 totalling £1 million, as detailed in paragraph 3.3 of this report.

150 CIRCUS STREET REDEVELOPMENT

- 150.1 The Committee considered a report of the Executive Director for Economy, Environment & Culture in relation to Circus Street Redevelopment. The report informed the Committee of changes to the Circus Street project, following the decision by the University of Brighton (“the University”) to seek a withdrawal from the current Development Agreement (between the Council, the university and Cathedral (Brighton) (“Cathedral”). The University wished to reconsider its development options for its proposed academic site in the light of its current landholdings, recent estates investments and as part of a wider strategic assessment of its future development needs. The report requested authority for the Council to agree an appropriate land deal between the three parties and a revised Development Agreement between the Council and Cathedral that would enable construction work to commence at the beginning of May, to bring forward all elements of the mixed use development (aside from the academic building) while enabling the university to reconsider its future university-related development options for the academic site.
- 150.2 In response to questions from Councillor Meadows it was explained that any proposed change of use to the student housing on the site would require planning permission; the value of land could change based on the future use and the permissions granted. There was no intention for the Council to receive part of any potential future uplift in the value.
- 150.3 In response to questions from Councillor Sykes the following responses were provided. There had been construction cost inflation nationally; however, all of the Council’s major projects had the usual industry standards in relation to contingency. The Council had a good track record of achieving a strong mix of uses on major development sites, and they had worked hard with the developer to do this at Circus Street – there was also significant work undertaken to ensure the scheme remained viable in this context. Agreement had been made with the LEP to carry forward the funding into the next financial year.

- 150.4 Councillor G. Theobald stated without the approval of this report the whole scheme would be placed in serious jeopardy; he commended the work of Officers. He went on to highlight his support for the regional dance studio, and emphasised the importance of regenerating the site. He highlighted the historic context and amount of time it had taken to reach this stage in the development and asked that the Committee approve the report to ensure construction could begin.
- 150.5 Councillor Mitchell welcomed the report, as well as the commencement of construction in May. She thanked Officers for their work to bring the project forward, and welcomed the site coming back into use.
- 150.6 The Chair put the recommendations to the vote.
- 150.7 **RESOLVED:**
- 1) That the Committee agrees to a Deed of Variation to the existing Development Agreement that will enable the University to withdraw as a development partner.
 - 2) That the land transfers as per the existing Development Agreement remain unchanged. The University Annex site to be transferred to the council's ownership, appropriated by Cathedral for demolition and construction as per the current planning permission, and the land allocated for the university's proposed academic building to be transferred from the council to the university, for future development by the university.
 - 3) That delegated authority is granted to the Executive Director Economy, Environment & Culture and the Executive Lead Officer, Strategy Governance and Law to agree and/or sign any necessary legal documentation to enable the necessary land transactions to take place and for the Development Agreement to go unconditional.

151 ITEMS REFERRED FOR COUNCIL

- 151.1 There were no additional items referred to Council.

152 CIRCUS STREET REDEVELOPMENT - EXEMPT CATEGORY 3

- 152.1 **RESOLVED** – That the Committee note the information contained in the Part Two appendix.

153 PART TWO PROCEEDINGS

- 153.1 **RESOLVED** – That the information contained in Part Two remain exempt from disclosure to the press and public.

The meeting concluded at 6.45pm

Signed

Chair

Dated this

day of

Subject:	Targeted Budget Management (TBM) Provisional Outturn 2016/17		
Date of Meeting:	4 May 2017		
Report of:	Executive Director of Finance & Resources		
Contact Officer:	Name:	Nigel Manvell	Tel: 29-3104
	Email:	Nigel.manvell@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

Note: The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that the process of closing the 2016/17 accounts and finalising the revenue outturn position had not been completed. Completion of this process is critical to provide accurate information upon which to base the provisional outturn report.

1 SUMMARY AND POLICY CONTEXT:

- 1.1 The Targeted Budget Monitoring (TBM) report is a key component of the council's overall performance monitoring and control framework. This report sets out the provisional outturn position (i.e. Month 12) on the council's revenue and capital budgets for the financial year 2016/17.
- 1.2 The final outturn position is subject to the annual external audit review of the council's accounts. The final position will be shown in the council's financial statements which must be signed by the Chief Finance Officer (CFO) by 30 June 2017 and the audited set approved by the Audit & Standards Committee by 30 September 2017. However, the council is trialling early closure of accounts ahead of this becoming a statutory requirement in 2017/18 and will be aiming for CFO sign off by the end of May i.e. one month earlier, with Audit & Standards Committee approval by the end of July 2017. This is the principal reason for the report not being available at an earlier time.
- 1.3 In summary, the council has achieved a provisional outturn underspend of £1.350m on the General Fund compared to a projected underspend of £0.538m assumed when setting the 2017/18 budget as at month 9. The provisional outturn therefore represents an improved resource position of £0.812m. The improvement relates to a small number of significant movements detailed in the report and appendices.
- 1.4 The provisional outturn represents an underspend of 0.7% of the General Fund net budget. The position demonstrates that the council continues to plan and manage its resources effectively and remains financially resilient in an environment of significant financial challenges, including the achievement of over

£18m savings during the year. This is important in the context of growing pressures on demand-led services, the requirement to achieve further substantial savings, and uncertainties over funding in future years, particularly concerning business rates and the longer term funding of health and social care with health partners. An outturn position within budget is also important to satisfy external scrutiny including the opinion of the external auditor on the council's financial resilience and arrangements for effective medium term financial planning.

2 RECOMMENDATIONS:

- 2.1 That the Committee note that the provisional General Fund outturn position is an underspend of £1.350m and that this represents an improvement in resources of £0.812m compared to the projected and planned resource position at Month 9 taken into account when setting the 2017/18 budget.
- 2.2 That the Committee note the provisional outturn includes an overspend of £0.600m on the council's share of the NHS managed Section 75 services.
- 2.3 That the Committee note the provisional outturn for the separate Housing Revenue Account (HRA), which is an underspend of £2.206m.
- 2.4 That the Committee note the provisional outturn position for the ring-fenced Dedicated Schools Grant, which is an underspend of £0.585m.
- 2.5 That the Committee approve carry forward requests totalling £2.689m as detailed in Appendix 3 and included in the provisional outturn.
- 2.6 That the Committee approve the transfer of Temporary accommodation budgets from Families, Children & Learning and Health & Adult Social Care to Neighbourhoods, Communities & Housing (paragraph 6.3) in accordance with Financial Regulations.
- 2.7 That the Committee agree that the Thompson Bequest, Royal Pavilion Renewals Fund and Brighton & Hove Natural History Society Reserve are transferred to the Royal Pavilion and Museums Foundation 'Restricted Funds' (paragraph 6.4) in accordance with Financial Regulations.
- 2.8 That the Committee note the provisional outturn position on the capital programme.
- 2.9 That the Committee approve changes to the capital programme including the variations and re-profiles requested in Appendix 5 and new schemes detailed in Appendix 6

3 RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

Change in resources since Month 9 (Budget Setting)

- 3.1 When setting the 2017/18 revenue budget, the one-off resources available to support the budget included the projected outturn forecast as at Month 9. At that time, the projected overspend on services was £1.862m against which there were available risk provisions of £2.400m. The net position was therefore a

projected underspend of £0.538m. This projected resource was fully utilised and allocated in setting the 2017/18 budget.

- 3.2 In essence therefore, when considering the provisional outturn position, only the movement since month 9 is relevant. The table in paragraph 3.7 below shows that, after applying risk provisions, the provisional outturn on the General Fund is an underspend of £1.350m which is an improvement in available resources of £0.812m since the 2017/18 budget was set at month 9.
- 3.3 Subject to approval of the carry forward requests in this report, this means that £0.812m additional one-off resources are available compared with Month 9. However, approval of budget amendments at Budget Council required the use of £0.170m one-off resources which were agreed as a first call on any improvement to the outturn position. This therefore reduces the available additional resources to £0.642m, the allocation of which is for consideration by the Policy, Resources & Growth Committee. However, following announcement of a General Election it is proposed to defer any consideration of resources until the July 2017 meeting when early information about the 2017/18 financial position will also be available.
- 3.4 The remainder of this report is in the standard TBM format and compares the movement from Month 9 to outturn as normal.

Targeted Budget Management (TBM) Reporting Framework

- 3.5 The TBM framework focuses on identifying and managing financial risks on a regular basis throughout the year. This is applied at all levels of the organisation from Budget Managers through to Policy, Resources & Growth Committee. Services monitor their TBM position on a monthly or quarterly basis depending on the size, complexity or risks apparent within a budget area. TBM therefore operates on a risk-based approach, paying particular attention to mitigation of growing cost pressures, demands or overspending together with more regular monitoring of high risk 'demand-led' areas as detailed below.

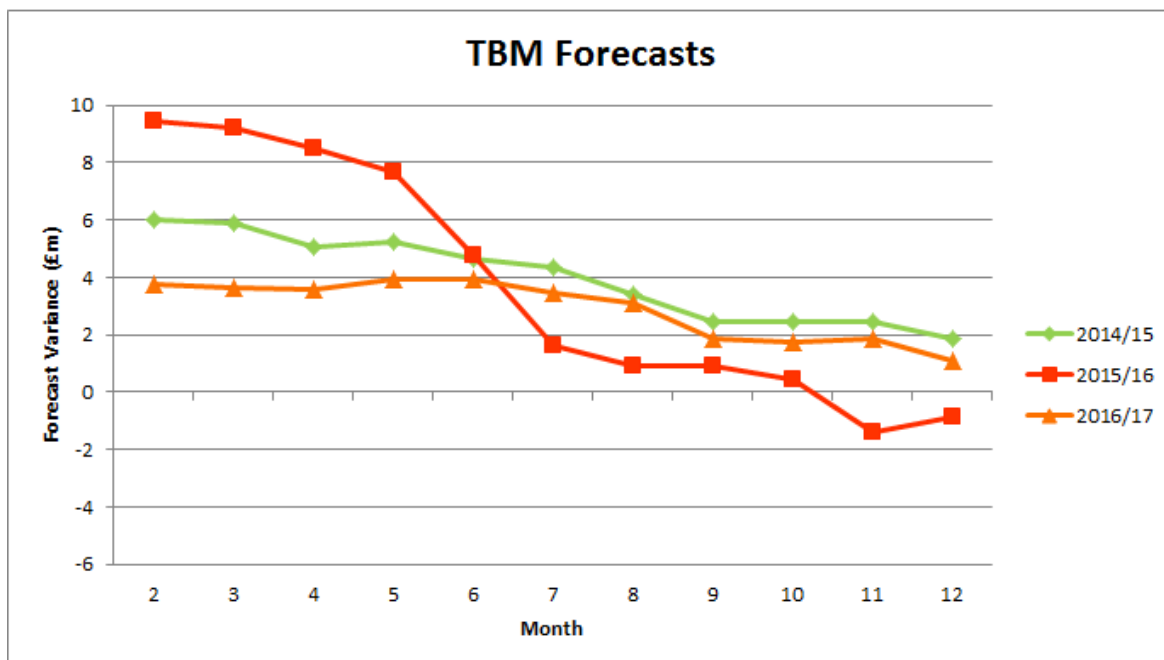
General Fund Revenue Budget Performance (Appendix 1)

- 3.6 The table below shows the provisional outturn for Council controlled revenue budgets within the General Fund. These are budgets under the direct control and management of the Executive Leadership Team. More detailed explanation of the variances can be found in Appendix 2.
- 3.7 The General Fund includes general council services, corporate budgets and central support services. Corporate budgets include centrally held provisions and budgets (e.g. insurance). Note that General Fund services are accounted for separately to the Housing Revenue Account (Council Housing). Note also that although part of the General Fund, financial information for the Dedicated Schools Grant is shown separately as this is ring-fenced to education provision (i.e. Schools).

2016/17 Month 9 Variance £'000	Directorate	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
3,721	Families, Children & Learning	79,307	83,252	3,945	5.0%
1,192	Health & Adult Social Care	49,800	51,154	1,354	2.7%
(1,318)	Economy, Environment & Culture	22,674	20,789	(1,885)	-8.3%
763	Neighbourhood, Communities & Housing	10,966	11,690	724	6.6%
(617)	Finance & Resources	20,633	19,754	(879)	-4.3%
(85)	Strategy, Governance & Law	5,911	5,611	(300)	-5.1%
3,656	Sub Total	189,291	192,250	2,959	1.6%
(1,794)	Corporate Budgets	9,046	4,737	(4,309)	-47.6%
1,862 *	Total General Fund	198,337	196,987	(1,350)	-0.7%

* Position before application of £2.400m available risk provisions.

- 3.8 Note, at Month 9 available risk provisions of £2.400m had not been released. Therefore, as discussed above, the comparable position at Month 9, including available risk provisions, was a forecast underspend of £0.538m. The provisional outturn underspend of £1.350m therefore represents an improvement of £0.812m on the month 9 position. The large 'Corporate Budgets' underspend in the table above at Month 12 includes the release of the aforementioned risk provisions of £2.400m. Further details of the Corporate Budgets outturn are provided in Appendices 1 and 2.
- 3.9 The chart below shows the monthly forecast variances for 2016/17 and the previous two years for comparative purposes. To ensure a like for like comparison of the underlying position, the data for the three years excludes the allocation of risk provisions and the one-off Minimum Revenue Provision adjustment of £2.328m in 2015/16.

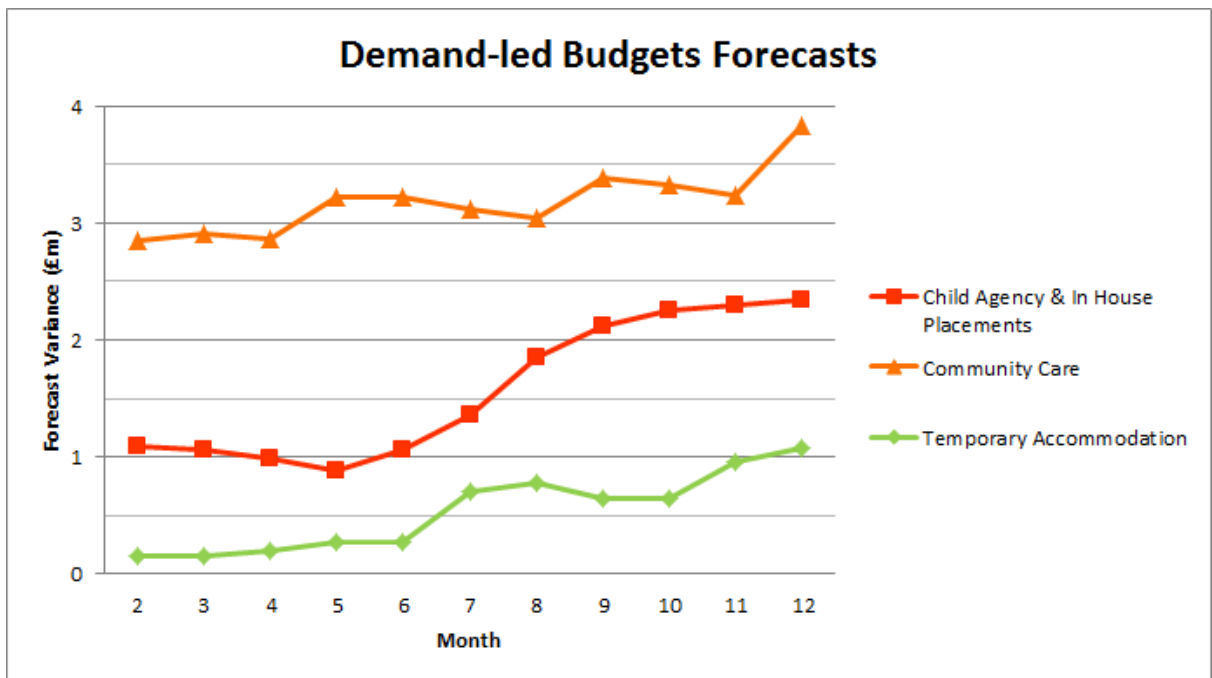


Demand-led Budgets

3.10 There are a number of budgets that carry potentially higher financial risks and therefore could have a material impact on the council's overall financial position. These are significant budgets where demand or activity is difficult to predict and where relatively small changes in demand can have significant implications for the council's budget strategy. These therefore undergo more frequent and detailed analysis.

