

## Families, Children &amp; Learning

## Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2019/20 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2019/20 Savings Proposed £'000	2019/20 Savings Achieved £'000	2019/20 Savigs Uachieved £'000
0	Director of Families, Children & Learning	92	92	0	0.0%	116	116	0
619	Health, SEN & Disability Services	39,911	40,464	553	1.4%	1,007	955	52
919	Education & Skills	5,277	6,206	929	17.6%	318	250	68
(2,558)	Children's Safeguarding & Care	40,410	37,899	(2,511)	-6.2%	1,800	1,800	0
(4)	Quality Assurance & Performance	1,401	1,383	(18)	-1.3%	79	79	0
(1,024)	Total Families, Children & Learning	87,091	86,044	(1,047)	-1.2%	3,320	3,200	120

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

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Health, SEN & Disability Services		
189	Demand Led - Children's Disability Placements	The projected number and unit costs of residential children's placements are both in excess of budgeted provision. This is due to the breakdown of several foster placements and the requirement to make additional high cost residential placements in 2019/20.
123	Adults Learning Disabilities - loss of continuing health care funding	The CCG reviewed health needs of high cost clients and this had an adverse impact on the Adults Learning Disabilities social care budget. Negotiations with the CCG are ongoing regarding future funding arrangements.
509	In-house disability services	There is an underlying pressure in both Children's and Adults in-house services. In particular, this relates to Drove Road and Beach House where services are being required to provide exceptionally high levels of support and accommodate emergency placements.
(187)	Adults Learning Disabilities - community care	The main community care budget underspent by £0.187m (0.6% of the net budget). The average unit cost is 0.2% below budget provision while client numbers are 0.4% below budgeted numbers.
131	Direct Payments	There continues to be an overspend on the direct payments budget but this has reduced below earlier forecasts due to suspension of accounts where surplus balances have accrued.
(117)	Disability Service redesign	High number of vacancies and significant turnover as part of the transition to a new disability

## Appendix 4 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		services structure.
(95)	Other	This relates to various other underspends across the Health, SEN and Disability branch including children's disability contracts budgets, the SEN team due to staff turnover, the disability admin teams due to vacancies, and the Community Support Service.
<b>Education &amp; Skills</b>		
968	Home to School Transport	For 2019/20 the outturn position was a £0.968m overspend. The impact of operators returning routes at short notice and adjustments to arrangements due to difficulties with the implementation of new home to school transport routes meant the cost of provision increased. The need to act quickly also meant additional costs and higher journey prices being charged. Approximately 50 extra journeys were being commissioned daily. The ongoing impact of changes to the service was considered by Policy & Resources Committee on 27 May 2020, including provision of additional funding in future budgets.
(39)	Other	This related to other variances across the branch.
<b>Children's Safeguarding &amp; Care</b>		
(1,011)	Demand-Led - Residential Agency Placements	The number of residential placements during 2019/20 (27.81 FTE) is broken down as 24.81 FTE social care residential placements (children's homes) and 3.00 FTE schools placements. The budget allowed for 30.00 FTE social care residential care placements and 3.50 FTE schools placements. The average unit cost of residential placements was slightly higher than the budgeted level at £3,812.15 per week (£26.41 per week above budget). The combination of the number of children placed being 5.69 FTE below the budgeted level and the unit costs result in the underspend of £1.011m.
(53)	Demand-Led - Independent Foster Agency (IFA) Placements	The number of children placed in Independent Foster Agency placements has decreased in recent years. During 2018/19 there were 98.73 FTE (compared with 118.68 FTE for 2017/18). In 2019/20 it was 87.49 FTE, a reduction of 11.4%. The budget for IFA placements included significant levels of savings and was set at 86.10 FTE. The average unit costs were lower than the budget by £25.27 and this, off-set by the numbers being slightly higher than the budget by 1.39 FTE resulted in the underspend of £0.053m.
(15)	Demand-Led - Secure Accommodation	During 2019/20 there were 1.20 FTE secure (welfare) placements and 0.39 FTE secure (justice) placements. The budget allowed for 1.30 FTE welfare and 1.00 FTE justice placements during the year. As at 31st March there were no children in a secure (welfare) placement and two in a secure (justice) placement resulting in the underspend of £0.015m.
637	Demand-Led - Semi-independent/Supported	The number of semi-independent and supported living placements in 2019/20 was 33.68 FTE and this was 9.08 FTE above the budgeted level. The average unit cost of these placements

