

Families, Children & Learning

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2018/19 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2018/19 Savings Proposed £'000	2018/19 Savings Achieved £'000	2018/19 Savings Unachieved £'000
(10)	Director of Families, Children & Learning	221	205	(16)	-7.2%	15	25	0
573	Health, SEN & Disability Services	37,648	38,198	550	1.5%	1,245	764	481
163	Education & Skills	5,456	5,619	163	3.0%	276	298	70
(1,490)	Children's Safeguarding & Care	40,063	38,611	(1,452)	-3.6%	2,722	3,879	0
(26)	Quality Assurance & Performance	1,392	1,346	(46)	-3.3%	50	56	0
(790)	Total Families, Children & Learning	84,780	83,979	(801)	-0.9%	4,308	5,022	551

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

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Director of Families, Children & Learning		
(16)	Other	
Health, SEN & Disability Services		
108	Adults Learning Disabilities - Community Care	The number of clients continues to increase (now 20.90 WTE over budget) and the complexity of clients is impacting on the ability to achieve savings.
75	Adults Learning Disabilities - loss of continuing health care funding	The CCG is reviewing health needs of Adults LD clients and there is a loss of £0.075m of Continuing Health Care (CHC) funding in 2018/19 for a high cost client.
119	In-house Adults LD provision	The overspend relates to unachieved savings mainly as a result of Tranche 2 of outsourcing not proceeding and delays with the Care Quality Commission in changing the registration of one of the residential services.
281	In-house Children's Learning Disability Provision	There is a significant budget pressure on Drove Road (£0.358m) being offset by small underspends in other areas of Children's in-house disability provision.
235	Children's Disability Agency Placements	Due to new high cost placements in 2018/19, both the number (increase of 0.4 FTE over budget) and unit cost of placements (increase of 33% above budget) are in excess of budget.
(130)	Medical requisites	Underspend achieved following legal advice to resolve a long running dispute with Sussex

Appendix 4 – Service Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		Community Trust.
(76)	Staffing - underspend due to vacancies and turnover	There are a number of anticipated underspends due to vacancies across the branch including SEN team, and adults' and children's disability admin teams.
70	Direct payments	Reduction in Dedicated Schools Grant (DSG) element of funding and increase in the volume and unit cost of direct payments.
(132)	Other	This includes a number of underspends across the branch including contracted services for children with disabilities and preventive payments.
Education & Skills		
210	Home to School Transport	The overspend is due to additional hired transport and an increase in numbers and fuel costs.
148	Skills and Employment	Mainly due to underachievement of income targets in the Able & Willing unit.
(151)	Early Years Youth, Family Support and Troubled Families	There is an underspend of £0.060m within Troubled Families due to slippage on new initiatives and an underspend of £0.045m on the Integrated Team for Families that is attributable to the delayed appointment of the Primary School Family Coaches. In addition there is also an underspend of £0.023m on youth related areas and an underspend of £0.023m on central early years management and administration.
(44)	Other	
Children's Safeguarding & Care		
457	Demand-Led - Residential Agency Placements	The number of residential placements (35.68 FTE) is broken down as 31.68 FTE social care residential placements (children's homes) and 4.00 FTE schools placements. The budget allowed for 30.20 FTE social care residential care placements and 5.30 FTE schools placements. The average unit cost of residential placements is higher than the budgeted level at £3,666.25 per week (£139.77 per week above budget). The combination of the number of children placed being 0.18 FTE above the budgeted level and the high unit costs result in the overspend of £0.457m.
451	Demand-Led - Independent Foster Agency (IFA) Placements	The number of children placed in Independent Foster Agency placements has decreased in recent years. During 2017/18 there were 118.68 FTE (compared with 132.14 FTE for 2016/17). The number of placements in 2018/19 was 98.73 FTE, a reduction of 17%. The budget for IFA placements included significant levels of savings and was set at 86.30 FTE. The numbers being higher than the budget by 12.43 FTE results in the overspend of £0.451m.
(400)	Demand-Led - Secure Accommodation	During 2018/19 there were 0.20 FTE secure (welfare) placements and 0.65 FTE secure (justice) placements. The budget allowed for 1.40 FTE welfare and 1.10 FTE justice placements during the year. There is currently one child in a secure (welfare) placement and one in a secure (justice) placement resulting in a projected underspend of £0.400m.