2016/17 Month 9 Variance £'000	Demand-led Budget	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
2,112	Child Agency & In House Placements	19,556	21,902	2,346	12.0%
3,383	Community Care	48,930	52,754	3,824	7.8%
650	Temporary Accommodation	1,544	2,617	1,073	69.5%
6,145	Total Demand-led Budget	70,030	77,273	7,243	10.3%

3.11 At this stage of the year it is important to monitor underlying trends in the context of the 2017/18 budget for which £14.870m service pressure funding for demand-led budgets was provided, reflecting the pressures on these budgets indicated above. The chart below shows the monthly forecast variances on the demand-led budgets for 2016/17. The large movement in Community Care (Adult Social Care) placements in the final month is due to a reduction in the budget which reflects a reduction in CCG contributions detailed below.



Summary of the position at Outturn

The main pressures reported at outturn continue to be across Children’s and Adults Social Care and Homelessness (Temporary Accommodation) as follows:

3.12 **Children’s Services:** The initial forecast budget risk across Families, Children & Learning was £2.534m primarily resulting from increased demand pressures on services for Children in Care and social work cost pressures continuing through from last year. Subsequently, the directorate put together a financial recovery plan to address the financial risks. This recovery plan identified £1.535m of potential cost reductions to improve the forecast position which would have given an outturn of £0.999m. During the year, the outturn forecast has reflected significant financial pressures on services for Children in Care and social work as well as risks in the Home to School Transport budget that have been closely monitored. In addition, the transfer of services for Adults with Learning Disabilities from the Health & Adult Social Care Directorate added £2.421m to the overspend.

The final position shows cost pressures of £2.421m on services for adults with learning disabilities, £0.233m on social work staffing and £2.451m on Children’s placement budgets. Together with an overspend of £0.310m on Home to School transport, offset by other underspending budgets of £1.470m, this explains the outturn position of £3.945m as at Month 12. The trend on placements can be clearly seen in the graph above and is continuing upward. This is reflected in the service pressure funding provided in the 2017/18 budget.

3.13 **Adults Services:** The service faced significant financial challenges in 2016/17 in mitigating the risks arising from the sustained pressures in 2015/16 and managing in-year demands. This is alongside delivering a significant budget savings programme and developing integration plans through the Better Care Fund.

- The outturn is an overspend of £1.354m after identifying recovery measures which have helped to contain the risk. The recovery measures focused on attempting to manage demands on and costs of community care placements across Assessment Services and making the most efficient use of available funds. The overspend position includes the following main elements that are described in more detail in Appendices 1 and 2.
- The main area of spend relates to service pressures identified at the beginning of the year (and highlighted in the General Fund Revenue Budget report as noted above) which relate to increased complexity of need, increasing numbers of older people being discharged from hospital requiring social care services for the first time, pressures on the provider services' budget and Deprivation of Liberty Safeguards (DoLS) cases.
- The outturn includes the part-year effect of the approved increase in care home fees. In order to manage the local market and address the significant under-supply of providers in the city who will accept publicly funded residents, fee increases were essential.
- The approved budget savings for 2016/17 were £4.352m, all of which were fully achieved.
- Service pressure funding of over £3m, including the Adult Social Care precept, has been applied in 2016/17 and used to fund budget pressures resulting from the increased demands and complexity, DoLS, the national living wage and fee rates.
- Since Month 9 there has been an additional pressure of £0.550m in 2016/17 due to a reduction in CCG funding resulting from severe pressures on health commissioning budgets. The funding for future years is also currently subject to review and agreement with the CCG, particularly in relation the CCG's financial resources and the additional Adult Social Care resources which must be managed through the Better Care Fund and will be subject to joint agreement.

In general, the funding of all care packages is scrutinised for Value for Money, ensuring that eligible needs are met in the most cost-effective manner which will not always meet people's aspirations. This forms a key part of the savings implementation plan. Adult Services are also continuing to use benchmarking and research analysis to support the driving down of unit costs but are faced with increased complexity and demand (demographic) growth which is also a nationally understood picture. Through regional and other social care networks the service has been looking at best practice in delivering cost effective services

in order to influence future direction - this includes demand management strategies and identifying opportunities through Housing provision.

- 3.14 **Housing Services and Temporary Accommodation:** Although the council is accepting a full housing duty for a similar level of households as previously (around 420 per annum), the actual numbers of households in temporary accommodation is increasing because there are limited opportunities to move these households out of temporary accommodation into other alternative longer term forms of accommodation. This is due to a mixture of shortage of supply, unaffordable rents in the private sector and policy changes within ASC commissioning affecting the allocation of supported beds. Given the high cost housing market and welfare reforms, prevention of homelessness has been challenging but has been successful in preventing demand for temporary accommodation increasing further (i.e. the level of homeless acceptances has been maintained).

The service has completed a large decant programme of approximately 180 leased units of temporary accommodation with one provider during 2015/16 and 2016/17. In addition, the level of general handbacks is high due to a high cost housing market which is leading landlords to sell. This has a significant impact as:

- reprovision to replace lost units means that additional growth of leased properties is at a standstill and so new demand can only be absorbed by expensive spot purchase;
- Reprovision is at an increased cost as the housing market is now more expensive;
- There are costs associated with the handback of a large number of units which include dilapidation and void costs;
- Some units of provision were diverted to Adult Social Care to assist with an emergency situation.

The service has overspent by £1.062m, (of which £0.335m relates to the managed risk identified at 2016/17 budget setting) and takes account of the use of a one-off contingency sum of £0.100m, one-off specific temporary accommodation reserves of £0.200m and includes underspends of £0.171m across the wider homelessness service as identified in the financial recovery plan through the year. The costs of temporary accommodation increased compared to the forecast at month 9 by £0.412m as a result of more time being needed to fully embed the new allocation policy agreed in December 2016. There were also many properties handed back in the last few months of the year with the associated void and repairs costs.

As part of the 2017/18 budget setting process the service has received net service pressure funding of £0.543m. Housing has also been awarded government funding of £1.3m (over two years) for homelessness prevention trailblazing work. This will enable the council and other public bodies to work with households before they become homeless and help to embed a highly skilled homeless prevention service at the council. The aim is to reduce the number of households requiring temporary accommodation over a two year period and to

use the money saved to fund this prevention and incentive work for the longer term, keeping the numbers of households who become homeless to a minimum.

Carry Forward Requests (Appendix 3)

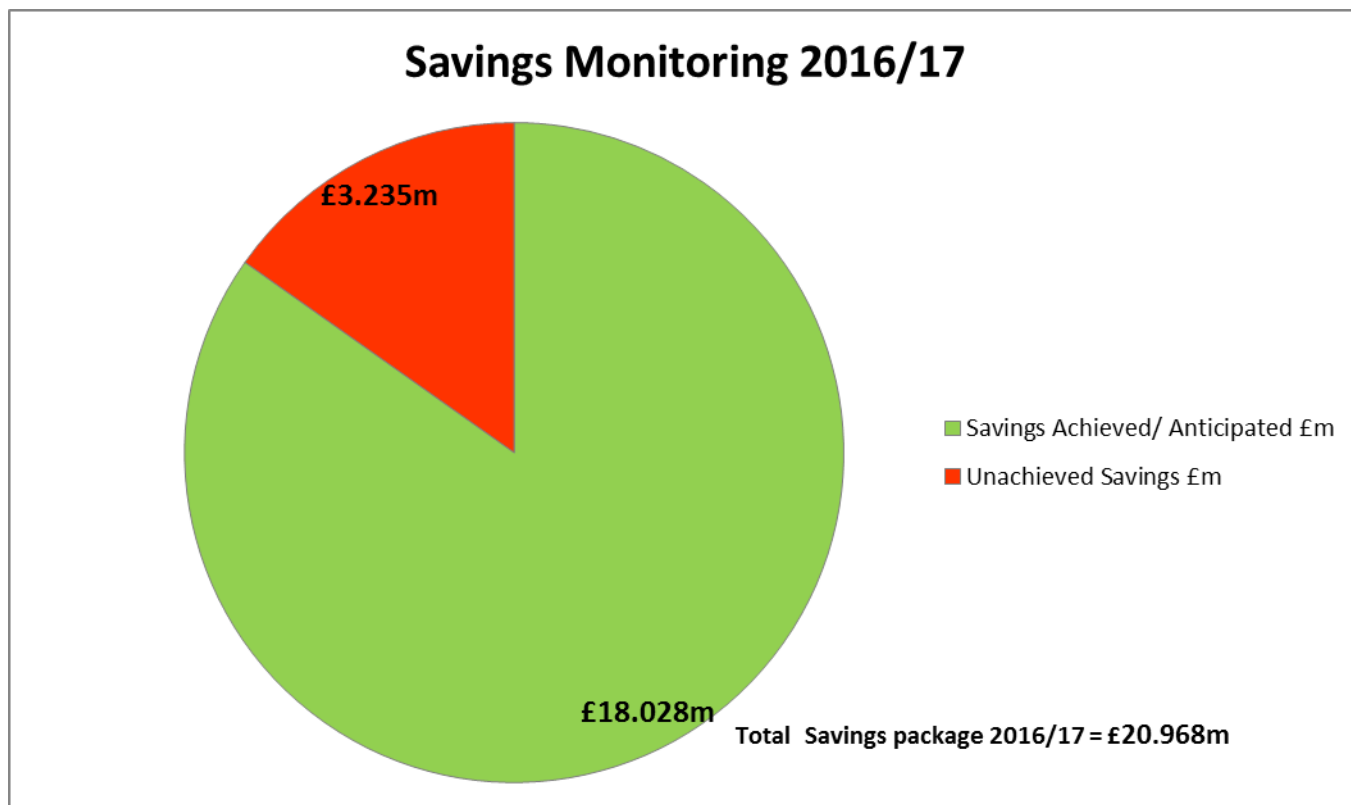
- 3.15 Under the council's Financial Regulations, 'the Director of Finance¹ may agree carry forwards of up to £0.050m per member of the Corporate Management Team (up to a maximum of £1m in total) if it is considered that this incentivises good financial management'. Given the council's challenging financial position, carry forwards have only been allowed this year where there is clear evidence of a prior commitment that was not able to be completed or undertaken by the end of the financial year. Fortuitous underspends have not been allowed as carry forwards. Under this Financial Regulation, a total of £0.138m has been agreed for four service areas to ensure planned commitments can be met in 2017/18.
- 3.16 Policy, Resources & Growth Committee approval is required for carry forward requests in excess of £0.050m. These include grant funded and non-grant funded carry forwards totalling £2.689m and have been assumed in the outturn figures above. The principles outlined in paragraph 3.15 above also apply. An analysis of these is provided in Appendix 3 split into two categories as follows.
- i) The non-grant funded element of carry forwards totals £0.872m. These items have been proposed where funding is in place for existing projects or partnership working that crosses over financial years and it is therefore a timing issue that this money has not been spent in full before the year-end.
 - ii) The grant funded element of carry forwards totals £1.817m. Under current financial reporting standards, grants received by the council that are unringfenced or do not have any conditions attached are now recognised as income in the financial year they are received rather than in the year in which they are used to support services. Prior to 2011/12 these unspent grants would have automatically rolled into the next financial year to fund the commitments against them but now they need to be agreed as part of the carry forward requests. Within the total of £1.817m, a sum of £0.585m relates to the Dedicated Schools Grant. Under the Schools Finance Regulations, the unspent part of the DSG must be carried forward to support the schools budget in future years.

Monitoring Savings

- 3.17 The savings package approved by full Council to support the revenue budget position in 2016/17 was £20.968m. This is a very large savings package and follows 5 years of substantial packages totalling nearly £98m. Achievement of savings programmes and actions in 2016/17 has been reported throughout the year to ensure effective oversight and, so far as possible, to avoid adding to financial pressures in future years through non-achievement.
- 3.18 Appendix 2 incorporates the impact of under or over-achieved savings within each directorate. Appendix 4 summarises the position across all directorates and presents the entire savings programme. The chart below provides a summary of the position as at Month 12. This shows that a substantial element of the savings

¹ Director of Finance is a generic term used in Financial Regulations meaning the Chief Financial Officer or S151 Officer, which in this council is the Executive Director Finance & Resources

programme of £20.968m for 2016/17 was achieved but with £3.235m not achievable. The majority of unachieved savings are within the Families, Children & Learning directorate as detailed in Appendix 2 and were taken into account in considering the potential ongoing impact on the 2017/18 budget.



Note: Savings achieved/anticipated includes an overachievement of savings of £0.295m.

Housing Revenue Account Performance (Appendix 2)

3.19 The Housing Revenue Account is a separate ring-fenced account which covers income and expenditure related to the management and operation of the council's housing stock. Expenditure is generally funded by Council Tenants' rents. The provisional outturn is an underspend of £2.206m and more details are provided in Appendix 2.

Dedicated Schools Grant Performance (Appendix 2)

3.20 The Dedicated Schools Grant (DSG) is a ring-fenced grant which can only be used to fund expenditure on the schools budget. The schools budget includes elements for a range of services provided on an authority-wide basis including Early Years education provided by the Private, Voluntary and Independent (PVI) sector, and the Individual Schools Budget (ISB) which is divided into a budget share for each maintained school. The provisional outturn is an underspend of £0.585m and more details are provided in Appendix 2. Under the Schools Finance Regulations any underspend must be carried forward to support the schools budget in future years.

NHS Managed S75 Partnership Performance (Appendix 2)

- 3.21 The NHS Trust-managed Section 75 Services represent those services for which local NHS Trusts act as the Host Provider under Section 75 Agreements. Services are managed by Sussex Partnership Foundation Trust (SPFT) and include health and social care services for Adult Mental Health and Memory and Cognitive Support Services.
- 3.22 This partnership is subject to separate annual risk-sharing arrangements and the monitoring of financial performance is the responsibility of the respective host NHS Trust provider. Risk-sharing arrangements result in financial implications for the council where a partnership is underspent or overspent at year-end and hence the performance of the partnership is included within the forecast outturn for the Health & Adult Social Care directorate. The council's forecast contribution to the risk share for 2016/17 is currently £0.600m and more details are provided in Appendix 2.