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Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
	placements	was below the budget. The higher forecast number of placements resulted in the overspend of £0.637m.
(283)	Demand-Led - In-House Fostering	As at the end of the year there were 150 children placed with 'in-house' foster carers (an average of 147.20 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 153.60 FTE placements. This has resulted in the underspend of £0.283m.
194	Demand-Led - Family & Friends placements, Child Arrangement Orders and Special Guardianship Orders	The budget allowed for 332.90 FTE placements of these types. During 2019/20 there were 338.35 FTE children in these placements and that resulted in the overspend of £0.194m.
(794)	Demand-Led - Care Leavers	The number of care leaver placements in 2019/20 was 105.77 FTE. The budget allowed for 160.10 FTE placements. The average unit cost of placements was also lower than budgeted and this resulted in the underspend of £0.794m.
(382)	Demand-Led Unaccompanied Asylum Seeking Children (UASC) Teams, Living Expenses and Grant	The numbers of unaccompanied asylum seeking children has increased considerably in recent years. The increase in the number of asylum seekers has required additional staffing and also an increase in other, non-accommodation living costs. The costs of looking after these children is funded by a grant from the Home Office and this increased in 2019/20 by 25% resulting in the underspend of £0.382m.
166	Social Work Pods	The outturn variance accounts for vacancies, the recruitment of newly qualified social workers in September and staff turnover. An overspend of £0.211m is reported against the Partners in Change initiative as the projected savings assumed in the Business plan were not identified against the social work establishment and legal fees. Additional consideration will need to be given in 2020-21 to the turnover factor against social work pods as there was 'significant' movement between Month 9 and outturn.
(240)	Preventive/S17	Significant underspend reported across the board against Preventive budgets.
(362)	Adoptions	Outturn on Interagency Adoptions is an underspend of £0.259m and there are other underspends of £0.130m. There is an overspend on adoption allowances of £0.027m.
(56)	Legal fees	Underspend predominantly relates to reduced cost of court fees and a general reduction in activity.
(154)	Adolescent Service	The underspend relates to vacant posts and turnover.
(112)	Contact Service	The underspend relates to part year turnover against an anticipated full staffing establishment and a significant reduction in the use of sessional contact workers.
(42)	Specialist Assessment and	Staff Turnover, an underspend against specialist assessment costs (DNA, Medical.

## Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
	Domestic Violence Service	Psychological etc.) and the reduction to 0.4 FTE of the Clinical Psychology commission resulted in an underspend of £0.042m.
(4)	Other	Minor variances.
Quality Assurance & Performance		
(18)	Other	Minor variances.

## Health &amp; Adult Social Care (HASC)

## Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2019/20 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2019/20 Savings Proposed £'000	2019/20 Savings Achieved £'000	2019/20 Savgs Uachieved £'000
4,042	Adult Social Care	32,562	36,998	4,436	13.6%	2,886	2,327	559
(137)	S75 Sussex Partnership Foundation Trust (SPFT)	16,362	16,351	(11)	-0.1%	699	626	73
685	Integrated Commissioning	9,507	9,783	276	2.9%	455	455	0
0	Public Health	(5)	(5)	0	0.0%	314	313	1
4,590	Total Health & Adult Social Care	58,426	63,127	4,701	8.0%	4,354	3,721	633
(66)	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
4,524	Residual Risk After Financial Recovery Measures	58,426	63,127	4,701	8.0%	4,354	3,721	633

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Adult Social Care		
4,427	Demand-Led Community Care - Physical & Sensory Support	<p>During the year, there were increasing numbers of 'new' older people being discharged from hospital requiring social care services for the first time, as well as increased community demand. This additional financial pressure was partly met by the Adult Care Support Grant and Improved Better Care fund for 2019/20.</p> <p>The number of placements/packages is 2,310 WTE, which is above the budgeted level of 2,210 WTE placements. The average unit cost of a placements/package is higher than the budgeted level at £195 per week (£28 per week above budget per client). The combination of the number of adults placed being 100 WTE above the budgeted level and the increased unit costs result in the overspend of £4.427m.</p> <p>There has been a significant reduction in NHS Continuing Health Care (CHC) contributions over the last three financial years where in 2016/17 £0.602m was achieved (26 clients at</p>