Appendix 4 – Service Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(736)	Demand-Led - Semi-independent/Supported placements	The number of semi-independent and supported living placements was 28.69 FTE in 2018/19 being 8.41 FTE below the budgeted level. The average unit cost of these placements had increased considerably last year but has now stabilised in line with the budgeted level. The lower number of placements results in the underspend of £0.736m.
(882)	Demand-Led - In-House Fostering	As at 31st March 2019 there were 144 children placed with 'in-house' foster carers and 146.94 FTE for the year. The budget, based on an increasing trend over the last few years and the drive to increase recruitment of in-house carers, was set at 171.60 FTE placements. This has resulted in the underspend of £0.882m.
235	Demand-Led - Family & Friends placements, Child Arrangement Orders and Special Guardianship Orders	The budget allowed for 314.40 FTE placements of these types. By the end of the year there were 324.51 FTE children in these placements and this results in the overspend of £0.235m.
163	Demand-Led - Care Leavers	The number of care leaver placements in 2018/19 was 123.45 FTE. The budget provides for 114.40 FTE placements. The change in responsibilities for local authorities has seen a growth in the number of care leavers receiving financial support and has resulted in the overspend of £0.163m.
71	Demand-Led Unaccompanied Asylum Seeking Children (UASC) Grant	The numbers of unaccompanied asylum seeking children has increased considerably in the last few months. The costs of looking after these children is funded by a grant from the Home Office, however the increase in the number of asylum seekers has required additional staffing and there has been an increase in other, non-accommodation costs resulting in the overspend of £0.071m.
(35)	Legal Fees	The underspend of £0.035m accounts for the fact that activity and associated spend are down significantly on 2017/18. For 2018/19 the Special Assessment budgets (Medical, Psychological etc.) were transferred to the Clermont Service and managed therein. Accordingly, the overspend is attributable in the main to Legal, Court and Counsel fees.
3	Adoption Payments	The overspend in Adoption Payments is made up of two elements. An underspend of £0.008m in Adoption Allowances combined with an overspend of £0.011m against the Interagency Adoption budget.
(83)	Social Work Team (Pods)	The £0.210m underspend against staffing budgets was offset by non staffing overspend of £0.017m. Additionally, at Month 11 a cost of £0.110m was reported and has been factored into the outturn in respect of expenditure incurred against The Partners is Change (P.I.C) initiative. It had been envisaged that the cost of externally commissioned posts would not materialise until 2019/20 due to difficulties experienced in recruitment. Confirmation as to the 2018/19 costs was received in February and the outturn reflects this update.

Appendix 4 – Service Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(229)	Adolescent Service	Late filling of vacant posts and staff turnover following service restructure. Sessional spend on the Extended Adolescent Service did not materialise to the levels anticipated.
(175)	Preventive	Despite significant costs from families with no recourse to public funds, there were reductions in spending on agency and sessional workers, rent and deposits, payments to relatives and assessment and treatments resulting in an overall underspend of £0.175m.
(97)	Contact Service	Maternity Leave and vacant posts account for the underspend. Additional scrutiny has been applied to the better manage use of sessional contact staff.
(86)	Specialist Assessment and Domestic Violence Service	Late take up of Psychology posts in SAS. Underspend on Clinical/Medical assessments as well as sessional staff following the service restructure.
(109)	Other	
Quality Assurance & Performance		
(46)	Other	

Health & Adult Social Care (HASC)

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2018/19 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2018/19 Savings Proposed £'000	2018/19 Savings Achieved £'000	2018/19 Savings Unachieved £'000
1,021	Adult Social Care	31,714	33,262	1,548	4.9%	2,130	652	1,478
(92)	Integrated Commissioning	6,741	6,890	149	2.2%	120	120	0
1,100	S75 Sussex Partnership Foundation Trust (SPFT)	13,991	15,048	1,057	7.6%	340	340	0
0	Public Health	533	533	0	0.0%	826	826	0
2,029	Total Health & Adult Social Care	52,979	55,733	2,754	5.2%	3,416	1,938	1,478

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Adult Social Care		
1,813	Demand-Led Community Care - Physical & Sensory Support	<p>There are increasing numbers of 'new' older people being discharged from hospital requiring social care services for the first time, as well as increased community demands. This additional financial pressure was partly met by the Adult Care Support Grant and Improved Better Care fund for 2018/19.</p> <p>The residential and nursing unit cost pressure for 18-64s is due to 48 placements since January 2018 which were on average 62% above the budgeted unit cost.</p> <p>There has been a significant reduction in Continuing Health Care savings over the last two financial years where in 2016/17 £0.602m was achieved (26 clients at £564 per week on average) but this reduced to £0.174m in 2017/18 and £0.316m in 2018/19 (18 clients at £491 per week).</p>
119	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 cost is higher than the budgeted unit cost resulting in the overspend of £0.119m.
250	In house provision	The saving of £0.326m set against in house provision (home care and residential) has been put at risk subject to further review. This is offset with temporary savings elsewhere in the service.