Capital Programme Performance and Changes

- 3.23 The Capital programme spans more than one financial year and therefore monitoring is different to that of the annual revenue budget. Performance needs to be looked at from five different viewpoints at the end of the year as follows:
- i) Forecast Variance: The 'variance' for a scheme or project indicates whether it is expected to be break-even, underspent or overspent. Information on how forecast overspends will be mitigated is given in Appendix 5. If the project is completed, any underspend or overspend will be an outturn variance. Generally, only explanations of significant forecast variances of £0.050m or greater are given.
 - ii) Budget Variations: These are changes to the project budget within year, requiring members' approval, and do not change future year projections. The main reason for budget variations is where capital grant or external income changes in year.
 - iii) Slippage: This indicates whether or not a scheme or project is on schedule. Slippage of expenditure from one year into another will generally indicate overall delays to a project although some projects can 'catch up' at a later date. Some slippage is normal due to a wide variety of factors affecting capital projects, however substantial amounts of slippage across a number of projects could result in the council losing capital resources (e.g. capital grants) or being unable to manage the cashflow or timing impact of later payments or related borrowing. Wherever possible, the council aims to keep slippage below 5% of the total capital programme.
 - iv) Reprofiling: Reprofiling of budget from one year into another is requested by project managers when they become aware of changes or delays to implementation timetables due to reasons outside the council's control. Reprofiling requests are checked in advance by Finance to ensure there is no impact on the council's capital resources before they are recommended to Policy, Resources & Growth Committee.

3.24 The table below provides a summary of capital programme performance by Directorate and shows that there is an overall underspend of £0.678 m which is detailed in Appendix 5.

Forecast Variance Month 9 £'000	Capital Budgets	2016/17 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Families Children & Learning	8,441	8,445	4	0.0%
0	Health & Adult Social Care	314	348	34	10.8%
(85)	Economy Environment & Culture	33,917	33,987	70	0.2%
184	Neighbourhood Comm's & Housing	4,287	4,287	0	0.0%
(759)	Housing Revenue Account	46,357	45,577	(780)	-1.7%
(6)	Finance & Resources	1,545	1,539	(6)	-0.4%
0	Strategy Governance & Law	0	0	0	0.0%
0	Corporate Services	0	0	0	0.0%
(666)	Total Capital	94,861	94,183	(678)	-0.7%

3.25 Appendix 5 shows the changes to the budget and Appendix 6 provides details of new schemes added to the Capital Programme after TBM Month 9 still to be approved and new schemes for 2016/17. Policy, Resources & Growth Committee's approval for these changes is required under the council's Financial Regulations. The following table shows the movement in the capital budget since approval in the Month 9 report.

Capital Budget Movement	2016/17 Budget £'000
Summary	
Budget Approved at TBM Month 9	102,414
Reported at other Policy, Resources & Growth Committee meetings since Month 9	0
IFRS Changes (to be noted)	(651)
Variations (to be approved - see Appendix 5)	1,694
Reprofiles (to be approved - see Appendix 5)	(4,834)
Slippage	(3,762)
Total Capital Budget at Outturn	94,861

- 3.26 Appendix 5 also details any slippage into next year. In total, project managers have forecast that £3.762m of the capital budget may slip into the next financial year and this equates to 3.96% of the capital budget.

Implications for the Medium Term Financial Strategy (MTFS)

- 3.27 The council's MTFS sets out resource assumptions and projections over a longer term. It is periodically updated including a major annual update which is included in the annual revenue budget report to Policy, Resources & Growth Committee and full Council. This section highlights any potential implications for the current MTFS arising from in-year TBM monitoring above and details any changes to financial risks together with any impact on associated risk provisions, reserves and contingencies. Details of Capital Receipts and Collection Fund performance are also given below because of their potential impact on future resources.

Capital Receipts Performance

- 3.28 Capital receipts are used to support the capital investment programme. For 2016/17 a total of £4.282m capital receipts (excluding 'right to buy' sales) have been received in relation to the disposals of 251& 253 Preston Road; 11 Little East Street; 28 York Place; a lease extension at Hartington Road; land at Park Wall Farm, Falmer; plus some minor lease extensions at the Marina; and the sale of Lions Court with the capital receipt ring-fenced for investment into the housing capital programme
- 3.29 The Government receives a proportion of the proceeds from 'right to buy' sales with a proportion required by the council to repay debt; the remainder is retained by the council and used to fund the capital investment programme. The total net usable receipts for 'right to buy' sales in 2016/17 is £5.111m including £4.611m available for replacement homes.
- 3.30 A total of £1.339m receipts from the housing Local Delivery Vehicle (LDV) have been received in 2016/17. This is the last batch of receipts associated with this project. The net receipts are ring-fenced to support investment in council owned homes.

Collection Fund Performance

- 3.31 The collection fund is a separate account for transactions in relation to council tax and business rates. Any deficit or surplus forecast on the collection fund relating to council tax is distributed between the council, Sussex Police and Crime Commissioner and East Sussex Fire Authority, whereas any forecast deficit or surplus relating to business rates is shared between the council, East Sussex Fire Authority and the government.
- 3.32 The collection fund for council tax at 31st March 2017 has a surplus of £1.794m which is an improvement of £1.029m (council share = £0.882 m) from the forecast surplus of £0.765m in January. The improved surplus arose from a reduced bad debt provision due to better than anticipated arrears collection and lower than anticipated exemption costs for students and severely mentally impaired (SMI).

- 3.33 The collection fund for business rates at 31st March 2017 has a deficit of £3.543m which is an increase of £0.106m (council share £0.052m) from the forecast deficit of £3.437m in January. The increased deficit was mainly from higher than anticipated appeals lodged at the end of the year.
- 3.34 The council's share of the combined net surplus across both collection funds that has not been factored into the 2017/18 budget is £0.830m and this will therefore be included in the budget forecast for 2018/19.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The provisional outturn position on council controlled budgets is an underspend of £1.350m including the council's risk-share of the provisional overspend on NHS managed Section 75 services of £0.600m. The overall underspend position will not therefore require the use of reserves and will enable the council to maintain its recommended working balance of £9.000m. The improved resource position since the February Budget Council releases one off resources of £0.642m that can be used to aid budget management and planning for 2017/18 and beyond.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 No specific consultation has been undertaken in relation to this report.

6 CONCLUSION AND COMMENTS OF THE DIRECTOR OF FINANCE (S151 OFFICER)

- 6.1 The resource position at outturn has improved by £0.812m compared with the position assumed for the purposes of the 2017/18 Revenue Budget report to Policy, Resources & Growth Committee and Budget Council in February 2017. This reduces to £0.642m after accounting for the resources needed to support approved budget amendments. This indicates a favourable position for the financial year brought about primarily due to improved permit and parking income, an increased Housing Benefit subsidy and continued vacancy savings in some areas. These were partially offset by a reduction in CCG funding contributions due to growing pressures on health commissioning budgets.
- 6.2 Managing within budget is important given current potential financial risks concerning demand-led budgets, particularly social care, and the need to achieve further substantial savings in future years, including £21m in 2017/18. This also demonstrates effective financial management and resilience in order to satisfy external scrutiny by partners, external auditors and other stakeholders.

Other Approvals under Financial Regulations

- 6.3 Following a review of the business processes in relation to Temporary Accommodation (TA), a budget transfer is requested to combine the temporary accommodation budgets in Families, Children & Learning (FC&L) and Health & Adult Social Care (HASC) Directorates with the main TA budget in Neighbourhoods, Communities & Housing. This will require a budget transfer of £0.300m from HASC and £0.270m from FC&L and will ensure that for 2017/18 the budget responsibility for this area will align with the revised organisational

structure and officer delegations approved by Policy, Resources & Growth Committee on 28 April 2016.

- 6.4 On a separate matter, the Committee are asked to consider the transfer of funds held in the Thompson Bequest and the Pavilion Renewals fund to the Royal Pavilion and Museums Foundation 'Restricted Funds' earmarked reserve. The Thompson Bequest currently has a balance of £0.229m and will be restricted to use by Hove Museum for acquisitions and/or the care of its collections under terms outlined by the Art Fund in accordance with the terms of the bequest. The Royal Pavilion Renewals Fund currently has a balance of £0.090m and is now mainly made up from income received from the ice rink and (in accordance with English Heritage's conditions) used to fund projects or improvements within the Pavilion or Garden. The transfer will allow the merger of funds into a single fund that more accurately reflects their current purpose and usage. The Brighton & Hove Natural History Society Reserve currently has a balance of £0.011m and is held for the specific purpose to maintain the assets of the Brighton & Hove Natural History Society which are held at the Booth Museum. The transfer of funds will be subject to formal approval from the Royal Pavilion and Museums Foundation.

7 FINANCIAL AND OTHER IMPLICATIONS

Financial Implications:

- 7.1 The financial implications are covered in the main body of the report. Financial performance is kept under review on a monthly basis by the Executive Leadership Team and cross-party Budget Review Group and the management and treatment of forecast risks is considered by the Audit & Standards Committee.

Finance Officer Consulted: Jeff Coates Date: 02/05/2017

Legal Implications:

- 7.2 Decisions taken in relation to the budget must enable the council to observe its legal duty to achieve best value by securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The council must also comply with its general fiduciary duties to its Council Tax payers by acting with financial prudence, and bear in mind the reserve powers of the Secretary of State under the Local Government Act 1999 to limit Council Tax & precepts. In relation to the proposals to transfer funds to the Royal Pavilion and Museums Foundation, the necessary consent has been sought and received from the Arts Fund in relation to the Thompson Bequest on the basis that the funds continue to be held by the Foundation in a restricted fund for the benefit of Hove Museum.

Lawyer Consulted: Elizabeth Culbert Date: 1st May 2017

Equalities Implications:

- 7.3 There are no direct equalities implications arising from this report.

Sustainability Implications:

- 7.4 Although there are no direct sustainability implications arising from this report, the council's financial position is an important aspect of its ability to meet Corporate Plan and Medium Term Financial Strategy priorities. The achievement of a break-even position or better is therefore important in the context of ensuring that there are no adverse impacts on future financial years from performance in 2016/17.

Risk and Opportunity Management Implications:

- 7.5 In 2016/17 the council's revenue budget and Medium Term Financial Strategy contained risk provisions to accommodate emergency spending, even out cash flow movements and/or meet unexpected changes in demands. The council maintains a recommended minimum working balance of £9.000m to mitigate these risks. The council also maintains other general and earmarked reserves and contingencies to cover specific project or contractual risks and commitments.

SUPPORTING DOCUMENTATION

Appendices:

1. Revenue Budget Movements since Month 9
2. Revenue Budget Performance
3. Carry Forward Requests
4. Summary of 2016/17 Savings Progress
5. Capital Programme Performance
6. New Capital Schemes

Documents in Members' Rooms:

None.

Background Documents

None.

Appendix 1 – Revenue Budget Movement Since Month 9

Service	2016/17 Month 9 Variance £'000	Actual Variance Month 12 £'000	Movement £'000	Explanation of Main Movements
Director of Families, Children & Learning	(95)	(98)	(3)	
Health, SEN & Disability Services	2,307	2,291	(16)	
Education & Skills	89	43	(46)	Additional fee income for Brightstart Nursery and a legal bill relating to the youth service was settled for less than anticipated.
Children's Safeguarding & Care	1,457	1,761	304	Significantly more complex legal precedings resulting in very high legal costs in March plus an unprecedented increase in the numbers of children placed in residential homes.
Quality Assurance & Performance	(37)	(52)	(15)	
Total Families, Children & Learning	3,721	3,945	224	
Adult Social Care	772	1,136	364	Due to a reduction in anticipated CCG income resulting from health commissioning pressures.
Integrated Commissioning	(183)	(382)	(199)	Various underspends against Better Care funded budgets which has reduced our share towards the overall position.
S75 Sussex Partnership Foundation Trust (SPFT)	603	600	(3)	
Public Health	0	0	0	
Total Health & Adult Social Care	1,192	1,354	162	
Transport	(957)	(1,296)	(339)	The delay to the Transport Service Redesign implementation, coupled with extended redeployment timeframes has resulted in vacancies held longer than anticipated. Income has exceeded forecast particularly for Highways Licensing and Highways Works Inspection income.

Appendix 1 – Revenue Budget Movement Since Month 9

Service	2016/17 Month 9 Variance £'000	Actual Variance Month 12 £'000	Movement £'000	Explanation of Main Movements
City Environmental Management	(141)	42	183	Higher costs than forecast for vehicles repairs and maintenance and Cityclean agency staff mitigated by reduced salaries costs as a result of recruitment controls and lower than anticipated responsive repairs costs for Sports & Leisure Centres.
City Development & Regeneration	199	(9)	(208)	Increased underspend in salary costs and supplies and services.
Culture	(321)	(378)	(57)	Higher than expected ticket sales and catering income within Venues offset by admissions to the Royal Pavilion.
Property	(98)	(244)	(146)	Improved rent and lower Corporate Landlord utilities costs mainly due to a mild winter which has improved the energy management and utilities spend in all buildings plus a number of vacancies in the Facilities & Business services re-structure.
Total Economy, Environment & Culture	(1,318)	(1,885)	(567)	
Housing General Fund	680	803	123	An increase in temporary accommodation costs of £0.412m since month 9 as the the use of spot purchase accommodation during January to March increased due to the new allocation policy taking longer to move households on than originally expected. These costs were further increased due to the programme of decants at the end of the financial year. The movement out of temporary accommodation also increased voids and repairs costs in the short term. This was offset by a reduced overspend on DFG adaptations of £0.204 due to more capital resources becoming available

Appendix 1 – Revenue Budget Movement Since Month 9

Service	2016/17 Month 9 Variance £'000	Actual Variance Month 12 £'000	Movement £'000	Explanation of Main Movements
				and further underspends on the travellers service £0.113m as explained below.
Libraries	(0)	(39)	(39)	
Communities, Equalities & Third Sector	87	1	(86)	This service was originally forecast to overspend due to a cross-cutting savings from the proposed merger with Community Safety in Public Health not being realised. This overspend reduced by £0.020m and also a new underspend of £0.063m arose on the grant programme as some groups were unable to take up funding.
Regulatory Services	(4)	(10)	(6)	
Community Safety	(0)	(31)	(31)	
Total Neighbourhood, Communities & Housing	763	724	(39)	
Finance	(218)	(280)	(62)	An improvement of £0.101m in Finance which is mostly due to vacancy management savings. This has been partially offset by increased supplies and services costs of £0.039m in Revenues and Benefits.
Housing Benefit Subsidy	(325)	(808)	(483)	An improvement of £0.479m on the main subsidy budgets mostly relating to the recovery of overpayments. There was a lower than anticipated level of overpayment errors but a higher than anticipated recovery of overpayments from current and former claimants. There was also some additional subsidy income received in March 2017 in respect of an adjustment to the final 2015/16

Appendix 1 – Revenue Budget Movement Since Month 9

Service	2016/17 Month 9 Variance £'000	Actual Variance Month 12 £'000	Movement £'000	Explanation of Main Movements
				claim made by the auditors.
HR & Organisational Development	(74)	(51)	23	
ICT	0	260	260	
Total Finance & Resources	(617)	(879)	(262)	
Corporate Policy	(30)	(89)	(59)	Vacancy management and delays in initiating partnership projects.
Legal Services	(3)	(26)	(23)	Increased external income in the final quarter, more property transactions completing before year end than anticipated and being unable to recruit agency locum childcare lawyers in Month 12.
Democratic & Civic Office Services	(19)	(51)	(32)	Unrealised ICT expenditure and an underspend on Members Allowances and Training.
Life Events	127	(26)	(153)	An improvement in income compared to Month 9 projections has arisen across most Life Events services. In particular there has been more burial income in Bereavement Services and ceremony income in Registration Services. Vacancy management has also contributed in Bereavement and Registration Services, with planned service redesigns delaying the filling of vacant posts.
Performance, Improvement & Programmes	(30)	(30)	0	
Communications	(130)	(78)	52	Higher than expected expenditure on supplies and services, computer hardware, software and licences.
Total Strategy, Governance & Law	(85)	(300)	(215)	