## Appendix 4 – Revenue Budget Performance

Key Variances £'000 Service Area Variance or Financial Recovery Measure Description		
		£564 per week on average) but this reduced to £0.174m in 2017/18, £0.316m in 2018/19 and £0.231m to date in 2019/20 (18 clients at £304 per week). £0.300m is due to system control issues following the implementation of new software in April 2018, which have been identified and are being addressed. The provision relates to potential under-recovery of costs in home care services.
146	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 £0.146m.
(780)	Assessment teams	This is due to a number of temporary vacancies across the Assessment teams.
440	Sustainable Social Care	£0.440m of the overall £1.000m Sustainable Social Care savings target has been allocated to HASC.
191	In house services	Due to unachieved savings.
12	Other	Minor variances.
<b>S75 Sussex Partnership Foundation Trust (SPFT)</b>		
(36)	Demand-Led - Memory Cognition Support	The unit cost is lower than had been anticipated resulting in the underspend projection of £0.036m (before applying the agreed risk-share with Sussex Partnership Foundation Trust). The number of placements/packages is 386 WTE which is below the budgeted level of 399 WTE placements. The average unit cost is above the budgeted level at £317 per week (£9 per week above budget).
157	Demand-Led - Mental Health Support	The number of placements is higher than budgeted and this results in the overspend projection of £0.157m (before applying the agreed risk-share with Sussex Partnership Foundation Trust). There is an increasing need and complexity within this client group and the forecast number of placements/packages is 424 WTE, which is above the budgeted level of 418 WTE placements. The average unit cost of a placements/package is lower than the budgeted level at £311 per week (£3 per week above budget per client).
(132)	Other	This is due to a number of temporary vacancies across the Assessment teams.
0	SPFT Risk Share	Agreed risk-share with Sussex Partnership Foundation Trust
<b>Integrated Commissioning</b>		
800	External Funding	Brighton & Hove CCG made a recurrent reduction of £1.100m to Council services in 2018/19. At that time, council reinvestment funding of £0.300m was available to partially mitigate the reduction but ongoing pressures across the service mean that further mitigation within the service has not been possible, resulting in a net pressure of £0.800m.

## Appendix 4 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(446)	Contracts	Due to delays in commissioning process for new service and ongoing funding agreed at Budget Council for the rough sleeper night shelter
(99)	Commissioning	This is due to a number of temporary vacancies across the Commissioning team.
21	Other	Minor variances.

## Economy, Environment &amp; Culture

## Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2019/20 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2019/20 Savings Proposed £'000	2019/20 Savings Achieved £'000	2019/20 Savigs Uachieved £'000
(1,622)	Transport	717	(2,363)	(3,080)	-429.6%	1,167	1,167	0
1,340	City Environmental Management	23,264	25,210	1,946	8.4%	96	96	0
144	City Development & Regeneration	2,640	2,658	18	0.7%	224	224	0
(8)	Culture, Tourism & Sport	3,699	4,051	352	9.5%	316	316	0
(513)	Property	(1,402)	(2,212)	(810)	-57.8%	120	120	0
(659)	Total Economy, Environment & Culture	28,918	27,344	(1,574)	-5.4%	1,923	1,923	0

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Transport		
(14)	Head of City Transport	Minor variances.
(2,037)	Parking Services	Parking Services generated a net overachievement of £2.037m. This is substantially due to higher than budgeted Penalty Charge Notice income of £1.050m where bus lane enforcement has continued to generate a higher number of PCNs than anticipated; parking suspension income of £0.667m where a large proportion of the increased income was the result of suspensions required by energy companies renewing / repairing infrastructure, and on-street parking income of £0.204m. The additional income above forecast generated from January to mid-March more than offset late March COVID-19 related parking income losses. It should be noted that parking income is demand led and difficult to predict and minor variations in demand can result in significant changes in income achieved. This variance represents approximately 5.5% of the total Parking Services income budget of around £34.800m. Other significant variances include a net under generation of income against budget for parking permits of £0.333m offset by lower than budgeted contractor payments and PCN bad debt provision of £0.252m to reflect the level and performance of debt recovery. The variance includes the impact of approval of the Independent Remuneration Panel's recommendation to retain