Appendix 4 – Service Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(637)	Assessment teams	This is due to a number of temporary vacancies across the Assessment teams.
3	Other	
Integrated Commissioning		
(205)	Contracts	In-year underspends have been identified as a result of contract pricing management and variable contracts.
350	Commissioning	Due to reduction in CCG funding towards joint contracts
4	Other	
S75 Sussex Partnership Foundation Trust (SPFT)		
202	Demand-Led - Memory Cognition Support	The unit costs are higher than had been anticipated resulting in the overspend projection of £0.202m. This is due to a current lack of affordable residential and nursing home placements within the city. The forecast number of residential & nursing placements is 298 WTE which is less than the budgeted level of 303 WTE placements. However, the average unit cost of residential placements is higher than the budgeted level at £456 per week (£30 per week above budget). The combination of the number of adults placed being 5 WTE less than the budgeted level and the increased unit costs result in the overspend of £0.327m (before applying the agreed risk-share with Sussex Partnership Foundation Trust).
994	Demand-Led - Mental Health Support	The average unit costs are higher than budgeted and this results in the overspend projection of £0.994m. There is an increasing need and complexity within this client group and the forecast number of residential & nursing placements is 147 WTE, which is above the budgeted level of 131 WTE placements. The average unit cost of residential placements is also higher than the budgeted level at £768 per week (£85 per week above budget). The combination of the number of adults placed being 16 WTE more than the budgeted level and the increased unit costs result in the overspend of £1.119m (before applying the agreed risk-share with Sussex Partnership Foundation Trust).
(139)	Staffing Teams	This is due to a number of temporary vacancies across the Assessment teams.

Economy, Environment & Culture

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2018/19 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2018/19 Savings Proposed £'000	2018/19 Savings Achieved £'000	2018/19 Savings Unachieved £'000
(1,324)	Transport	1,002	(1,805)	(2,807)	-280.1%	1,243	1,124	119
1,761	City Environmental Management	22,417	24,273	1,856	8.3%	350	100	250
(155)	City Development & Regeneration	(3,836)	(4,011)	(175)	-4.6%	221	221	0
(228)	Culture, Tourism & Sport	1,164	1,049	(115)	-9.9%	282	282	0
(31)	Property	(1,963)	(2,107)	(144)	-7.3%	243	178	65
23	Total Economy, Environment & Culture	18,784	17,399	(1,385)	-7.4%	2,339	1,905	434

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(2,704)	Parking Services	<p>An underspend on salaries of £0.396m due to time taken to recruit following the Parking Services restructure which started on 1st April 2018 and vacancy controls. Some key roles have been covered by agency staff to safeguard income.</p> <p>An overachievement of penalty charge notice (PCN) income of £1.817m for bus lane enforcement following the installation of the new CCTV cameras. After an initial spike the PCN's issued are declining as, as expected, as compliance improves.</p> <p>Pay & display income overachieved by £0.770m primarily due to new parking zones introduced in 2017/18.</p> <p>Off-street car park and permit fee income overachieved by £0.243m and £0.192m respectively. Maintenance requirements have been identified in a number of off-street car parks which has resulted in an overspend of £0.319m.</p> <p>Other net variances total an overspend of £0.395m. This includes additional CCTV camera maintenance costs and the purchase of new vehicles for the maintenance teams.</p> <p>Parking income is monitored on a monthly basis as there are a number of variable factors that can impact on parking activity. Minor variations in demand can result in significant financial</p>