Appendix 1 – Revenue Budget Movement Since Month 9

Service	2016/17 Month 9 Variance £'000	Actual Variance Month 12 £'000	Movement £'000	Explanation of Main Movements
Bulk Insurance Premia	(250)	(320)	(70)	Additional underspend on the claims budget during 2016/17.
Concessionary Fares	(30)	(40)	(10)	Lower concessionary trips than forecast in Quarter 4.
Capital Financing Costs	(465)	(478)	(13)	
Levies & Precepts	(1)	(1)	0	
Unallocated Contingency & Risk Provisions	(493)	(2,950)	(2,457)	Releasing the £2.400m risk provision and reduced need for contingency funding on Voluntary Severance Provision in 2016/17.
Unringfenced Grants	(160)	(151)	9	
Other Corporate Items	(395)	(369)	26	
Total Corporate Budgets	(1,794)	(4,309)	(2,515)	
Total General Fund	198,337	196,987	(1,350)	

Families, Children & Learning - Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
(95)	Director of Families, Children & Learning	344	246	(98)	-28.5%
2,307	Health, SEN & Disability Services	34,350	36,641	2,291	6.7%
89	Education & Skills	5,206	5,249	43	0.8%
1,457	Children's Safeguarding & Care	37,794	39,555	1,761	4.7%
(37)	Quality Assurance & Performance	1,613	1,561	(52)	-3.2%
3,721	Total Families, Children & Learning	79,307	83,252	3,945	5.0%

Explanation of Key Variances (Note: FTE/WTE = Full/Whole Time Equivalent)

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Director of Families, Children & Learning			
(100)	Stronger Families	Vacant posts being held pending reductions in grant funding for next year.	
Health, SEN & Disability Services			
(104)	Demand-Led - Disability Agency Placements	During 2016/17 there were 11.29 FTE disability agency placements. The budget allows for 14.00 FTE and this has resulted in the projected underspend of £0.104m	
62	In-house residential and respite services	Increasing use of overtime and agency staff providing residential and respite care for disabled children with complex needs. These services are contributing to the reduced spending on Disability Agency Placements above.	
2,143	Demand Led - Learning Disability Adults - Community Care	There has been an increase in the level of clients presenting with greater complexity of need in recent months. This has resulted in	Continued review of care packages to ensure provision of services is effective, appropriate and value for money. Making

Appendix 2 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
		an increase in the average unit costs for Learning Disability Care packages. The overspend mostly relates to Supported Accommodation and Direct Payments which have shown a significant increase in activity since April 2015.	the best use of in-house resources is also critical. Continued exploration of ways to reduce the need for high cost care and admissions into residential homes. Also, talking to NHS colleagues regarding the impact of the transforming care programme.
50	Learning Disability Adults - Assessment	This is due to additional staffing related to Deprivation of Liberty Safeguards and staffing being recruited beyond establishment for project work.	
228	Learning Disability Adults - In-house provision	The income target for Able & Willing has risen significantly in the last few years to £0.490m. The level of sales generated however, is considerably below the required rate and there was a shortfall of £0.198m in 2016/17. This was offset by underspends against staffing costs and non-pay costs.	Review of the Able & Willing service and exploring ways to maximise income revenue streams.
Education & Skills			
310	Home to School Transport	The overspend is due to: <ul style="list-style-type: none"> • Additional costs of the new contract introduced last year following the retendering exercise; • Less impact of Independent Travel Training than anticipated; • Increased costs in 16-19 travel; • Additional recoupment costs. <p>The overspend reflects the latest numbers of children (348) being transported.</p>	Further work is taking place to understand the increased costs of transport and identify mitigations.
(102)	Access to Education	This underspend relates to a reorganisation	

Appendix 2 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(73)	Early Years - Nurseries and Children's Centres	<p>and reduction in management costs.</p> <p>Nurseries – The overspend of £0.115m has decreased because of a further increase in income. The nursery restructure will be implemented by January and will match the number of staff to the number of children in each nursery. There will be some savings because of staff leaving on Voluntary Severance and more efficient shift patterns.</p> <p>Children's centres – the underspend of £0.165m is due to additional income from midwifery, gaps in vacancies being filled and further reductions in running costs.</p> <p>In addition there is a £0.017m underspend due to no sufficiency grants being funded for early years providers and other small underspends totalling £0.006m</p>	<p>The restructure of the nurseries is progressing and some savings are expected but at this stage is difficult to quantify the level of the savings due to uncertainties around voluntary severance and protected pay.</p>
Children's Safeguarding & Care			
503	Demand-Led - Residential Agency Placements	<p>The number of residential placements during 2016/17 (33.31 FTE) is broken down as 29.87 FTE social care residential placements (children's homes), 3.41 FTE schools placements and 0.02 FTE family assessment placements. The budget allowed for 27.70 FTE social care residential care placements, 3.90 FTE schools placements and 0.40 FTE family assessment placements. The average unit costs of these placements was also higher than the budgeted level for all placement types. The number of children's placements</p>	<p>Regular reviews of any placement in a residential setting are being undertaken and there are plans for a number of children to move them to alternative placements in the community where this is appropriate.</p>

Appendix 2 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
		was 1.31 FTE above the budgeted level and together with the high unit costs results in the overspend of £0.503m.	
780	Demand-Led - Independent Foster Agency (IFA) Placements	The number of children placed in Independent Foster Agency placements has decreased in recent years. During 2015/16 there were 158.06 FTE. The number of placements in 2016/17 was 132.14 FTE, a reduction of 16.4%. The budget for IFA placements included significant levels of savings and was set at 121.00 FTE. The numbers being higher than the budget by 11.14 FTE results in a projected overspend of £0.780m.	This project is working very well and with a reduction in children in Care (CIC) is enabling the service to achieve an improved financial outcome. If both factors continue, it may be possible to achieve greater savings. It is, however, anticipated that the recruitment of new in-house foster carers will reduce the overspend by £0.200m.
246	Demand-Led - Secure Accommodation	During 2016/17 there were 1.75 FTE secure (welfare) placements and 1.49 FTE secure (justice) placements. The budget allowed for 1.00 FTE welfare and 1.00 FTE justice placements during the year. There is currently one child in a secure (welfare) placement and one in a secure (criminal) placement resulting in a projected overspend of £0.246m.	Secure placements are only used as a last resort. They are used when deprivation of a young person's liberty is the only solution which will enable work to start to keep them safe on exit from the unit. The Adolescent Service is being successful in reducing the risk and stepping down needs and it is planned that the service will be able to impact on the number of young people requiring secure placements.
777	Demand-Led - Semi-independent/Supported placements	The number of semi-independent and supported living placements in 2016/17 was 27.26 FTE and this is 8.76 FTE above the budgeted level. In addition, the average unit cost of these placements is £335.44 per week higher than the budget and this results in an overspend of £0.777m.	It will be difficult to achieve any savings in this area due to pressures elsewhere in the system.
(172)	Demand-Led - In-House Fostering	As at the 31st March 2017 there were 154 children placed with 'in-house' foster carers	The project will try to increase the number of in house foster carers by more than

Appendix 2 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
		and 152.20 FTE for the year. The budget was based on an increasing trend over the last few years and was set at 156.50 FTE placements. This has resulted in the current projected underspend of £0.172m. There is ongoing work to increase the number of in-house foster carers and this should result in a net reduction in costs.	predicted.
(112)	Demand-Led - Family & Friends placements, Child Arrangement Orders and Special Guardianship Orders	The budget allows for 310.00 FTE placements of these types. During 2016/17 there were 295.93 FTE children in these placements and this results in the underspend of £0.112m.	
475	Demand-Led - Care Leavers	The number of care leaver placements in 2016/17 was 83.65 FTE. The budget allowed for 58.10 FTE placements. The increase mainly relates to growing numbers of Staying Put placements (46.85 FTE in 2016/17). In addition, the average unit cost is also higher than the budget resulting in an overall overspend of £0.475m.	The right of 18 year olds to decide to 'Stay Put' with their foster carers is a requirement on the service and one which we are tasked to encourage as in the best interests of young people. We do not anticipate this spend reducing. The current Social Work Bill is likely to lead to increased pressure in this area.
(46)	Demand-Led Unaccompanied Asylum Seeking Children (UASC) Grant	The numbers of unaccompanied asylum seeking children has increased considerably in the last 12 months. The costs of looking after these children is funded by a grant from the home office and the grant is in excess of the estimated value by £0.046m	
233	Social Work Teams	The overspend within the social work teams relates predominantly to use of agency staff. This is a result of a large number of vacant posts across the social work teams and a difficulty in retaining experienced staff. Total spend on agency social workers in 2016/17	The new model for social work adopted in Brighton & Hove has attracted a lot of interest from social workers from other areas and those employed as agency staff currently. With the potential agreement to a market supplement payment, it is hoped that

Appendix 2 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
		was £1.629m. There are currently 22 locum social workers employed within the social work service.	it will be possible to achieve further reductions in agency spend.
(677)	Adoption	Following changes to adoption regulations and a re-basing of the inter-agency budget, there was a significant underspend in 2016/17. The income from other agencies which increased considerably last year remained at the higher levels in 2016/17. In addition, there is also income from the new Inter Agency Adoption Fee Grant.	
(164)	Fostering and Adoption teams	There have been a number of vacant posts across the fostering and adoption teams during this year.	
245	Legal Fees	Significant unforeseen expenditure was registered between January and March on court fees. This was a result of a small number of very complex cases reaching conclusion with unprecedentedly high costs due to the protracted nature of the proceedings.	
(84)	Youth Offending Service	The underspend registered against the YOS reflects in year management decisions to hold vacant posts pending a proposed restructure in 2017-18 to offset the anticipated 5-10% reduction in YJB grant and to fund the proposed additional capacity of the Extended Adolescent Service.	

Health & Adult Social Care – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
772	Adult Social Care	29,193	30,329	1,136	3.9%
(183)	Integrated Commissioning	8,677	8,295	(382)	-4.4%
603	S75 Sussex Partnership Foundation Trust (SPFT)	11,677	12,277	600	5.1%
0	Public Health	253	253	0	0.0%
1,192	Total Health & Adult Social Care	49,800	51,154	1,354	2.7%

Explanation of Key Variances (Note: FTE/WTE = Full/Whole Time Equivalent)

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Adult Social Care			
(2)	Demand-Led Community Care - No Recourse to Public Funds	The average unit cost is slightly lower than the budgeted unit cost resulting in the small underspend of £0.002m.	
1,073	Demand-Led Community Care - Physical & Sensory Support	The number of WTE care packages is significantly greater than the budgeted level. This is partly the result of increasing numbers of 'new' older people being discharged from hospital requiring social care services for the first time, as well as increased community demand. The CCG withdrew funding of £0.423m in March which has contributed to the overspend on this budget. The CCG funding for future years is subject to negotiation.	Numbers of clients requiring social care services have been higher than anticipated and work is ongoing to look at reducing admissions to nursing and residential homes. There is a need to work with all partners both NHS and independent sector to promote well being and reablement.

Appendix 2 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
12	Demand-Led Community Care - Substance Misuse	There are relatively small numbers of clients within this service and this is in line with the expected demand. The average unit costs however are slightly higher than anticipated and this accounts for the small overspend.	
582	Deprivation of Liberty Safeguarding (DOLS)	The level of new referrals increased significantly in the last half of 2015/16, rising from 122 in October 2015 to 190 in April 2016. It is estimated that referrals will increase by 25% in 2016/17 to just fewer than 3,100 for new and repeat referrals.	This is a key pressure area for which additional resources will be required and in future years will need to be mitigated by either additional resources (e.g. Adult Social Care precepts) or by savings elsewhere.
(142)	Carers Support	More efficient use of Better Care Fund resources will result in an underspend in the carers support budget.	
262	Hostel Accommodation	There has been a delay in the transfer of a Hostel to a new building which has resulted in pressures on rent costs and Housing Benefit income.	A new building is being identified for the Hostel and the move is expected next financial year.
235	Community Equipment Store	The Community Equipment Store has reported an overspend of £1.341m to the Better Care Board however this is offset by other underspends within Better care. The £0.235m reflects a 50% risk share with the CCG.	
303	Older people resource centres	The overspend relates to use of Care Crew agency staffing pressures across the resource centres. The CCG withdrew funding of £0.127m in March which has contributed to the overspend on this budget. The CCG funding for future years is subject to negotiation.	

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(760)	Home Care & Night Home Care Service	The Night Home Care Service has closed and they have also made additional staffing savings. This forms part of the budget proposals for 2017/18.	
(389)	Assessment & SIT	This is due to a number of vacancies across the Assessment teams.	
Integrated Commissioning			
(122)	Carers Support	More efficient use of Better Care Fund resources will result in an underspend in the Carers Support budget.	
(53)	Integrated Commissioning	Due to vacancies within the Commissioning teams	
(197)	Commissioning	There are various underspends against the Better Care funded budgets within Integrated Commissioning which offset the pressure shown against the Community Equipment Store above.	
S75 Sussex Partnership Foundation Trust (SPFT)			
415	Demand-Led - Memory Cognition Support	There are higher numbers of WTE care packages than are funded in the budget; the unit costs are also higher than had been anticipated resulting in the overspend of £0.415m. This is due to a current lack of affordable residential and nursing home placements within the city.	Increased scrutiny of all complex or high cost care packages to ensure value for money against eligible care needs. Where possible, no placements are made above the agreed Local Authority rates. The Clinical Commissioning Group (CCG) have agreed additional funding of £0.850m to offset the risks on the Community Care budget. The Risk Share arrangement with SPFT assumes a 50:50 split of any remaining overspend up to a cap of £0.250m. A Continuing Health Care Taskforce is in place to ensure that all appropriate funding

Appendix 2 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
479	Demand-Led - Mental Health Support	Numbers of WTE clients are lower than the budget allocation but the average unit costs are significantly higher due to the increasing need and complexity of this client group and it is this that results in the overspend of £0.479m.	sources are identified.
(44)	Demand-Led - Staff teams	Underspends resulting from vacancies and turnover.	
(250)	Demand-Led - SPFT risk share	The risk share arrangements with SPFT have been agreed for two years. The risk will be shared 50/50 with a cap at £0.250m.	

Environment, Economy & Culture – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
(957)	Transport	(6,906)	(8,202)	(1,296)	-18.8%
(141)	City Environmental Management	20,857	20,899	42	0.2%
199	City Development & Regeneration	2,414	2,405	(9)	-0.4%
(321)	Culture	4,260	3,882	(378)	-8.9%
(98)	Property	2,049	1,805	(244)	-11.9%
(1,318)	Total Economy, Environment & Culture	22,674	20,789	(1,885)	-8.3%

Explanation of Key Variances (Note: FTE/WTE = Full/Whole Time Equivalent)

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Transport			
(280)	Asset & Network Management	There has been an over achievement of income from highways licensing (£0.134m) and Inspection Fees and Fines (£0.095m). Underspend of salaries due to recharging to the permit scheme (£0.089m) and other minor net variances. These are partially offset by an overspend on routine repairs and maintenance of £0.085m.	