## Appendix 4 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		Members' parking permits at Norton Road and The Lanes car parks estimated at a pressure of £0.038m. A range of other less significant variances contribute to a net underspend of £0.235m.
(326)	Traffic Management	Income budgets were overachieved for Highways Licensing (£0.190m), Temporary Traffic Regulation Orders (£0.093m) and Street Works Inspection Fees and Licences (£0.085m) reflecting the level of demand and activity in the city.
(35)	Transport Policy and Strategy	Minor variances.
(504)	Transport Projects and Engineering	Planned contributions to the Winter Maintenance Reserve (£0.167m) and potential direct revenue funding of part of the Street Lighting Spend to Save capital project (£0.278m) were not made following a review of reserve levels and the outturn position. Bus shelter advertising receipts exceeded budget by £0.152m, though this was partially offset by related costs such as electricity cost for bus shelters of £0.022m and Payments to Bus Operators exceeding budget by £0.031m.
(164)	Concessionary Bus Fares	Concessionary bus fares is underspent substantially due to lower than budgeted agreed contract costs.
<b>City Environmental Management</b>		
1,017	Operational	The final higher than forecast overspend is substantially the result of higher than budgeted staff costs due to additional communal bin rounds/additional collection drivers and operatives, increased costs following the fire at the Hollingdean Waste Transfer Station, and operational support for City Parks. The commercial services (Trade and Garden Waste) generated net income of £0.160m before overhead costs which is £0.030m over budget..
(36)	City Parks	City Parks is substantially on budget. The forecast underspend of £0.100m at Month 9 did not materialise as the service mobilised to deliver essential work in the last quarter of 2019/20.
836	Fleet & Maintenance	The final outturn of £0.836m overspend is a combination of £1.370m over budget for vehicle costs/hire, staffing and other costs (including £0.100m for external consultants to meet statutory requirements), partly offset by higher than budgeted (internal) income of £0.260m and lower than budgeted unsupported borrowing costs of £0.270m. Cost efficiency measures have been slower than expected to deliver results.
109	Head of City Environmental Management	The final outturn was £0.109m over budget which was the additional costs of support for the management team, for example specialist procurement.
20	Strategy and Projects	Minor variances.
<b>City Development &amp; Regeneration</b>		

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Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
96	Development Planning	Additional expenditure required on agency staff and consultants to support the large number of major developments in the city.
90	Executive Director - EEC	£0.060m of the overspend is the agreed ongoing contribution to Legal Services for a permanent additional contracts lawyer to assist with EEC projects and contracts. The 2018/19 contribution was funded by a one-off allocation from capital funds. The additional overspend is the cost of recruiting a new Head of Culture.
(73)	Planning Policy Major Projects	A range of net underspends mainly on staffing and consultant fees
(18)	Business Dev and Cust Services	Minor variances.
(36)	Economic Development	Minor variances.
10	Head of City Development & Regeneration	Minor variances.
(51)	Sustainability & International/Major Projects	Underspends on salary and initiatives costs.
<b>Culture, Tourism &amp; Sport</b>		
15	Arts	Minor variances.
376	Royal Pavilion and Museums	The outcome of lost income across the service in March due to the impact of COVID-19 on number of visitors and closure of sites.
(190)	Sport and Leisure	The reduced spend against budget is the service response to spending controls including £0.075m lower than budgeted spend on responsive repairs and professional fees.
(9)	Tourism and Marketing	Minor variances.
160	Venues	The outcome of lost income across the service in March due to the impact of COVID-19 on number of visitors and closure of sites.
<b>Property</b>		
(810)	Property and Design	Unauthorised occupation of vacant buildings and the removal of tent encampments has contributed to unforeseen and ongoing net pressures on premises security budgets totalling £0.262m. Performance on the commercial portfolio has contributed to a favourable variance of £0.790m across Estates Management. Additional income generated from the purchase of Lyndean House and Phoenix House and favourable rent reviews in year on the commercial portfolio have led to unforeseen back dated rent income and ongoing higher income for several properties. In year staff shortages have resulted in the annual Planned Maintenance Budget underspending by £0.144m which includes the impact of budget carry forwards where there are committed and urgent maintenance requirements. Other Corporate Landlord costs have had a net underspend variance of £0.141m mainly due to the cost of utilities and responsive repairs

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Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		following a mild winter.

## Neighbourhood, Communities &amp; Housing (HNC)

## Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2019/20 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2019/20 Savings Proposed £'000	2019/20 Savings Achieved £'000	2019/20 Savigs Uachieved £'000
1,111	Housing General Fund	3,402	3,342	(60)	-1.8%	143	143	0
(30)	Libraries	3,333	3,307	(26)	-0.8%	231	231	0
0	Communities, Equalities & Third Sector	2,747	2,716	(31)	-1.1%	121	121	0
(100)	Safer Communities	2,771	2,769	(2)	-0.1%	458	458	0
981	Housing, Neighbourhoods & Communities	12,253	12,134	(119)	-3.7%	953	953	0
(1,164)	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
(183)	Residual Risk After Financial Recovery Measures	12,253	12,134	(119)	-1.0%	953	953	0