Appendix 4 – Service Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		implications. The outturn variance represents 8.24% of the parking income budget.
(196)	Concessionary Fares	The concessionary bus fares budget underspent mainly due to lower than anticipated reimbursements of £0.189m.
476	Transport Projects and Engineering	A net overspend on highways repairs and maintenance of £0.167m. Bus Shelter advertising income shortfall of £0.025m due to the tender for bus shelter advertising being delayed. An overspend on groundworks costs of £0.088m associated with the new contractual arrangements. An overspend on Public Transport operating costs of £0.147m.
(216)	Traffic Management	An overachievement of income from skips & scaffold, tables and chairs, hoardings and A boards of £0.261m. Also, Trench Inspection Fees and Crossover application and licence payment receipts exceeded budget by £0.098m and Temporary Traffic Regulation Order receipts by £0.093m. This is largely offset by additional costs of £0.122m to carry out an in depth assessment of the highway to identify where improvements and opportunities could be implemented.
(125)	Head of City Transport	An underspend on initiatives, consultants fees and subscriptions.
(42)	Other Variances	
City Environmental Management		
796	City Clean Operations	An overspend of £0.392m on salaries resulting from high demand during summer season due to the heatwave and outdoor events such as Pride, high sickness levels and weekend working in communal bin areas. Unachieved savings of £0.302m for the trade waste service. An overspend of £0.085m on vehicle hire costs.
156	Strategy & Projects	Unachieved savings of £0.075m due to delayed implementation and introduction of charging at 12 public convenience sites approved at October 2018 Policy, Resources and Growth committee. Other minor variances of £0.081m.
961	Fleet & Maintenance	External and internal vehicle maintenance income was underachieving by £0.376m and £0.129m respectively due to unachievable savings targets. An underspend of £0.410m on unsupported borrowing repayments partly offsets overspends of £0.871m on vehicle costs such as repairs & maintenance, contract hire and fuel
(57)	Other Variances	
City Development & Regeneration		
(175)	Other Variances	

Appendix 4 – Service Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Culture, Tourism & Sport		
(151)	Royal Pavilion & Museums	Reduction in Royal Pavilion & Museums Business Rates of £0.170m partly offset by other minor net variances.
131	Arts	This includes a commitment to the Brighton Arts & Cultural Framework and Brighton Fringe of £0.070m. The remaining variance relates to overspend on salaries of £0.36m, funding the Living Well workstand £0.10m and other minor overspends.
(95)	Other Variances	
Property		
(81)	Rents	Contracted Property rental income overachieved by £0.262m mainly associated with the transfer of a contract from Cluttons to Avison Young which reduces overall management costs of the Contracted Property Portfolio. There was also additional rental income from the recent purchase of Phoenix House which was higher than expected due to Unsupported Borrowing charges not commencing until 2019/20. A large number of year-end adjustments were required to reconcile the Avison Young account plus Write Off's and contributions to the Bad Debt Provision totalling £0.180m. There were also some additional improvements at New England House and for the In-House Property Portfolio. The service is also still exploring options to sell some off less efficient premises and reinvest for greater gain.
(63)	Other Variances	

Neighbourhood, Communities & Housing

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2018/19 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2018/19 Savings Proposed £'000	2018/19 Savings Achieved £'000	2018/19 Savings Unachieved £'000
900	Housing General Fund	2,603	2,603	0	0.0%	364	186	178
(50)	Libraries	3,222	3,145	(77)	-2.4%	85	50	35
(70)	Communities, Equalities & Third Sector	3,056	2,973	(83)	-2.7%	35	35	0
(200)	Safer Communities	2,643	2,433	(210)	-7.9%	169	129	40
0	Digital First	33	33	0	0.0%	0	0	0
580	Total Neighbourhood, Communities & Housing	11,557	11,187	(370)	-13.1%	653	400	253
(900)	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
(320)	Residual Risk After Financial Recovery Measures	11,557	11,187	(370)	-3.2%	653	400	253

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Housing General Fund		
250	Housing General Fund savings	There are £0.250m of Housing General Fund savings (some from 2017/18) to be identified. There is further work underway to deliver more savings in Housing General Fund services.
592	Temporary Accommodation	The overspend is the result of higher than budgeted volumes and costs of temporary accommodation due to the continuing local pressures and bedding in the more onerous statutory requirements of the Housing Reduction Act. The number of households in temporary accommodation has reduced by 208 to 1,495 but it has not decreased to the expected levels. The service continues to work to reduce the volume of households in temporary accommodation by focusing resources on earlier prevention of homelessness and using the grant funding to transform the service.