Appendix 2 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
92	Head of Transport	The aggregate savings target for the Transport Service Redesign of (£0.235) is reported in this Service Area and as a consequence of delayed implementation the savings have not been realised in 2016-17. However across the whole Transport department, vacancies held pending the service redesign have resulted in an underspend of (£0.233m) of Salary costs.	
(920)	Parking & Network Operations	Over-achievement of permit fee income of (£0.746m) due to continued uptake in traders and visitors permits, as well as suspension permit parking due to a number of developments in the city. An underspend for contractor and cash collection charges for On-Street parking of (£0.235m). Over-achievement of parking income of (£0.073m) as a result of over caution on forecasted impact of machine replacement works and double the normal advance purchasing of permits prior to the April price increase. In addition there was an underspend for borrowing and repairs & maintenance costs of (£0.159m) for Off-Street Parking. A net underspend of (£0.053m) for Parking Infrastructure costs. The overall underspend has been offset by a repayment of borrowing costs of £0.350m for On-Street parking equipment.	
(61)	Transport Policy and Strategy	Underspend in salary costs as a result of recruitment delays related to the Transport Service Redesign.	

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(127)	Transport Projects	Various underspend variances including reduced borrowing, a legal delay in the contract relating to bus shelters which delayed spend in the public transport budget (£0.053m). Reduced contribution to the Sussex Safer Roads Partnership following a change to funding agreement (£0.052m) along with other minor variances including underspend in staff costs due to recruitment delays related to the Redesign.	
City Environmental Management			
389	City Clean Operations	Underspend on salary costs of (£0.101m) relating to vacant posts offset by an overspend of £0.220m on agency staff. An overspend of £0.225m on repairs & maintenance costs and £0.039m for fuel costs for Cityclean vehicles.	
(115)	Sport and Leisure	Underspend of utilities (£0.049m) and responsive repairs (£0.031m) costs within Sports facilities, in addition to an underspend of costs relating to Outdoor Events (£0.042m).	
(151)	Strategy & Projects	Underspends largely relate to vacant posts held during a service redesign and following increased recruitment controls.	
(71)	Head of City Environmental Management	Salary underspend due to vacancies being held during a service redesign	
City Development & Regeneration			

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
321	Applications	Net salary overspend of £0.364m to meet government set timescales to respond to planning applications and regrading of posts following appeal. Reduction in advertising costs by changing supplier resulting in a (£0.041m) underspend	
(76)	Major Projects	Underspends in net salary costs of project manager staff funded from Brighton Centre reserve.	
(180)	Planning Policy and Major Projects	Underspends in salary costs of (£0.098m) due to vacancies being held during a service restructure following increased recruitment controls. Underspend in supplies and services of (£0.064m) alongside other minor net variances.	
(58)	Customer Services	Underspends in salary costs due to vacancies being held during a service restructure.	
(74)	Economic Development	Underspends in salary costs due to vacancies being held following increased recruitment controls.	
54	Head of City Development & Regeneration	Interim management services provided by external agency to support service modernisation and transformation.	
Culture			
44	Royal Pavilion and Museums	Net variance under £0.050m. An income under achievement at museums and the Royal Pavilion where visitor numbers and catering income has been slightly less than anticipated.	

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(176)	Tourism	Vacancy management underspend of (£0.087m) to allow for business planning and service delivery review, increased conference commission income of (£0.080m) and other minor net underspends.	
(239)	Venues	Income from events, ticket commissions and catering commissions in 2016-17 and one-off effect of under accrual from 2015-16.	
Property			
155	Estates	The commercial portfolio income continues to improve and extra NNDR rebates were received but a year end insurance recharge for NEH took the pressure up to £0.155m overall.	Rent income forecasts are monitored and reported on a monthly basis as part of the TBM process. The managing agents acting on behalf of the council seek to maximise the level of rental income from the commercial portfolio.
(399)	Property Services	The underspend in the Corporate Landlord areas has increased to £0.399m due to a mild winter which has improved the energy management and utilities spend in all buildings plus a number of vacancies in the Facilities & Business services re-structure have not currently been filled.	

Appendix 2 – Revenue Budget Performance

Neighbourhoods, Communities & Housing – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
680	Housing General Fund	2,159	2,962	803	37.2%
(0)	Libraries	3,402	3,363	(39)	-1.1%
87	Communities, Equalities & Third Sector	2,973	2,974	1	0.0%
(4)	Regulatory Services	1,185	1,175	(10)	-0.8%
(0)	Community Safety	1,247	1,216	(31)	-2.5%
763	Total Neighbourhood, Communities & Housing	10,966	11,690	724	6.6%

Explanation of Key Variances *(Note: FTE/WTE = Full/Whole Time Equivalent)*

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Housing General Fund			
1,061	Temporary Accommodation and Allocations	The overspend in 2016/17 is due to the lack of accommodation to move people on to because of the short supply of affordable alternative accommodation. This has led to growth in the numbers of households requiring TA and has also increased the unit costs of each placement. This has been made worse by the need to handback 150 properties through the ending of a key provider relationship leading to the use of more expensive spot purchase accommodation.	The service implemented a new housing allocation policy in December 2016 which allows more social housing to be allocated to homeless households. This should assist in reducing the cost pressure in 2017/18 and beyond, once fully established. The service has also been successful in bidding for DCLG funding of £1.300m over 2 years to pump prime prevention and incentivise landlords in the private rented sector. The aim is to significantly reduce the current numbers of households in TA by the end of 2018/19. Service pressure funding for this service has been agreed as part of the 2017/18 budget setting process.

Appendix 2 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(54)	Private Sector Housing	This part of the service was originally forecast to overspend at month 9 due to the need to fund the Disabled Facilities Grant capital work, for which there was insufficient capital funding. However, other capital underspends means that only a small revenue contribution of £0.012m is required. This small overspend is offset by forecast underspends (£0.066m) as a result of vacancies within the private sector housing team and an increase in the recharge of salaries to capital for the adaptations service.	
(59)	Housing Strategy	This relates to the service redesign taking pace earlier than originally planned leading to reduced employee costs in 2016/17 as well as further minor underspends throughout Housing Strategy and Development.	
(145)	Travellers	This relates to 2 staff vacancies as well as a reduction in the costs of rubbish removal and legal costs associated with unauthorised encampments, as there has been a significant reduction in the number of these since the opening of the transit and permanent site at Horsdean.	

Appendix 2 – Revenue Budget Performance

Finance & Resources – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
(218)	Finance	10,800	10,520	(280)	-2.6%
(325)	Housing Benefit Subsidy	(676)	(1,484)	(808)	-119.5%
(74)	HR & Organisational Development	3,129	3,078	(51)	-1.6%
0	ICT	7,380	7,640	260	3.5%
(617)	Total Finance & Resources	20,633	19,754	(879)	-4.3%

Explanation of Key Variances *(Note: FTE/WTE = Full/Whole Time Equivalent)*

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Finance			
(254)	Finance	Continued vacancy management in Finance & Procurement (£0.206m), reimbursement of audit investigation costs and reduced professional fee costs for the Internal Audit section (£0.048m).	
(26)	Revenues & Benefits	Staffing underspends have offset overspends within supplies and services budgets leaving a residual net underspend of (£0.026m).	
Housing Benefit Subsidy			
(808)	Housing Benefit Subsidy	£0.214m relates to the recovery of former Council Tax Benefit overpayments and this is broadly in line with the Month 9 forecast of £0.210m. The main subsidy budgets achieved an overall surplus of £0.594m which is £0.479m higher than predicted at Month 9 due primarily to better than	

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
		anticipated error rates and a small number of other estimates being more favourable.	
HR & Organisational Development			
(51)	HR & Organisational Development	Management of vacancies as well as small underspends in Occupational Health and Health & Safety	
ICT			
260	ICT	Various items of ICT expenditure are chargeable to the ICT Reserve which is made up of funds provided by client directorates in advance of implementation. The year-end review of expenditure allocations has highlighted that a number of costs are not appropriate to be charged to the reserve, resulting in an outturn overspend.	

Strategy, Governance & Law – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
(30)	Corporate Policy	626	537	(89)	-14.2%
(3)	Legal Services	1,497	1,471	(26)	-1.7%
(19)	Democratic & Civic Office Services	1,772	1,721	(51)	-2.9%
127	Life Events	(183)	(209)	(26)	-14.2%
(30)	Performance, Improvement & Programmes	1,460	1,430	(30)	-2.1%
(130)	Communications	739	661	(78)	-10.6%
(85)	Total Strategy, Governance & Law	5,911	5,611	(300)	-5.1%

Explanation of Key Variances (Note: FTE/WTE = Full/Whole Time Equivalent)

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Corporate Policy			
(89)	Corporate Policy	Vacancy management and delays in initiating partnership projects. This is compounded by the departure of a senior staff member for the last quarter of 2016-17.	
Legal Services			
(26)	Legal Services	Mostly due to increased income and a saving on staff due to being unable to recruit locum lawyers in Month 12.	
Democratic & Civic Office Services			
(51)	Democratic & Civic Office Services	Vacancy management savings, unrealised expenditure anticipated for IT improvements and reduced expenditure on Members Training and Allowances.	

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Life Events			
(21)	Registrars	The year-end position is a combination of improved income compared to Month 9 forecasts along with some vacancy management savings pending a service redesign.	
43	Elections	This overspend mainly relates to consultancy expenses for the Police and Crime Commissioner Election and EU Referendum in 2016. Underspends on supplies and services have been offset against these costs.	
(85)	Bereavement Services	Increased income, mainly related to more burials than anticipated, as well as some small vacancy management savings pending a service redesign.	
37	Local Land Charges	The year-end variance is due to less property searches being carried out than budgeted which is likely to be related to the uncertain property market.	
Communications			
(78)	Communications	Vacancy management saving of £0.138m partially offset by overspends on supplies and services and premises costs of £0.039m and an income shortfall of £0.021m.	

Corporate Services – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
(250)	Bulk Insurance Premia	0	(320)	(320)	0.0%
(30)	Concessionary Fares	10,933	10,893	(40)	-0.4%
(465)	Capital Financing Costs	5,540	5,062	(478)	-8.6%
(1)	Levies & Precepts	172	171	(1)	-0.6%
(493)	Unallocated Contingency & Risk Provisions	2,950	0	(2,950)	-100.0%
(160)	Unringfenced Grants	(15,557)	(15,708)	(151)	-1.0%
(395)	Other Corporate Items	5,008	4,639	(369)	-7.4%
(1,794)	Total Corporate Budgets	9,046	4,737	(4,309)	-47.6%

Explanation of Key Variances (Note: FTE/WTE = Full/Whole Time Equivalent)

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Bulk Insurance Premia			
(320)	Bulk Insurance Premia	Expenditure on the settlement of claims is lower than budgeted.	
Concessionary Fares			
(39)	Concessionary Bus Fares	Lower than anticipated reimbursements for concessionary trips.	
Capital Financing Costs			
171	Capital Financing Costs	Additional net borrowing costs of £0.147m will be incurred as a result of bringing forward borrowing to take advantage of historically low borrowing rates. This is expected to make permanent savings of £0.086m per year.	Overspending is offset by an increase in forecast investment income (see below).

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(287)	Capital Financing Costs	Increase in forecast investment income as a result of higher forecast investment balances than previously expected.	
(80)	Capital Financing Costs	Budget for contribution to Trusts not required - already accounted for in another budget line.	
(269)	Capital Financing Costs	One-off saving due to the conclusion of the MRP review.	
Unallocated Contingency & Risk Provisions			
(75)	Contingency	Reduced requirement from general contingency.	
(68)	Contingency	Reduced requirement from the amount set aside for legal costs relating to temporary accommodation.	
(350)	Risk Provision	Release of risk provision relating to Community Equipment Store.	
(2,400)	Risk Provision	Releasing the corporate risk provision	
Unringfenced Grants			
(78)	Unringfenced Grants	Council Tax Support Admin Subsidy Grant announced in March 2016 is higher than forecast.	
(68)	Unringfenced Grants	Local Reform & Community Voices grant announced in April 2016 is higher than forecast.	
(14)	Unringfenced Grants	Receipt of CLG Transparency Code Set up (£0.013m) and Lead Local Flood Authority (£0.001m) grants	
Other Corporate Items			

Appendix 2 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(217)	Unfunded Pension Payments	There is a £0.123m underspend relating to overpayments identified in respect of previous years and £0.094m in respect of an in year reduction.	
(178)	Centrally Managed Budget	Unidentified income relating to financial years 2014/15 and earlier financial years has been written back.	
(167)	Centrally Managed Budget	Reduced bad debt provision requirement as at 31/03/2017.	
(46)	Centrally Managed Budget	Out of date cheques written back.	
249	Centrally Managed Budget	Contribution to modernisation reserve.	

Appendix 2 – Revenue Budget Performance

Housing Revenue Account – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
(125)	Capital Financing	31,262	32,027	765	2.4%
27	Head of Housing HRA	3,197	3,163	(34)	-1.1%
(29)	Head of City Development & Regeneration	453	390	(63)	-13.9%
(13)	Housing Strategy	664	533	(131)	-19.7%
(566)	Income Involvement Improvement	(46,310)	(47,106)	(796)	-1.7%
(1,422)	Property & Investment	8,833	7,260	(1,573)	-17.8%
(108)	Tenancy Services	1,901	1,527	(374)	-19.7%
(2,236)	Total Housing Revenue Account	0	(2,206)	(2,206)	0.0%

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Capital Financing			
765	Capital Financing	As the level of underspends in the HRA increased after month 9, £0.664m has been used to fund the capital programme in order to reduce the level of borrowing at the end of the year. There has also been an increase in interest paid during the year as a decision was made to borrow earlier in the financial year to take advantage of very low interest rates on offer. This means that interest paid on borrowing was higher in 2016/17 than previously forecast. However, over the term of the borrowing, costs will be reduced for the HRA.	The 2017/18 budget for financing costs takes account of the new profile of borrowing required for the on-going capital programme.

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Head of City Development & Regeneration			
(63)		Increase in capitalisation of salaries compared to budget as well as an underspend on salaries as a result of a vacant post not being filled until January.	
Housing Strategy			
(99)	Transfer Incentive Scheme	This scheme aims to incentivise tenants to move in order to free up high demand accommodation and to incentivise those who are subject to the under-occupancy charge to downsize. This process can take many months and for 2016/17, this budget has underspent by £0.084m, with a further underspend of £0.015m on staffing within this service.	
(24)	Temporary Accommodation income	Properties were refurbished in-year to be used as temporary accommodation leading to more income in the last few months of the year than budgeted.	
Income Involvement Improvement			
(369)	Income Management - provisions for debt and DHP fund	The contribution to the HRA bad debt provision is underspent by £0.294m. The budget allowed for an increase in bad debt due to welfare reform changes. However, the level of rent arrears has remained stable and therefore the extra contribution has not been necessary. The HRA budget also included £0.075m for a contribution to the Discretionary Housing Payments (DHP) fund. This contribution is not required to be called upon this financial year.	

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(257)	Income Improvement - Involvement employment costs	This relates to an underspend on employee costs across Rent Accounting, Housing Customer Services, Housing ICT and Income management teams, in part due to a major restructure in-year and also due to difficulties in recruiting to some roles.	
(138)	Tenancy Management office Costs	Underspends of £0.138m relating to a reduction in office costs across the service.	
Property & Investment			
(754)	Responsive Repairs and Empty Property works	This underspend relates to a reduction in responsive repairs and empty property works expenditure due to the increased capital investment in council dwellings over recent years as well as reducing stock numbers from Right to Buy sales and stock transfer to Seaside Homes.	
(626)	Gas servicing and maintenance	Contract efficiency savings relating to new gas contract which commenced on 1 April 2016.	
(126)	Other service contracts	Underspends on various service contracts including repairs and maintenance of fire alarms (£0.043m); water tanks (£0.034m); ventilation (£0.020m) and lift maintenance (£0.019m).	
(116)	Right to Buy and Leaseholder Team	Overachievement of income from service charges to leaseholders by £0.059m and a further underspend of £0.050m on accommodation management fees..	