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Housing General Fund		
288	Housing General Fund savings	There are £0.250m of savings required of the Housing General Fund (some from 2017/18) to be identified and £0.038m administrative support savings unmet for HNC.
1,110	Temporary Accommodation	The overspend is the result of higher than budgeted volumes and costs of temporary accommodation (TA) due to continuing local pressures and increased statutory requirements of the Housing Reduction Act. Although the service has prevented 775 households from becoming homeless, of which 360 households were assisted into private rented sector accommodation using 'Private Access Grant' funding, the overall numbers requiring TA remained stable for 2019/20 and higher than anticipated at budget setting time. While leased accommodation was reduced in anticipation of a reduction in numbers of households requiring TA, the number of households did not reduce as quickly and the impact has been an increased use of more expensive spot purchase accommodation. The service continues to work to reduce the volume

## Appendix 4 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		of households in temporary accommodation by focusing resources on earlier prevention of homelessness and using the grant funding to transform the service. The service transformation was due to be rolled out in March but has been delayed due to COVID-19. We are continuing to work on changing the service to reflect the new approaches required under COVID-19 restrictions and how we can engage differently with people at risk of homelessness.
165	Seaside Homes	The overspend is substantially the result of lower income collection following the impact of Universal credit and tenancy turnover. The overspend reduced in the final quarter due to slight improvements in the collection rate, however the service is still focusing on improving income collection. The council has 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 (reducing churn or turnover). However, this will take more time to deliver as Seaside's lender needs to consent and the change requires a variation to the Overarching Agreement. The service continues to discuss the position with the DWP regarding the impact of Universal Credit.
(214)	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. The service is exploring alternative options to retain staff.
(113)	Travellers	This underspend reflects the continued reduction in unauthorised encampments and related costs since the opening of the permanent and transit site at Horsdean. The position has benefited from an accrual for waste water costs of £0.035m which was no longer required and underspends on rubbish clearance (£0.085m) and legal costs (£0.034m) due to fewer unauthorised encampments in the city during 2019/20. This is offset by some extra repairs costs at the transit site of £0.030m and other minor variances across the service.
14	Other	Minor variances.
(1,310)	Flexible Homelessness Support Grant	Housing General Fund services had a challenging savings target which has only been partly met and this year has seen a further overspend on Homelessness services. There are a range of measures put in place in the Housing Needs service in order to transform the service and reduce the numbers of households in temporary accommodation. These included the early intervention and prevention of homelessness, moving people on to private rented accommodation as part of the Private Rented Sector access project and identifying households who have been in Temporary Accommodation (TA) for a long time to explore options for moving on. Although the number of households in TA has reduced by 168 to 1,327 by the end of 2019/20, it has not decreased to the levels forecast at budget setting time. The net

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Key Variances £'000			Service Area	Variance or Financial Recovery Measure Description
				overspend within Housing Needs (Temporary Accommodation, Seaside Homes, Housing Options and Homemove) for this year has been met from one-off Flexible Homelessness Support Grant.
Libraries				
(26)			Various	Minor variances.
Communities, Equalities & Third Sector				
(31)			Various	Minor variances.
Safer Communities				
(2)			Environmental Health & Licensing	Minor variances.

## Finance &amp; Resources

## Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2019/20 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2019/20 Savings Proposed £'000	2019/20 Savings Achieved £'000	2019/20 Savings Unachieved £'000
59	Finance (Mobo)	256	319	63	24.6%	30	30	0
55	HR & Organisational Development (Mobo)	923	999	76	8.2%	0	0	0
115	IT&D (Mobo)	5,583	5,494	(89)	-1.6%	65	65	0
0	Procurement (Mobo)	(51)	(51)	0	0.0%	0	0	0
100	Business Operations (Mobo)	248	346	98	39.5%	0	0	0
(50)	Revenues & Benefits (Mobo)	5,037	4,974	(63)	-1.3%	192	192	0
(320)	Housing Benefit Subsidy	(901)	(909)	(8)	-0.9%	0	0	0
70	Contribution to Orbis	13,217	13,277	60	0.5%	735	735	0
29	Total Finance & Resources	24,312	24,449	137	0.6%	1,022	1,022	0

## Explanation of Key Variances

**Note: Mobo = 'Managed on Behalf of'. These are sovereign budgets managed by Orbis services on behalf of partners.**

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Finance (Mobo)		
63	Finance	The overspend was mainly due to higher than expected IT Systems costs following a number of mandatory upgrades, additional one-off external audit fees, and a reduced contribution from the Dedicated Schools Grant for Schools Forum support.
HR & Organisational Development (Mobo)		
76	HR & OD	As a result of the transfer of a union representative into the HR Union budget, but with no extra resources, there was a pressure of £0.047m against the funding of union time. There was also a pressure of £0.023m against internal income recovery, and some minor overspends elsewhere in the service of £0.006m, including £0.004m relating to COVID-19.