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Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
388	Seaside Homes	There is an overspend on property costs of £0.170m, mainly in relation to buildings insurance, which were in the past covered by underspends on voids and maintenance budgets. This cost of insurance is outside the remit of the service and this has been addressed for 2019/20 by the addition of service pressure funding of £0.150m. For the remainder of the overspend, this is a result of i) lower income collection following the impact of Universal credit; and ii) void loss due to the higher churn as we move people on from temporary accommodation. The service is focusing on how to improve income collection, which may become increasingly difficult as Universal Credit is rolled out, and improve void turnaround times. It has been agreed in principle with Seaside Homes to make changes to the agreement to offer fixed term tenancies and thereby discharge the Housing duty, enabling households to remain longer term. A draft Assured Shorthold Tenancy (AST) has been agreed but before enacting Seaside's lender needs to provide consent and the change requires a variation to the Overarching Agreement.
(87)	Travellers	This underspend reflects the continued reduction in unauthorised encampments and related costs since the opening of the permanent and transit site at Horsdean.
(113)	Housing Options	Staff underspends due to the high turnover of staff, partly as a result of creating grant funded secondment opportunities and difficulties retaining staff at lower grades. Alternative options for retaining staff are being explored.
(1,030)	Financial Recovery Measures	Housing General Fund services had a challenging savings target which was only partly met together with an overspend on Temporary Accommodation. As the service transforms, there were a range of measures put in place in Housing Needs that impacted on costs in Temporary Accommodation to deliver a balanced budget for 2018/19 and 2019/20. These included early intervention and prevention of homelessness, moving people on to private rented accommodation as part of the Private Rented Sector access project and identifying people who have been in Temporary Accommodation for a long time to explore options for moving on. The net overspend for 2018/19 has been met from one-off Flexible Homelessness Support Grant.
Libraries		
(77)	Staffing and running costs	There is an underspend against the staffing and running costs budget.
Communities, Equalities & Third Sector		
(43)	Supplies & Services	Minor variances.
(40)	Staffing	Minor variances.
Safer Communities		
(210)	Staffing	Net underspend forecast across Safer Communities, mainly as a result of the summer start date for Field Officers and staffing costs being less than originally budgeted.

Appendix 4 – Service Revenue Budget Performance

Finance & Resources

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2018/19 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2018/19 Savings Proposed £'000	2018/19 Savings Achieved £'000	2018/19 Savings Unachieved £'000
(81)	Finance	5,448	5,349	(99)	-1.8%	137	137	0
(243)	Housing Benefit Subsidy	(901)	(1,345)	(444)	-49.3%	0	0	0
0	HR & Organisational Development	831	838	7	0.8%	25	25	0
1,093	IT&D	3,190	3,832	642	20.1%	62	0	62
0	Business Operations	(30)	(60)	(30)	-100.0%	0	0	0
(92)	Contribution to Orbis	13,336	12,776	(560)	-4.2%	681	681	0
677	Total Finance & Resources	21,874	21,390	(484)	-2.2%	905	843	62
(925)	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
(248)	Residual Risk After Financial Recovery Measures	21,874	21,390	(484)	-2.2%	905	843	62

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Finance		
(73)	Revenues & Benefits	There is a shortfall of £0.268m in court costs and bailiff income (resulting from staff vacancies). This is being offset by additional grant income of £0.116m, staff vacancies of £0.103m, underspends on court costs expenditure of £0.064m and income from deminimis asset sales of £0.032m. The remaining net underspend of £0.026m is mainly from supplies and services.
(26)	Finance	There was a reduction in the cost of external audit fees of approximately £0.070m though this was offset by a net reduction in staff recharge income of £0.028m. Other variances accounted for a small overspend of £0.016m.
Housing Benefit Subsidy		
(444)	HB Subsidy	There is a surplus of £0.125m on the recovery of overpaid council tax benefits which is £0.011m worse than Month 9. The outturn on the main subsidy budgets is a surplus of £0.319m which is