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
98	Property & Investment salary forecast	An increase in staff costs including an increase in agency staff covering vacancies and an additional post to monitor the gas servicing & maintenance contract.	Reviewed as part of the 2017/18 budget.
Tenancy Services			
(309)	Utility costs	An underspend of £0.309m for gas and electricity costs due to the milder weather this year, new contract prices for utilities and reflecting the investment into energy efficiency measures across the stock such as cladding, low energy lighting and new efficient communal boilers which has reduced energy consumption.	
(50)	Decorating packs for tenants	An underspend on decorating vouchers of £0.050m by moving to decorating packs which are cheaper.	
(29)	Bed and breakfast costs	An underspend on the budget for housing council tenants in short term temporary accommodation.	

Dedicated Schools Grant – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
0	Individual Schools Budget (ISB)	123,332	123,332	0	0.0%
(425)	Early Years Block (including delegated to Schools) <i>(This includes Private Voluntary & Independent (PVI) Early Years 3 & 4 year old funding for the 15 hours free entitlement to early years education)</i>	10,660	9,985	(675)	-6.3%
278	High Needs Block (excluding delegated to Schools)	18,409	18,597	188	1.0%
(65)	Exceptions and Growth Fund	5,295	5,197	(98)	-1.9%
0	Grant Income	(157,263)	(157,263)	0	0.0%
(212)	Total Dedicated Schools Grant (DSG)	433	(152)	(585)	-135.1%

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Early Years Block (including delegated to Schools)			
(612)	3 & 4 year old funding	3 & 4 year old payments for EYFE based on Spring 2017	
(50)	2 year old funding	2 year old payments for EYFE based on Spring 2017	
(19)	Early Years Pupil Premium	Payments for early years pupil premium	
6	Early Years Additional Support & Inclusion Funding	Payments for early years additional support & inclusion funding	

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
High Needs Block (excluding delegated to Schools)			
241	Maintained schools top up funding	High Needs top up to maintained schools (mainstream and special) is higher than budgeted.	A review of top up funding to primary and secondary schools will take place and a report will be prepared for DMT incorporating a number of proposals to address the ongoing pressure.
126	Post 16 placements	Post 16 pupils SEN placements in educational provision	
50	DSG contributions	Unanticipated DSG contribution to meet General Fund pressures.	
(6)	New Learning Support Service	Savings from Learning Support Service review	
(37)	Other	Other miscellaneous underspends	
(32)	Virtual School	Exceptional circumstances allocation not spent	
(49)	Other	Unallocated 2015/16 budget brought forward.	
(105)	One to One support	Budget now not allocated to support schools	
Exceptions and Growth Fund			
(35)	Exception 1	School Meals Service	
(28)	Exception 1	Mainly school reimbursement for union duties, jury service and suspension.	
(16)	Exception 1	Additional charges to schools for Newly Qualified Teacher service	
(19)	Other	Miscellaneous minor overspends	

Appendix 3 – Carry Forward Requests 2016/17

Directorate	Unit	Details	Proposed Carry Forward Amount £'000
Non Grant Funded Areas			
EEC	City Environmental Management	CityParks Sponsorship income - Sponsorship money is given to cover the maintenance of the sponsored area. Timing of spend if season dependent and hence the need for carry forward. An example of this is the root pruning and soil improvement planned for Hove floral clock which has to be done in the last two weeks in May which could not be done by the time we received the sponsorship money last year.	23
EEC	City Environmental Management	Cityclean Enforcement Income - this income is set aside for environmental service improvements. The monies received from CityClean Fixed Penalty Notices can only be spent on functions relating to: Litter, dog control, graffiti and flyposting, which is set by the government.	12
EEC	Planning and Building Control	Consultancy work on studies for City Plan Part Two. A number of studies were identified and approved by Executive Leadership Team to be commissioned in 2016/17 and authority is sought to carry over funds for them to be undertaken in 2017/18 to produce a Draft Plan as required. This work has been delayed partly due to significant resourcing challenges in 2016/17 (reduced staff) together with unexpected additional pressures (including two significant public inquiries) and the sequence of monitoring assessments and studies (housing in particular).	62
EEC	Planning and Building Control	Salaries budget - The Planning Applications Team in the Development Management Service carried a vacancy at Principal Planning Officer level (M10 grade) for all of the last financial year (2016/17). The ongoing vacancy of this post has been due to difficulties in recruiting to senior planning officer posts and a shortage of planners. This equates to an underspend of £47k against this post. There was a further round of recruitment (in March) for this post that has again failed as no viable candidates applied. This is leading to significant service pressures in this Team that has recently avoided designation but is suffering the impact of ongoing under-resourcing at this officer level including staff resilience concerns. A carry forward is therefore requested that will contribute to funding an Agency Planner at Principal Planning Officer level for 6 months only to ensure effective management of backlog pressures on the service while permanent recruitment options are explored.	47
EEC	City Development & Regeneration	This budget is used to facilitate the Greater Brighton Economic Board and delivery of its workplan, which includes implementation of the Greater Brighton City	95

Appendix 3 – Carry Forward Requests 2016/17

Directorate	Unit	Details	Proposed Carry Forward Amount £'000
		Deal, the Greater Brighton Investment Programme and development of the City Region's Devolution Bid. This budget comprises monies from funding members: Brighton & Hove City Council; Adur & Worthing Council; Lewes District Council; Mid Sussex District Council; Coast to Capital Local Enterprise Partnership; South Downs National Park Authority; University of Sussex; University of Brighton and City College Brighton & Hove. Partners would expect Brighton & Hove City Council, as the Lead Authority, to carry forward the funding to enable the continued delivery of the Greater Brighton Economic Board and its workplan.	
EEC	City Environmental Management	Carry forward is requested to ensure cover for costs associated with setting up a Park Foundation which was originally planned for 2016/17. This is in accordance with recent Environment, Transport & Sustainability Committee approval to pursue this concept.	50
EEC	Transport	There have been delays to car parks maintenance works expected in 2016/17 which are now due to be completed in 2017/18. Carry forward is requested to ensure maintenance does not move into a backlog condition.	92
EEC	Transport	The routine maintenance budget was not spent in full in 2016/17 due to subcontractor issues which have now been resolved. The budget is now due to be spent in 2017/18 and carry forward is therefore requested.	162
EEC	City Environmental Management	Match-funding towards 'The Level' Heritage Lottery Fund grant claim has been identified in 2016/17 and this needs to be held over as the grant is now not due to be received until Summer 2017.	22
NCH	Housing	Research into the need for a new licensing scheme for the private rented sector was approved at Housing & New Homes Committee in January 2016. This was planned to be managed within the service's overall resources (i.e. managed underspends), however, the work will carry over to 2017/18 with a report on a new scheme due to be presented to Housing & New Homes Committee in June 2017. Carry forward is therefore requested from underspending to meet this commitment and avoid placing additional pressures on the service budget in 2017/18.	11
NCH	Communities, Equalities & Third Sector	The request is to carry forward £0.060m to contribute to the recently commissioned Community Banking Partnership. This budget was originally allocated as pump-priming funding to take forward recommendations from the research into race equality in employment and barriers to employment for people	60

Appendix 3 – Carry Forward Requests 2016/17

Directorate	Unit	Details	Proposed Carry Forward Amount £'000
		with a disability. This funding has not been required as the recommendations are being incorporated into other existing workstreams e.g. BHCC workforce equality action plan, priorities of the city's Equality and Inclusion Partnership. The Community Banking Partnership is, however, a priority for the council but is currently not fully funded for 2017/18.	
NCH	Communities, Equalities & Third Sector	Underspend from the Healthwatch and NHS Independent Complaints Advocacy Service statutory requirements under the Health and Social Care Act. This was due to delays in the procurement process and subsequent changes that needed to be made to support the current providers. The intention for the funding will be to support engagement work related to Caring Together including with BME and neighbourhoods in the redesign of health and social care planning and delivery.	35
NCH	Libraries	There is £4k remaining funding from Tinder which was provided to Libraries for health-related digital inclusion projects. It is intended to use this remaining funding during 2017/18 to fund a project assisting housebound people and people with long-term illnesses to access services online. Carry forward is requested.	4
NCH	Libraries	Budget was set aside for the development of two new sites at Hollingbury with Libraries Extra facilities following decision to proceed by full council in June 2016. The work was due to take place during the last four months of 2016/17 but there have been unavoidable delays at both sites. Carry forward is requested to enable completion.	51
F & R	Human Resources & Organisational Development	HR are working with new Recruitment Advertisers, Havas People, and the internal communications team to deliver a BHCC Diversity Good Employer Campaign. The campaign was delayed to allow for improvements to the council website to maximise impact. The campaign is scheduled to begin May/June 2017 (campaign cost estimated at c£33k). Carry forward of allocated resources is requested to enable completion.	33
F & R	Human Resources & Organisational Development	Following a report submitted and reviewed by Executive Leadership Team on 8th March 2017 regarding Disclosure & Barring Service (DBS) checks, a change to the rechecking policy was agreed to provide improved safeguards. The decision taken was that staff working in posts requiring a DBS check should be rechecked every 3 years. This was planned to start in 2016/17 but there have been recruitment delays. A carry forward of funding is requested to recruit a Level 2 Business Administration Apprentice	15

Appendix 3 – Carry Forward Requests 2016/17

Directorate	Unit	Details	Proposed Carry Forward Amount £'000
		for 12 months to support the process of rechecking staff across the council and embed the process for the future.	
SGL	Corporate Policy	The underspend in this service needs to be retained to accommodate cyclical projects such as Sustainable Community Strategy (SCS), City Tracker, support for theme groups and the live music venues programme etc. Other programmes are also continuing including Creating Social Value and implementing the citywide volunteering strategy. All of these programmes involve citywide partners, most of whom contribute to this pot of money. Carry forward is requested to enable these cyclical and partnership programme commitments to be undertaken.	98
Total Non Grant Funded Areas			872
Grant Funded Areas			
FCL	Dedicated Schools Grant.	Under the Schools Finance Regulations the unspent part of the DSG must be carried forward to support the Schools Budget in future years.	585
HASC	Public Health	Public health had been required to achieve £2.148m savings in 2017/18. To meet this, £600k was identified as an annual saving from 2017/18 through a reduced budget to the current Substance Misuse services contract. Early on, it became clear that the full amount was unlikely to be achieved in 2017/18 and other savings in 2016/17 were therefore identified as part of a 2-year strategy to manage the deficit. The carry forward will also ensure the service is able to fund a range of health improvement activities including the older people's programme, the healthy lifestyles team, the public health schools programme and to provide match funding for external funding opportunities. Approval to carry forward £0.989m is requested as per the terms of the Public Health ring-fenced grant.	989
EEC	Planning and Building Control	Neighbourhood Planning – this request is to carry forward Grant funding from DCLG to acknowledge the extra costs that are incurred to undertake this new statutory duty imposed on planning via the Localism Act 2011. Specifically, the funds are required to support Rottingdean Parish Council with progressing its Neighbourhood Plan including funding the examination in 2017/18 and a referendum. The grant will also help support other groups undertaking neighbourhood planning in the Hove Station Neighbourhood Area. A draft plan is expected from Hove Station Neighbourhood Area in 2017.	20

Appendix 3 – Carry Forward Requests 2016/17

Directorate	Unit	Details	Proposed Carry Forward Amount £'000
NCH	Housing	Grant funding from DCLG for 2016/17 for 'tackling TA' (Temporary Accommodation) has underspent in 2016/17 mainly due to difficulties in recruiting staff. Carry forward will ensure this work will continue into 2017/18.	50
NCH	Housing	Grant funding from DCLG for Homelessness Prevention Trail blazing work. £85k was received at the end of 2016/17 and could not be spent by year-end. Carry forward is allowable and required.	85
NCH	Libraries	Grant from the Arts Council in 2016/17 for the installation of WiFi in public libraries supplemented by Libraries' funds. The majority of the work is now completed but some has not been possible, specifically at the new Hollingbury sites due to delays in implementing these and upgrading Jubilee Wi-Fi facilities. Based on quotes received for the work, a carry forward of £14k to cover the Jubilee costs and £3k to cover the Hollingbury costs is required.	17
F & R	Human Resources & Organisational Development	This is a year-on-year request to match the funding to the term of the Student Social Work Placement programme. Of the £0.085m grant income from the Department of Health Daily Placement Fee funding (claimed on our behalf by Universities of Brighton and Sussex) there is a need to hold back a contingency element to support the existing Teaching Partnership (TP) Professional Education Consultant (PEC) roles (three roles) to end of June 2018. This is because while TP funding is to the end of March 2018, the social work students remain on placement to the end of June 2018. It will also be necessary to expand this model with more PEC capacity needed to accommodate double the usual number of student placements; approx. 36 TP students plus 30 to 40 placements for the undergraduate BA & BSc courses.	15
F & R	Human Resources & Organisational Development	This is a year-on-year request. The Children's Services Assessed & Supported Year in Employment (ASYE) programme is supported by funding received from DfE for newly qualified social workers in children's services; ASYE runs September to August. Carry forward is required to meet ongoing programme commitments.	32
F & R	Human Resources & Organisational Development	This is a year-on-year request. The Adult Social Care ASYE programme is supported by funding received from Skills for Care to support newly qualified social workers in Adult Services; ASYE runs September to August. Carry forward is required to meet ongoing programme commitments.	10
F & R	Human Resources &	DfE Teaching Partnership funding – this is received via East Sussex County Council as a result of successful	14

Appendix 3 – Carry Forward Requests 2016/17

Directorate	Unit	Details	Proposed Carry Forward Amount £'000
	Organisational Development	bid to DfE for Teaching Partnership funding for social work education. The partnership includes ESCC (lead partner), BHCC, University of Sussex and University of Brighton. Carry forward of these partnership resources is requested.	
Total Non Grant Funded Areas			1,817
Total Carry Forward Requests			2,689

Savings Monitoring 2016/17

General Fund

Directorate	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
Families, Children & Learning	7,865	5,118	3,034
Health & Adult Social Care	4,352	4,352	0
Economy, Environment & Culture	3,897	3,856	41
Neighbourhood, Communities & Housing	1,386	1,286	100
Finance & Resources	1,579	1,579	0
Strategy, Governance & Law	755	695	60
Corporate Budgets	510	518	0
Total Directorate Savings	20,344	17,404	3,235
Tax Base Savings	624	624	0
Total General Fund Savings	20,968	18,028	3,235

Housing Revenue Account

Directorate	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
Housing Revenue Account	1,393	1,393	0
Total HRA Savings	1,393	1,393	0

Families Children & Learning – Capital Budget Summary

Forecast Variance Month 9 £'000	Service	2016/17 Budget Month 9 £'000	Reported at other Committees £'000	IFRS changes £'000	Variation, Slippage/ reprofile £'000	2016/17 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Children's Safeguarding & Care	40	0	0	(40)	0	0	0	0.0%
0	Health & Disability Services	36	0	0	(36)	0	0	0	0.0%
0	Education & Skills	9,142	0	(651)	(195)	8,296	8,300	4	0.0%
0	Schools	257	0	0	(112)	145	145	0	0.0%
0	Stronger Families Youth & Communities	0	0	0	0	0	0	0	0.0%
0	Total Families Children & Learning	9,475	0	(651)	(383)	8,441	8,445	4	0.0%