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Key Variances £'000 Service Area Variance or Financial Recovery Measure Description		
IT&D (Mobo)		
(89)	IT&D	The service achieved a year-end underspend of £0,089m compared to a forecast overspend of £0.115m at Month 9. This movement was mainly due to an unexpectedly large value of stock (Windows 10 and desktop renewals hardware) in hand at 31st March. Elsewhere in IT&D there were expected budget pressures in some areas, particularly IT contracts and savings targets. There had however been a further reduction in expected spend on contractors and hardware. Although there had been some individual contract savings, there was still a pressure in the contracts budget. To manage this in 2019/20 there was a re-examination of funding within the Modernisation Fund. These allocations, approved by Policy & Resources Committee, included two years' contracts costs for Mendix and Dell Boomi, and also resources brought forward to support the Digital Organisation Programme (DOP).
Business Operations (Mobo)		
98	Business Operations	There was an increase in system costs in respect of iTrent (HR/Payroll System), Civica Financials and ICON (Income Management system), which arose due to renegotiation of contracts and were based on sovereign decisions taken. This was partially offset by an overachievement in recruitment advertising income.
Revenues & Benefits (Mobo)		
198	Court Costs Income	Underachievement in court costs income recovered for council tax and business rates.
(195)	Staffing	Savings from vacancies throughout the financial year.
(63)	Grant income	Grant allocations from DWP and MHCLG including new burdens funding.
(3)	Net underspend in other supplies and services	Minor variances.
Housing Benefit Subsidy		
(8)	HB Subsidy	The final position is an underspend of £0.008m. Within this there is a surplus of £0.133m on the recovery of overpayments of former council Tax Benefit. The main subsidy budgets show an overspend of £0.125m. Within this the final subsidy loss on a particular type of benefit for vulnerable tenants, which is not fully subsidised is £0.421m worse than budget but the final position on the net recovery of overpayments is £0.308m better than budget. There are other minor adverse variances of £0.012m.
F&R Contribution to Orbis		
60		The expected £0.070m increase in Orbis contribution at Month 9, has decreased to £0.060m at year end. The Orbis Partnership position improved to an underspend of £0,029m, but BHCC still overspent against budget due to changes to the contribution ratio. This increased due to



## Appendix 4 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		changes in the Partnership for the Property, Finance and HR services

## Strategy, Governance &amp; Law

## Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2019/20 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2019/20 Savings Proposed £'000	2019/20 Savings Achieved £'000	2019/20 Savings Unachieved £'000
0	Corporate Policy	727	702	(25)	-3.4%	24	24	0
(75)	Legal Services	1,331	1,256	(75)	-5.6%	93	93	0
(45)	Democratic & Civic Office Services	1,788	1,739	(49)	-2.7%	78	78	0
355	Life Events	172	460	288	167.4%	316	155	161
(12)	Performance, Improvement & Programmes	1,242	1,230	(12)	-1.0%	46	46	0
(42)	Communications	913	838	(75)	-8.2%	51	51	0
181	Total Strategy, Governance & Law	6,173	6,225	52	0.8%	608	447	161

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Corporate Policy		
(25)		The service had forecast an on-target position at Month 9, with the funding shortfall reported earlier in the year being negated. There were underspends of £0.017m for the Chief Executive service (training and salary costs partly offset by consultancy costs). Policy Partnership & Scrutiny underspent by £0.008m due to vacancies and underspends in initiatives budgets, but with a shortfall in income contributions.
Legal Services		
(75)		Underspent by £0.075m, as reported at Month 9. Mainly due to an increase in external income.
Democratic & Civic Office Services		
(49)	Democratic Services	Underspent by £0.049m, due to vacancies and income overachievements.
Life Events		
288	Life Events	The outturn was an overspend of £0.288m compared to a forecast of £0.355m at Month 9, an improvement of £0.067m. This was mostly due to increased underspends in the Elections Service (£0.042m), reduced