Appendix 4 – Service Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		an improvement of £0.212m compared to Month 9. Within this the position, the recovery of housing benefit overpayments is £0.626m better than budgeted. This has been partially offset by costs in excess of budget by £0.288m in respect of a particular benefit type for vulnerable tenants which is not fully subsidised by the DWP.
HR & Organisational Development		
7	HR	Minor Variances.
IT&D		
642	IT&D Contracts	The service has reported significant budget pressures all year. The final overspend was £0.642m mainly relating to the cost of ICT contracts and unachievable savings driven by the high demand for IT&D services. During the year the service identified significant pressures for these areas of over £1m but worked to develop a recovery plan which included appropriate use of earmarked ICT Reserves, capitalisation of legitimate costs, funding from Orbis contribution underspending together with £0.574m from the council's modernisation programme. This resulted in the net pressure of £0.168m forecast at Month 9. During the final quarter, it was apparent that some of the overspend could be mitigated by other favourable variances within the Finance & Resources directorate budget requiring a lower drawdown of Modernisation funding of £0.100m compared with earlier estimates of £0.574m. This reflects the majority of the movement between Months 9 and the year-end outturn for IT&D.
Business Operations		
(30)		Various minor underspends.
F&R Contribution to Orbis		
(560)	F&R Contribution to Orbis	The BHCC share of the contribution to Orbis is calculated at approximately 21% of the final cost of the partnership. The final cost of Orbis in 2018/19 was £59.819m which was an underspend against budget (£62.442m) of £2.623m mainly due to staffing underspends and lower than expected pension costs. The BHCC share of this underspend was £0.560m.

Strategy, Governance & Law

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2018/19 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2018/19 Savings Proposed £'000	2018/19 Savings Achieved £'000	2018/19 Savings Unachieved £'000
(23)	Corporate Policy	700	663	(37)	-5.3%	20	20	0
(15)	Legal Services	1,366	1,314	(52)	-3.8%	59	59	0
0	Democratic & Civic Office Services	1,750	1,692	(58)	-3.3%	32	32	0
12	Life Events	(22)	74	96	436.4%	20	0	20
(10)	Performance, Improvement & Programmes	1,272	1,262	(10)	-0.8%	48	48	0
(48)	Communications	670	664	(6)	-0.9%	46	46	0
(84)	Total Strategy, Governance & Law	5,736	5,669	(67)	-1.2%	225	205	20

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Corporate Policy		
(18)	Chief Executive's Office	Vacancy management savings.
(19)	Policy, Partnerships & Scrutiny	Mainly underspends in supplies and services costs.
Legal Services		
(52)	Legal Services	This relates to a number of Income overachievements.
Democratic & Civic Office Services		
(58)	Democratic Services	This underspend was due to vacancy management, and also lower than expected costs for Members and Civic services.
Life Events		
96	Life Events	The outturn for the service was an overspend of £0.096m compared to a forecast overspend of £0.012m at Month 9, an increase of £0.085m. This was mostly due to an increase in the Registration income pressures, which ended up at £0.143m, with similar pressures in Bereavement Services of £0.103m, due mainly to reduced nationality checking fees and a

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Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		<p>slowdown in business reported by the service respectively. However, there were further reductions in staffing costs across the service which saw an underspend of £0.192m, offset by the pressure of £0.110m from the Coroners’ pay review. The Land Charges income provided a £0.013m surplus, mainly due to an increase in demand for searches, and additionally the service has received £0.042m relating to new burdens funding.</p> <p>Elections underspent by £0.021m this year in Electoral Registration costs. Other variances accounted for a net overspend of £0.008m</p>
Performance, Improvement & Programmes		
(10)	Performance Improvement & Programmes	Management of vacancies.
Communications		
(6)	Communications	There were underspends from staffing costs of approximately £0.023m, offset by overspends in supplies and services of £0.015m and other variances of £0.002m overspend. The movement from Month 9 (£0.048m net underspend) is mainly due to increased supplies and services costs.

Appendix 4 – Service Revenue Budget Performance

Corporate Budgets

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2018/19 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2018/19 Savings Proposed £'000	2018/19 Savings Achieved £'000	2018/19 Savings Unachieved £'000
0	Bulk Insurance Premia	3,277	3,277	0	0.0%	0	0	0
(255)	Capital Financing Costs	8,842	8,498	(344)	-3.9%	0	0	0
(1)	Levies & Precepts	201	200	(1)	-0.5%	0	0	0
(147)	Unallocated Contingency & Risk Provisions	157	0	(157)	-100.0%	0	0	0
(239)	Unringfenced Grants	(18,771)	(19,024)	(253)	-1.3%	0	0	0
413	Other Corporate Items	7,228	8,225	997	13.8%	525	525	0
(229)	Total Corporately-held Budgets	934	1,176	242	25.9%	525	525	0

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Capital Financing Costs		
(435)	Investment Income	This was primarily due to larger than forecast cash balances.
(65)	Recharges to Services	Increase in recharges to services in respect of unsupported borrowing undertaken.
(34)	Capital financing costs	Pressure in relation to one off costs associated with the debt restructure of RBS LOBO loans. However, this restructuring will provide annual savings from 2019/20 onwards. This has been offset by a saving in interest as replacement loans were not able to be taken up as soon as originally anticipated.
190	Transfer to earmarked reserve	Transfer to Financing Cost Reserve to fund the 'smoothing' of short term financing cost budget pressures resulting from the gap between investment rates and borrowing rates. This is driven by strategic 'over-borrowing' due to current advantageous interest rates which are predicted to rise within 18 months.
Levies & Precepts		
(1)	Levies & precepts	Minor variances.