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
Children's Safeguarding & Care				
Reprofile	(40)	Contact Supervision Centres	Reprofile of budget of less than £0.050m.	
Health & Disability Services				
Budget Reprofile	(36)	Short Breaks for Disabled	Reprofile of budget of less than £0.050m.	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
		Children		
Education and Skills				
IFRS Changes	(651)	Various	Please see paragraph 3.23 (v) of the main report for a general explanation of IFRS changes. For the refurbishments within school buildings some of the costs are of a day-to-day servicing nature and are not capital expenditure. It would be impractical for an authority to assess every item of expenditure when it is incurred as to whether or not it has enhanced an asset. The practical situation is, instead, at the year-end an assessment is made by programme managers and Finance to make sure that expenditure is correctly classified as capital or revenue. The capital budgets are reduced by the same amount as the items that are subsequently charged to revenue.	
Budget Reprofile	(119)	Devolved Formula Capital	Devolved Formula Capital is a financial resource that is devolved to schools by the Local Authority. Schools have the option to accrue the money for a maximum of 3 years. However, accrued funds are normally retained by the Local Authority, but schools are able to request their allocation at any time.	
Budget Reprofile	(61)	New Pupil Places	To assist with meeting continuing priorities and outstanding commitments in relation to developments at West Blatchington Primary School and the outcome of the SEND review.	
Budget Reprofile	(46)	Various	Reprofile of budget of less than £0.050m: Capital Maintenance (£0.025m), Structural Maintenance (£0.021m).	
Budget Variation	31	New Pupil Places	Variation to budget of less than £0.050m	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Variance	4	Various	Overspends of less than £0.050m on various schemes.	
Schools				
Budget Reprofile	(112)	Various	Reprofile of budget of less than £0.050m on various schemes: Portslade Community Academy (£0.036m), Fairlight Primary School solar panels (£0.042m), Hillside School extension (£0.028m), Hertford Junior School interactive TV's (£0.006m)	

Health & Adult Social Care – Capital Budget Summary

Forecast Variance Month 9 £'000	Service	2016/17 Budget Month 9 £'000	Reported at other Committees £'000	IFRS changes £'000	Variation, Slippage/ reprofile £'000	2016/17 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Adult Social Care	351	0	0	(110)	241	241	0	0.0%
0	Integrated Commissioning	138	0	0	(65)	73	107	34	46.6%
0	Provider Services	0	0	0	0	0	0	0	0.0%
0	Public Health	0	0	0	0	0	0	0	0.0%
0	Total Health & Adult Social Care	489	0	0	(175)	314	348	34	10.8%

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
Adult Social Care				
Budget Reprofile	(46)	BCF - Telecare	Reprofile of budget for under £0.050m: Adaptations for the Disabled (£0.023m), Telecare (£0.029m).	
Budget Variation	(64)	BCF Adaptations for the Disabled	Variation to budget due to unspent budget being used to fund overspend on the Disabled Facilities Grant scheme.	
Integrated Commissioning				
Budget Reprofile	(62)	10 Drovers Close	Delay in the project related to planning issues which in turn delayed going out to tender for a contractor.	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Budget Reprofile	(3)	Autism Innovation	Reprofile of budget of less than £0.050m	
Variance	34	Adult Social Care Reform Grant	Overspend of less than £0.050m	

Economy Environment & Culture – Capital Budget Summary

Forecast Variance Month 9 £'000	Service	2016/17 Budget Month 9 £'000	Reported at other Committees £'000	IFRS changes £'000	Variation, Slippage/ reprofile £'000	2016/17 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	City Development & Regeneration	7,514	0	0	296	7,809	7,827	17	0.2%
(65)	City Environmental Management	9,961	0	0	(4,748)	5,213	5,287	74	1.4%
0	Culture	3,146	0	0	(1,659)	1,487	1,487	0	0.0%
	Planning & Building Control	0	0	0	0	0	0	0	0.0%
0	Property	8,439	0	0	(448)	7,991	7,991	0	0.0%
(20)	Transport	12,096	0	0	(680)	11,416	11,395	(21)	(0.2)%
(85)	Total Economy Environment & Culture	41,156	0	0	(7,239)	33,917	33,987	70	0.2%

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
City Development & Regeneration				
Budget Reprofile	(91)	Circus Street Development	The 2016/17 budget for this project is to fund scheme viability assessments and project support costs. It is difficult to predict timescales and annual costs at scoping the stage of major projects and a reprofile of budget is required to continue this development work in the 2017/18 financial year.	
Budget Reprofile	(85)	Improvements to New England House	The 2016/17 budget for this project is to fund scheme viability assessments and project support costs. It is difficult to predict timescales and annual	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			costs at scoping the stage of major projects and a reprofile of budget is required to continue this development work in the 2017/18 financial year.	
Budget Reprofile	(51)	Affordable Housing Delivery Options	Delay in project due to deferred Committee decision.	
Budget Reprofile	(37)	Various	Reprofile of budget for various schemes under £0.050m: Digital Catapult (£0.016m), Preston Barracks Site (£0.006m), Open Market (£0.007m), Falmer Released Land (£0.004m), Ann St/Providence Place improvements (£0.004m)	
Budget Variation	140	Major Projects - Legal Fees	Variations to budgets for Strategic Investment Fund (SIF) projects for Legal Fees: Preston Barracks Site £0.034m, Circus St development £0.025m, Open Market £0.021m, King Alfred Swimming Pool Development £0.011m, Waterfront Development £0.021m, i360 Project £0.021m, Royal Pavilion Estate £0.007m	
Budget Variation	198	Waterfront Redevelopment	The budget for this project was to meet legal fees and scheme viability assessments. It is difficult to predict timescales and annual costs at the scoping stage of major projects. A variation is required to meet project costs incurred for developing the ongoing support costs.	
Budget Variation	137	Preston Barracks Central Research Lab	The total budget for this scheme is £7.7m funded through the Local Growth Fund and the majority of the costs are expected to be incurred in 2017/18 to 2018/19. The project reached a significant milestone with the submission of the planning application in February which has enabled a higher level of spend in the current year compared to that projected earlier in the year. A budget variation is therefore required to meet the in year spend.	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Budget Variation	88	King Alfred Swimming Pool Redevelopment	The budget for this project was to meet legal fees and scheme viability assessments. It is difficult to predict timescales and annual costs at the scoping stage of major projects. A variation is required to meet project costs incurred for developing the ongoing support costs.	
Budget Variation	(3)	Various	Variations to budget for various schemes under £0.050m: Seafront Infrastructure £0.042m, Improvements to New England House (£0.013m), Circus St Development (£0.032m)	
Variance	17	Various	Overspends of less than £0.050m on various schemes: i360 Landscaping £0.013m, Super Connected Cities Programme Voucher Scheme £0.004m	
City Environmental Management				
Budget Reprofile	(1,098)	Wheeled Bins for Recycling	The Wheeled Bins for Recycling programme was agreed in December 2016. After a thorough procurement process, the bins were ordered and will be rolled out through Quarter 1 and Quarter 2 of 2017/18.	
Budget Reprofile	(1,136)	Seafront Investment - Landscaping	This funding relates to capital works being undertaken to either side of the BAi360 on council owned land which are due to complete by the end of May/early June. Capital spend is ongoing and the project remains within budget, but final outturn costs cannot be expended until the contract completes. When initial profiling was undertaken the project was earmarked to start in October 2016. This timescale was amended following consultation with western arches traders, who wished to have a clear site in the run up to Christmas, the project therefore started on 3rd January 2017.	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Budget Reprofile	(163)	Volks Railway HLF - Delivery Stage	The build elements of the project have been delayed by several months due to the discovery of a redundant gas main which was still live. The gas main was underneath the existing train sheds and therefore prevented the demolition process. Works were halted until the SGN company could come to site to de-gas the pipe and make safe. This process took several months as it coincided with the Christmas shutdown and the council was unable to speed up the response from SGN.	
Budget Reprofile	(75)	Sheepcote Valley Household Waste	The capital allocation is the council's contribution towards the redevelopment of the Brighton Household Waste Recycling Site. The project has been delayed a number of times due to the design of the scheme changing (to improve layout for users) resulting in delays in planning. Planning permission has now been obtained and Veolia are now tendering the work. This scheme is managed by Veolia and the delays have been beyond the council's control.	
Budget Reprofile	(65)	Downland Initiative Project	The Downland Initiative is used to fund work on the Cities Downland Sites with a large percentage of it earmarked to support the grazing scheme on downland sites. Annual grants cover most of the day to day operational costs of this but do not cover full costs of capital works such as fencing. Our Higher Level Stewardship agreement was put on hold by Natural England and it was unclear what the financial effect of this would be therefore officers were cautious on spending last financial year.	
Budget Reprofile	(316)	Various	Reprofile of budget for various schemes under £0.050m: Hove Rec Rugby Pitch (£0.039m), William Clark	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			Park (£0.039m), Manor Road Gym (£0.030m), Woodingdean Allotments (£0.028m), Preston Park Cycle Track (£0.026m), Saunders Park playground (£0.025m), Communal Bin replacement (£0.022m), Prince Regent glazing works (£0.020m), Rottingdean Field (£0.014m), Hove Lagoon play area (£0.014m), Garden Waste Collection Trial (£0.013m), Turner Park (£0.012m), Queens Park playground (£0.009m), Volks Railway project (£0.008m), St Anne's Wells Garden (£0.007m), East Brighton Park parking controls (£0.006m), The Level HLF (£0.002m), Stanmer Estate access works (£0.002m)	
Budget Slippage	(1,746)	Procurement of Vehicles	Due to the redesign of the City clean services and the introduction of additional services, purchase of some vehicles are yet to be decided. The vehicle replacement programme will be moved forward another year to ensure that revenue costs are reduced. Replacing vehicles at the optimum time is critical. An estimated life is given to vehicles, which will be increased or decreased, depending on wear and running costs.	
Budget Slippage	(150)	Eastbrook Allotments	It was anticipated that the proposed work at Eastbrook Allotments would have started this year. The work to be carried out has been agreed with allotment holders but the scale and nature of the work is such that it was not suitable for the Allotment Officer to deal with, therefore Property Services have been engaged to oversee the work. This process has taken longer than anticipated.	
Budget Slippage	(40)	City Clean Modernisation Scheme	Budget slippage of less than £0.050m	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Budget Variation	41	Various	Variations to budget of less than £0.050m: Purchase of vehicles for Cityparks £0.021m, Stanmer Estate Access Works £0.020m.	
Variance	200	Various	Net overspend from various schemes under £0.050m: Commercial Waste - Bins & Vehicles £0.118m, Vale Park improvements £0.043m, Purchase of vehicles for Cityparks £0.014m, Aldrington/Wish park £0.013m, Manor Road £0.008m, Saltdean Oval Park £0.003m, Saltdean Lido £0.001m.	
Variance	(66)	Stanmer Park Restoration Project	The original budget was set by the application to the Heritage Lottery Fund and BHCC committee reports in Round 1. The amount spent is £0.066m less than the original budget due to savings on consultants and the income drawn from the various parties will reflect this.	
Variance	(60)	City Clean Modernisation Scheme	An underspend of £0.060m has resulted from a better than expected procurement outcome for the Big Belly Bins and will be returned to the Corporate Modernisation budget. A final invoice is due to be paid in 2017/18 for a pavement cleaner.	
Culture				
Budget Reprofile	(1,631)	Royal Pavilion Estate (Phase 1)	The project total is circa £21m. Expenditure to date has been lower than anticipated due to the nature of the buildings and the need to strip out and confirm all structural elements and requirements. The Royal Pavilion Estate works started on site slightly later than expected and the required preparation work has slowed the initial phase.	
Budget Reprofile	(28)	New Historical Records Office (The Keep)	Reprofile of budget of less than £0.050m.	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Property				
Budget Reprofile	(280)	Hove Town Hall - South End Office Refurb	This investment is undertaken in conjunction with the work at Hove Town Hall as part of the modernisation programme and will provide funding for the fit out of the Great Hall in Hove Town Hall to allow a co-location of the public services. The work has been finalised, however the final settlement is due during 2017/18, hence the budget reprofile to 2017/18.	
Budget Reprofile	(148)	Workstyles Phase 2 - ICT Resources	To support corporate ICT and EDRM (Electronic Document), back-scanning associated with moves that were undertaken in previous phases of Workstyles Phase 2. Although the building works and staff moves have been completed for Phase 2 there has been a backlog of EDRM development and document scanning that is required for teams including Children's Services. The reprofile of £0.148m will allow the final completion of this work and any underspend will be reported back to this Committee.	
Budget Reprofile	(301)	Various	<p>Reprofile of budget to various schemes for less than £0.050m:</p> <p>Legionella Works (£0.049m), Corporate Fire Risk Assessments (£0.046m), Barts Cladding & Window Replace Phase 1 (£0.044m), External Improvement Works (£0.038m), Statutory DDA Access Works Fund (£0.032m), Corporate Election meeting room booking (£0.030m), Fire Safety Improvements (£0.022m), Stanmer Park Agricultural Buildings (£0.019m), Asbestos Surveys (£0.018m), Bartholomew House Lift Refurb (£0.007m), Mechanical Boiler Replacements (£0.002m), Madeira Terrace</p>	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			Structure Repair & Resurface (£0.001m), Miscellaneous Internal Refurbishments £0.007m.	
Budget Variation	239	Workstyles Phase 3	The Workstyles Phase 3 project has been implemented over four years and commenced in 2014/15 with the majority of building works and accommodation costs being incurred in 2015/16 and 2016/17. The vast majority of building and ICT works have been completed with some minor works to be finalised in 2017/18. The variation will utilise remaining funding to meet the majority of the building and ICT works finished in this current year. Any underspend associated with this project will be set aside to assist with the resourcing of Workstyles Phase 4 as previously reported to this Committee and will be profiled during 2017/18 when all final costs have been confirmed.	
Budget Variation	42	Various	Variations to budget for less than £0.050m: Solar Panel Implementation Plan £0.022m, Preston Manor £0.020m, Hove Town Hall Building Maintenance System £0.012m, Miscellaneous Internal Refurbishments £0.005m, Passenger Lift Health & Safety Works (£0.005m), Legionella Works (£0.012m).	
Transport				
Budget Reprofile	(677)	Parking Machine Purchase & Upgrade	Whilst all the new cash machines have been delivered and installed on time the upgrade kits to convert machines from cash to card only will take a further two months to be shipped from the factory in France. This is due to exceptionally high demand from the UK for these parts due to the introduction of the new £1 coin. The order was placed in January but cannot be completely	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			fulfilled until May.	
Budget Reprofile	(193)	Intelligent Transport Systems	The total budget for this scheme is £2.2m funded through the Local Growth Fund and contributions from the Local Transport Fund. There has been a delay to spend for this project due to the release of new software and equipment that will be compatible with the scheme for Brighton and Hove. This will now be incurred during 2017/18 and the project remains on course for its original timetable.	
Budget Reprofile	(209)	Local Transport Plan	A number of scheme reprofiles, including improvements to Lewes Road/Elm Grove, freestanding crossings and cycle parking facilities, primarily due to city wide traffic management coordination to ensure that there were a limited number of schemes being constructed on the strategic network at a given time. As these are outside of the control of the capital budget holder, reprofiling to 2017/18 is requested.	
Budget Reprofile	(97)	North Street Environmental Improvement	Works associated with North Street should be reprofiled into 2017/18 as major scheduled works in North Street associated with Southern Water had delayed project spend.	
Budget Reprofile	(74)	Valley Gardens (LTP)	The Valley Gardens project will receive a total of £8.0m funding through the Local Growth Fund and will be matched with contributions from the Local Transport Plan. The Highway detailed design is not quite finished this will continue into the first quarter of 2017/18, so too will the greenspace design work. A budget reprofile is required to cover these works and continue the Traffic Management Plans.	
Budget Reprofile	(39)	Various	Reprofiles of budget for various schemes of less than £0.050m:	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			Brighton Marina to River Adur Works (£0.022m), Local Highways Maintenance Incentive (£0.014m), Patcham Flood Alleviation Scheme (£0.005m), Bike Share/Hire Scheme £0.002m	
Budget Reprofile	800	West St Shelter Hall	Reprofile of budget is required to bring forward significant engineering operations that need to be in place for stabilisation measures to mitigate the risks of collapse during demolition and substructure operations. By bringing forward these engineering operations will mitigate additional project overrun risks and reduce incurred costs towards the end of the project.	
Budget Slippage	(250)	Controlled Parking Schemes	The main costs for the implementation of the Hanover & Elm Grove Parking scheme will be in the coming months, therefore the budget is needed next financial year. Estimates were based on average costs over the term of the priority parking scheme timetable up to 2018 over different financial years rather than separating different costs per financial year.	
Budget Variation	59	Patcham Flood Alleviation Scheme	New scheme added to the Capital Programme after TBM9 which was funded by grant and had incurred expenditure in 2016/17. See Appendix 6.	
Variance	(21)	Various	Underspends on various schemes of less than £0.050m: Repair and Renew Flood Scheme (£0.020m), Pilot Rain Gardens – Portslade (£0.001m)	