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		<p>maintenance pressure (£0.025m), newly declared Coroner's underspends (£0.025m) extra vacancy management savings across the service (£0.030m), but offsetting this was extra income pressures of £0.055m, mostly in Bereavement Services. This was mainly due to less cremation &amp; burials taking place due to the ongoing drop in the death rate in Brighton &amp; Hove, with a knock on effect to memorials.</p> <p>This caused an income pressure in Bereavement Services of £0.133m, with the service also incurring extra urgent repairs and maintenance for its roadways and trees costing £0.075m. There was a partial offset from various underspends elsewhere in the service totalling £0.043m.</p> <p>The Registrars Service had an extra £0.200m saving to deliver against statutory fees for certificates, but there has been a higher than expected drop in demand as a result of the cost increase from £4 to £11. Additionally there was a drop in the numbers of marriage and civil partnership ceremonies being booked, and a higher number of people are having their ceremony overseas. Added to this, it is noticeable that where ceremony bookings are being taken in Brighton &amp; Hove, customers are choosing lower priced options. This led to a pressure of £0.214m. In light of the pressure arising from the saving, the shortfall has been partly offset by corporate funding of £0.050m. Elsewhere in Registrars the termination of services, in particular of nationality checking services, has led to a further pressure of £0.063m and there are other income pressures of £0.032m.</p> <p>Following the completion of the General Election, it was possible to undertake a more thorough assessment of the Electoral Services budgets – this showed a higher than expected underspend of £0.110m due to staff vacancies carried throughout the year and reduced postage costs at the Annual Canvass. The underspend takes into account costs that will not be recovered from the Cabinet Office for the European Parliament and General elections</p> <p>In Local Land Charges, an increase in (cheaper) Private Searches has led to an expected income shortfall of £0.052m. There were vacancy savings in Registrars of £0.042m and other underspends of £0.011m.</p>
Performance, Improvement & Programmes		
(12)	Performance, Improvement & Programmes	Vacancies.

## Appendix 4 – Revenue Budget Performance

Key Variances £'000    Service Area    Variance or Financial Recovery Measure Description		
Communications		
(75)	Communications	Underspend of £0.075m compared to Month 9 forecast of £0.042m under. This is attributed to extra supplies and services underspends. There was approximately £0.050m supplies and services underspends, income over achievements in Graphic Design of £0.012m and vacancy savings of £0.013m.

## Corporate Budgets

## Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2019/20 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2019/20 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
0	Bulk Insurance Premia	3,203	3,203	0	0.0%	0	0	0
0	Capital Financing Costs	4,831	4,730	(101)	-2.1%	0	0	0
0	Levies & Precepts	207	207	0	0.0%	0	0	0
0	Unallocated Contingency & Risk Provisions	0	0	0	0.0%	0	0	0
(62)	Unringfenced Grants	(33,296)	(33,935)	(639)	-1.9%	0	0	0
549	Other Corporate Items	19,676	21,087	1,411	7.2%	56	22	34
487	Total Corporately-held Budgets	(5,379)	(4,708)	671	12.5%	56	22	34

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Capital Financing Costs		
(18)	Interest Payable	New borrowing undertaken at lower interest rates than forecast.
(136)	Interest Receivable	Higher than expected cash balances available for investment.
(60)	Interest paid on balances	Slower increase in Base rate than expected, therefore lower interest paid over to Schools (£0.030m), plus lower than forecast interest rate paid on other balances (£0.030m).
113	Minimum Revenue Provision (MRP)	Change in profile of MRP payments compared to original forecast.
Unringfenced Grants		
(62)	Releasing grant pressure funding	Releasing residual grant pressure funding of (£0.062m) for specific grants following announcement of the Department for Health - Local Reform and Community Voices Grant.
(198)	Business Rates Levy surplus	Amount of MHCLG returned funding to authorities for the Business Rates Levy in 2019/20.
(14)	Transparency grant	Receipt of grant in March.