Appendix 4 – Service Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Unallocated Contingency & Risk Provisions		
(157)	Contingency	£0.150m was held in contingency for a planning appeal - however a proportion of this was funded from directorate budgets in 2017/18 and only £0.005m spent in 2018/19.
Unringfenced Grants		
(21)	Department of Health - Local Reform and Community Voice grant	The allocation announced in July 2018 was higher than budgeted.
(13)	Department for Education - Extended rights for home to school transport	Additional grant allocation for Extended Rights for Home to School Transport announced in August 2018.
(205)	S31 grant compensation for the small business rates relief threshold	Estimated additional funding for 2018/19.
(13)	Ministry for Housing, Communities and Local Government - Transparency Grant	Grant allocation announced and received in March 2019.
(1)	Minor variances	
Other Corporate Items		
(56)	Corporate Pension Costs	On corporate pension costs there is a £0.041m underspend relating to overpayments identified in respect of 2017/18 and £0.015m in respect of an in-year reduction.
(53)	Carbon Reduction Commitment (CRC)	This reflects the latest estimate of CRC credits that are required to be purchased in 2018/19 taking into account the pre-purchased credits brought forward from 2017/18.
500	Procurement and contract management savings	This reflects allocation of the corporately-held procurement savings target across all services in respect of cost reductions achieved through improved contract management, savings on re-procurements and lower than anticipated costs of planned new procurements. Spending areas include agency staffing, external advisory commissions, and various supplies and services contracts.
129	Admin savings	Represents allocation of the corporately-held savings target across all directorates to reflect current recruitment controls which are prioritised on vacancy management of administrative and support roles rather than front-line or customer facing roles.
431	Bad Debt Provision	The year-end bad debt provision (impairment) undertaken on debts outstanding identified a further net contribution needed of £0.431m. This provision is in accordance with the council's

Appendix 4 – Service Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		accounting policies and follows agreed methodologies for each type of debt. Bad debt provisions normally increase when there are a greater number of older debts outstanding. This can result from an increase in the overall amount of income being collected or can be related to income collection performance.
142	Expected Credit loss	Under new accounting requirements (IFRS 9), a provision is required to allow for losses on the organisation's financial instruments (investments, loans to third parties and non-trade debtors). This provision will be annual, but future years' provisions are expected to be marginal.
(105)	Holiday Pay provisions	A £0.220m write back of the build-up of casual staff holiday pay provision which was no longer required was offset by a £0.100m provision for holiday pay on overtime back pay and £0.015m in respect of clearing a debit balance on holiday pay overtime provision.
9	Minor Variances	

Appendix 4 – Service Revenue Budget Performance

Housing Revenue Account (HRA)

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2018/19 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2018/19 Savings Proposed £'000	2018/19 Savings Achieved £'000	2018/19 Savings Unachieved £'000
(140)	Capital Financing	33,555	33,303	(252)	-0.8%	0	0	0
(120)	Strategic Director HRA	3,636	3,506	(130)	-3.6%	105	105	0
(80)	Head of City Development & Regeneration	412	313	(99)	-24.0%	0	0	0
(60)	Housing Strategy	662	583	(79)	-11.9%	0	0	0
(150)	Income, Involvement & Improvement	(46,338)	(46,637)	(299)	-0.6%	0	0	0
(350)	Property & Investment	6,169	5,986	(183)	-3.0%	550	550	0
0	Tenancy Services	1,904	1,915	11	0.6%	0	0	0
(900)	Total Housing Revenue Account	0	(1,031)	(1,031)	0.0%	655	655	0

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Capital Financing		
(252)	Capital Financing	<p>Significant reprofiling of HRA capital expenditure from 2017/18 into 2018/19 impacts on the timing of when borrowing is required to be undertaken to fund the expenditure. This has resulted in lower interest charges being incurred during 2018/19 compared to the original budget forecast.</p> <p>There was also a reduction in financing costs, following the repayment and re-financing of a £30m RBS loan.</p>
Strategic Director HRA		
(104)	Employees costs	Net reduction in staff costs due to the service redesign in Housing Management and an underspend against the staff training budget.
(26)	Supplies & Services	Underspend against legal and professional fees.