Neighbourhood Communities & Housing – Capital Budget Summary

Forecast Variance Month 9 £'000	Service	2016/17 Budget Month 9 £'000	Reported at other Committees £'000	IFRS changes £'000	Variation, Slippage/ reprofile £'000	2016/17 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Comms Equalities & 3rd Sector	278	0	0	0	278	278	0	0.0%
0	Community Safety	0	0	0	0	0	0	0	0.0%
184	Housing GF	3,394	0	0	(291)	3,103	3,103	0	0.0%
0	Libraries	373	0	0	(7)	366	366	0	0.0%
0	Regulatory Services	545	0	0	(5)	540	540	0	0.0%
184	Total Neighbourhood Comms & Housing	4,590	0	0	(303)	4,286	4,286	0	0.0%

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
Housing GF				
Budget Reprofile	(389)	LDV - Post Lease Refurbishment	This budget is for the refurbishment of the properties leased to Brighton & Hove Community Seaside Homes and includes the works programmed for the 11th batch which was let far later than anticipated so not all works have been completed yet.	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Budget Reprofile	(46)	Various	Reprofiles of budget for various schemes for less than £0.050m: Permanent Travellers Site (£0.036m), Renovation Grants (£0.010m).	
Budget Reprofile	38	BCF - Disabled Facilities Grants	This is the resulting net overspend for the adaptations budget, after additional funding for 2016/17, and relates to high level of spend during 2014/15 which had first call on the grant funding for 2015/16, and 2016/17. The overspend has reduced from £0.367m in 2014/15 to £0.038m for 2016/17. This debit budget will be reprofiled by temporarily funding through capital reserves which will have first call on new grant monies in 2017/18. The new grant allocation for 2017/18 should ensure this is funded.	
Budget Variation	143	BCF - Disabled Facilities Grants	Additional funding has been forthcoming from Better Care Fund, Adult Social Care and contributions for Registered Providers to acknowledge the preventative effect of adaptations and the high levels of demand for adaptations.	
Budget Variation	(37)	HAOT - Major Adaptation	Variation to budget for less than £0.050m.	
Libraries				
Budget Reprofile	(7)	Libraries Extra	Reprofile of budget for less than £0.050m.	
Regulatory Services				
Budget Reprofile	(5)	Clean Bus Transport Fund	Reprofile of budget for less than £0.050m.	

Housing Revenue Account – Capital Budget Summary

Forecast Variance Month 9 £'000	Service	2016/17 Budget Month 9 £'000	Reported at other Committees £'000	IFRS changes £'000	Variation, Slippage/ reprofile £'000	2016/17 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
163	City Development & Regeneration	17,524	0	0	2,507	20,031	20,129	98	0.5%
(922)	Housing Revenue Account	26,793	0	0	(467)	26,326	25,448	(878)	-3.3%
(759)	Total Housing Revenue Account	44,317	0	0	2,040	46,357	45,577	(780)	-1.7%

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
City Regeneration				
Budget Slippage	(320)	Redevelopment of HRA Vacant Garage Sites	Slippage due to Kensington Street starting on site in May 2017. Transfer of land will occur in 2017/18.	Contractor appointed and investigations underway for full start on site in May 2017.
Budget Slippage	(89)	Selsfield Drive	Scheme delayed due to design issues.	Pre-application planning advice being sought.
Budget Slippage	(50)	Design Competition	Scheme delayed and site feasibility is being worked up ready for submission to Housing Committee. Cost of feasibility studies being met by the feasibility budget.	Pilot project taking longer to deliver than anticipated but continue to progress.
Budget Reprofile	1,574	Whitehawk (Findon Road) Development	Reprofile required from 17/18, delivery of project is ahead of the forecast cash flows. There were previous reprofiles of budget from 16/17 to 17/18 during the year.	Difference relates to anticipated cash-flow. Project still projected to be within budget. Will continue to monitor.

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Budget Reprofile	879	Wellsbourne Development	Reprofile required from 17/18, delivery of project is ahead of the forecast cash flows. There were previous reprofiles of budget from 16/17 to 17/18 during the year. S106 Payment.	Difference relates to anticipated cash-flow. Project still projected to be within budget. Will continue to monitor.
Budget Reprofile	371	Brookmead Site Development	Reprofile required from 17/18, as delivery of project is ahead of the forecast cash flows. There were previous reprofiles of budget from 16/17 to 17/18 during the year.	Will continue to monitor.
Budget Reprofile	119	Manor Place	Reprofile required from 17/18. Scheme is now complete and has underspent against approved budget by £0.071m	
Budget Reprofile	23	Feasibility and Design - Housing Invest	Reprofile required from 17/18, more expenditure on this code than forecast. There were previous reprofiles of budget from 16/17 to 17/18 during the year.	More spend in 2017 than anticipated will continue to monitor
Variance	169	Ardingly Street (New Build)	Increase in scheme costs due to project issues (e.g. additional structural and ground works). Costs approved by Quantity Surveyor and project now complete.	
Variance	(71)	Manor Place	Underspend against agreed budget due to savings action not required.	
Housing HRA				
Budget Slippage	(258)	External Works	The enhanced procurement process noted at TBM month 9 has led to slight delays on some projects: Tyfoam Properties £0.116m; Woods House £0.074m; Hollingdean concrete repairs £0.051m; Sylvan Hall £0.013m and Rose Hill Court £0.004m.	Minimal impact on residents (delay only) as project will continue in 2017/18
Budget Slippage	(71)	Roofing	As described above: Woods House £0.044m and Rose Hill Court £0.027m.	Minimal impact on residents (delay only) as project will continue in 2017/18.

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Budget Slippage	(53)	Windows	As described above: Woods House £0.052m and Rose Hill Court £0.001m	Minimal impact on residents (delay only) as project will continue in 2017/18.
Budget Slippage	(14)	Kitchens	Budget slippage of less than £0.050m.	Minimal impact on residents (delay only) as project will continue in 2017/18.
Budget Reprofile	(126)	Block Conversions	A small number of flats were not completed by the end of the financial year, due primarily to a major disability standard conversion undertaken. The reprofiled budget will enable completion of the remaining flats in 2017/18.	All tenants affected have been consulted and reassured on the revised completion dates.
Budget Reprofile	(110)	City-Wide Lofts & Extensions Project	A change in on-site Health & Safety legislation has increased the requirement for on-site welfare Pods. Provision of the Pods has led to some delays in the programme spend.	No negative impact on residents - works of this type are now only carried out on empty properties.
Budget Reprofile	(55)	Various	Reprofile of budget less than £0.050m; Structural Repairs £0.047m; ICT Fund £0.008m.	
Budget Variation	672	Various	Budget increase to allow for the capitalisation of salaries to support the delivery of the capital programme in 2016/17. These figures were included as part of budget setting for the 2016/17 programme.	
Budget Variation	(400)	Estates Development Budget	The estates development budget is included within the capital programme and the funding split between capital and revenue is adjusted at year end depending on the types of works carried out. In 2016/17 the works were mainly revenue and the revenue budget has been adjusted accordingly.	
Budget Variation	(52)	Establishment costs	To correctly reflect the proportion of capital works to revenue works being delivered, the Establishment Costs budget in Capital needs to be decreased.	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Variance	139	Roofing	Overspend due to some of the planned roofing programme for 2017/18 being brought forward to 2016/17.	There will be a positive impact on residents and a reduction in repairs costs
Variance	137	Kitchens & Bathrooms	There is an overspend on this budget due to continuing efforts to ensure decency throughout the councils housing stock.	A positive impact on residents.
Variance	131	Fire Safety & Asbestos	Annual fire risk assessments carried out by council officers identified a larger than anticipated volume of fire safety work in 2016/17.	A positive impact on residents and increased compliance with fire safety regulations.
Variance	124	Minor Capital Works	This budget is predominantly responsive and the increased expenditure reflects essential capital repair works identified within the year.	No negative impact on residents is anticipated.
Variance	95	Environmental Improvements	Additional costs incurred to ensure compliance with Section 61 of the Control of Pollution Act 1974.	Minimal impact on residents.
Variance	69	Windows	Overspend resulting from a high number of referrals for non-standard window replacements.	No negative impact on residents anticipated.
Variance	212	Various	Overspends of less than £0.050m on various budgets: Structural Repairs £0.048m; Block Conversions £0.029m; Pre-lease conversion £0.027m; Capital works assessment £0.022m; Door Entry Systems & CCTV £0.022m; Communal Fire Alarms £0.017m; Feasibility & Design £0.013m; City-Wide Lofts & Conversions £0.010m; Sheltered Service systems £0.007m; Doors £0.007m; LDV Assessment works £0.004m; Cladding £0.003m; BHCC Projects £0.003m.	No negative impact on residents anticipated.
Variance	(72)	Communal Boilers	Contingency funding for whole block heating system failure not required	
Variance	(74)	Lifts	Works to part modernise a lift has moved to 2017/18 and there is sufficient money to fund from the 2017/18 budget.	No impact on residents as the lifts programme will continue.

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Variance	(100)	Ventilation	Ventilation works have been delayed to avoid overlap with major external works that are underway. Ongoing works to insulate the ventilation shafts at three blocks have not been completed, partially due to access issues and we are working with contractor to resolve. There is sufficient money to fund from the 2017/18 budget so no reprofile of budget is required.	No impact on residents as the ventilation programme will continue.
Variance	(231)	Various	Underspends of less than £0.050m on various budgets: Insulation £0.047m; ICT Fund £0.042m; Converting Spaces £0.039m; Water Tanks £0.039m; HRA Adaptations £0.018m; Domestic Boilers £0.015m; Main Entrance Doors £0.012m; Communal Rewire £0.011m; Solar PV City-Wide £0.009m	No negative impact on residents anticipated.
Variance	(238)	Empty Properties (Capital)	As reported at TBM month 9 this budget is underspent due to the nature of works required to empty properties being managed within other capital and revenue budgets.	No negative impact on residents anticipated.
Variance	(242)	Domestic rewire	To support the delivery of decent homes, a domestic rewire programme has been ongoing for several years. The expected number of void properties coming through the process this financial year is lower than previously, due in part to the programme maturing.	No impact on residents as the domestic rewire programme will continue.
Variance	(252)	Condensation & Damp Works	Underspent due to significant investment in the past 3 years. There have been major repairs to faulty cavity wall insulation and improving heating and ventilation across the city	No negative impact on residents anticipated.
Variance	(576)	Cyclical Decorations	A review of how planned works are identified and scheduled has delayed the start dates of various programmes for 2016/17. This was highlighted at TBM month 9.	No negative impact on residents anticipated.

Finance & Resources - Capital Budget Summary

Forecast Variance Month 9 £'000	Service	2016/17 Budget Month 9 £'000	Reported at other Committees £'000	IFRS changes £'000	Variation, Slippage/ reprofile £'000	2016/17 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
(6)	Finance	53	0	0	0	53	47	(6)	-11.3%
0	HR Organisational Development	0	0	0	0	0	0	0	0.0%
0	ICT	2,334	0	0	(842)	1,492	1,492	(0)	0.0%
(6)	Total Finance & Resources	2,387	0	0	(842)	1,545	1,539	(6)	-0.4%

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
Finance				
Variance	(6)	Northgate Server - Revs & Bens	Underspend on scheme of less than £0.050m	
ICT				
Budget Reprofile	(113)	Digital First	Due to a restructure within ICT, progress with this programme really started in October 2016 once staff resources were in place and a development platform secured. The majority of the development platform contract is payable between April 2017 and January 2019.	
Budget Slippage	(513)	Internal Customer Access Information to	Project delays with the delivery of some elements of the original Information Management programme, such as the new mobile platform which is due to be delivered during 2017/18.	

Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Budget Slippage	(177)	ICT Core Infrastructure	Project delays with the delivery of some elements of the Infrastructure programme, such as the last stages of the datacentre and remote access migrations, which will now complete during 2017/18.	
Budget Slippage	(31)	Information Management	Budget slippage of less than £0.050m.	
Budget Variation	(8)	Digital First	Variation to budget of less than £0.050m	

Note: There are currently no capital budgets to report on for Strategy, Governance & Law and Corporate Services.

New Schemes added to the Capital Programme after TBM Month 9, requiring approval:

New Capital Project Approval Request				
Unit:	CityParks Projects			
Project title:	Stanmer estate Access improvement works			
Total Project Cost (All Years):	£19,683			
Purpose, benefits and risks:				
Work to provide year round access and provide missing link in access trail around Stanmer Park as a route for cycling walking and informal recreation.				
Capital expenditure profile (£'000):				
Year	This Year	Next Year	Year After	TOTAL
External Contribution (inc S106)	20			
Total estimated costs and fees	20			
Financial implications:				
This is for the installation of a hard surface which will require minimal maintenance and therefore no ongoing budget expenditure incurred. The capital expenditure will be funded by Section 106 monies.				

New Capital Project Approval Request				
Unit:	Transport			
Project title:	Patcham Flood Alleviation Scheme			
Total Project Cost (All Years):	£59,000			
Purpose, benefits and risks:				
Flood Risk Management Grant has been received from the Environment Agency in year to assist with capital works associated with the Patcham Flood Alleviation Scheme.				
Capital expenditure profile (£'000):				
Year	This Year	Next Year	Year After	TOTAL
Grant (please state)	59			
Total estimated costs and fees	59			
Financial implications:				
Grant funding for £0.059m has been approved by the Environment Agency for this scheme.				