Appendix 4 – Service Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description
Head of City Development & Regeneration		
(99)	Employees costs	Staff vacancies and capitalisation of salaries were higher than originally budgeted.
Housing Strategy		
(54)	Rents & Service Charges	Income for the year is more than the budget assumption for Temporary Accommodation due to new properties in the HRA.
(25)	Employee costs	Net underspend on employee costs across this service.
Income, Involvement & Improvement		
(171)	Rents & Service Charges	Income was slightly more than budget assumptions including £0.075m more income from garages and car parks which is partly attributable to an improvement in turnaround times. This was due to a new on-line application process as well as higher than expected income from St. James' Car Park.
(100)	Contribution to bad debt provision	The budget for the contribution to the HRA debt provision has underspent by £0.100m, based on the level of arrears and write offs for the year.
(28)	Employees costs and premises	Minor variances.
Property & Investment		
(123)	Premises	Lower than budgeted spending on service contracts (for example, gas servicing and maintenance contract). These budgets have now been realigned as part of the 2019/20 budget setting process with £0.100m being reinvested in priority areas in the HRA.
(94)	Employees costs	Net underspend due to staff vacancies and mobilisation of resources identified to support forthcoming costs aligned to the future delivery of the repairs & improvement service.
(72)	Commercial Rents	Income was more than budget assumptions, due primarily to full-year effect of new tenancies from 2017/18.
106	Responsive Repairs and Empty Property works	Increased spend against responsive repairs and empty property works, compared to revised budget.
Tenancy Services		
11		Minor variances.

Appendix 4 – Service Revenue Budget Performance

Dedicated Schools Grant (DSG)

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2018/19 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Individual Schools Budget (ISB)	126,039	126,039	0	0.0%
(346)	Early Years Block (excluding 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>	13,258	12,971	(287)	-2.2%
(575)	High Needs Block (excluding delegated to Schools)	19,960	19,364	(596)	-3.0%
56	Exceptions and Growth Fund	3,850	3,929	79	2.1%
0	Grant Income	(162,906)	(162,906)	0	0.0%
(865)	Total Dedicated Schools Grant (DSG)	201	(603)	(804)	-400.0%

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Early Years Block (including delegated to Schools)		
51	Additional Support funding for 2, 3 & 4 year olds	Significant increase in the number of children receiving additional support funding and the impact of increased free entitlement available to working parents from September 2017.
337	Universal early years free entitlement for 2, 3 and 4 year olds	Based on summer and autumn term take-up and budgeted level of provision for the spring term.
(658)	Extended hours early years entitlement for working parents	Increase in DfE funding based on January 2018 census. This will be subject to a retrospective downward adjustment in 2019/20 if actual take-up is below January 2019 snapshot.
(17)	Other	Balance of variances on the other cost centres.
High Needs Block (excluding delegated to Schools)		
48	Inclusion Support Service	Vacancy control and plans to move the service to operate on a part traded basis in 2019/20.

Appendix 4 – Service Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description
124	High Needs top-up for mainstream schools	Additional top-up funding agreed at case review for pupils with high needs. Growth in top-up funding estimated at £0.300m in 2018/19.
121	High Needs top-up for Special schools	Additional support packages for several pupils to avoid more expensive agency placements and special schools numbers above commissioned places.
(77)	Educational agency placements and other external high needs provision	Special schools are above capacity, largely due to upward pressure from mainstream settings, and this is having knock-on implications for out of city placements.
131	Children with Medical Needs	Increased number of children with medical needs and private hospital charges.
(19)	Other	Balance of variances on other cost centres.
(384)	Unallocated balance of carry forward from 2017/18 DSG	Balance of funding available following retrospective adjustment made to the 2017/18 DSG by DfE in July 2018.
(540)	Additional DfE HNB allocation in December 2018	
Exceptions and Growth Fund		
35	Historic pension costs	Historic pension liabilities.
43	Funds de-delegated from mainstream schools	Staff suspended in mainstream schools.
1	Other	Balance of variances on other cost centres.