## Appendix 4 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(65)	Business Rates S31 Multiplier Cap	Additional compensation for the reduced multiplier cap based on the outturn of business rates retained.
(300)	COVID19 grant	A small element of the first tranche of COVID-19 emergency funding allocation of £8.157m was utilised in 2019/20 in the final weeks of March. The relevant expenditure it offsets is included in the Directorate outturn positions above. The majority of the grant funding is to be carried forward to 2020/21 to meet COVID-19 costs.
Other Corporate Items		
104	Pension Costs	Of this, £0.034m relates to the unfunded pension costs budget where costs for 2019/20 were not known at time of setting budget and are higher than anticipated. The remaining £0.070m relates to other corporate pension liabilities.
560	Corporately held VFM Savings	A number of savings cross more than one service or may be council-wide, and are held corporately until allocated to specific services once their achievement is confirmed. This variance represents savings that were not achieved and could not be allocated and relates primarily to sustainable social care savings measures. This is mainly due to the significant in-year pressures across adult learning disability services.
648	Bad Debt Provision	The year-end bad debt provision (impairment) is reviewed in relation to debts outstanding and identified that a further net contribution of £0.431m was required. This provision is in accordance with the council's 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 but are also affected by the overall amount of income being collected, which is generally increasing year-on-year, or income collection performance.
124	Employee Related Provision	Additional provision required for holiday pay on overtime back pay.
(87)	Unrequired balance of old grant funding	
62	Other corporate items	Minor variances across other corporately held items.

## Housing Revenue Account (HRA)

## Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2019/20 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2019/20 Savings Proposed £'000	2019/20 Savings Achieved £'000	2019/20 Savings Unachieved £'000
(320)	Capital Financing	30,303	30,345	42	0.1%	0	0	0
(230)	Housing Management & Support	4,521	4,343	(178)	-3.9%	80	80	0
(30)	Head of City Development & Regeneration	316	252	(64)	-20.3%	0	0	0
(615)	Income, Involvement & Improvement	(46,303)	(47,426)	(1,123)	-2.4%	50	50	0
750	Property & Investment	9,001	9,697	696	7.7%	100	100	0
150	Tenancy Services	2,162	2,110	(52)	-2.4%	50	50	0
(295)	Total Housing Revenue Account	0	(679)	(679)	0.0%	280	280	0

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Capital Financing		
42	Financing costs	<p>The level of underspends in the HRA increased after Month 9 and therefore the £0.350m of direct revenue funding (DRF) that was switched from capital to revenue (as reported at Month 5 and Month 9) has been reinstated to keep the DRF budget at the same level as set out in the 2019/20 budget report. This helps fund the capital programme and reduces the level of borrowing at the end of the year.</p> <p>There was also an underlying underspend against the financing costs for the year of approximately £0.270m due to the significant reprofiling of HRA capital expenditure from 2018/19 into 2019/20 impacting on the timing of when borrowing is required to be undertaken to fund the expenditure.</p>
Housing Management & Support		
(190)	Rents	Income was more than the budget assumption for new HRA temporary accommodation properties. This has been addressed as part of the 2020/21 budget setting process.
(20)	Employee costs	Underspend across the service.

## Appendix 4 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description
(112)	Transfer Incentive Scheme	This service assists tenants to down-size or to move into more suitable or accessible accommodation. The budget was underspent by £0.112m which is in part due to the time it takes to move-on each household.
83	Support Service costs	One-off resources for procurement (£0.058m) were agreed as part of 19/20 budget and there was an additional share of Executive Director costs during the year.
40	Supplies & Services	Software costs for Locata - the council's choice based lettings system.
21	Premises and other	Minor variances.
<b>Head of City Development &amp; Regeneration</b>		
(64)	Employee costs	Underspend due to greater capitalisation of salaries than budgeted.
<b>Income, Involvement &amp; Improvement</b>		
(521)	Rents	There was a reduced level of rent lost through voids and income was 0.5% more than budget assumptions due to the increase in the number of homes purchased for affordable rent.
(403)	Employee costs	Underspend due primarily to staff vacancies in the Income Management team and Performance and Improvement team.
(65)	Contribution to bad debt provision	The budget for this contribution was increased as part of the budget setting process in 2016/17 in anticipation of the increasing arrears due to the roll out of Universal Credit. However, despite rent arrears increasing significantly during 2019/20 largely due to tenants transferring to Universal Credit, there was an underspend of £0.065m against the budgeted HRA contribution to the bad debt provision.
(21)	Mutual Exchange support	An underspend against this budget.
(100)	Premises	There was an underspend against Business Rates (£0.060m), general building repair & running costs (£0.025m) and utility costs (£0.015m).
(13)	Supplies & Services and other	Minor variances.
<b>Property &amp; Investment</b>		
736	Leaseholder - Service Charges Major Works	Provision in the HRA budget allowed for billing of £1.800m for major works, based on likely completion times for a large number of projects and the fact that previous years' estimates had been under the level of billing. Due to some projects taking longer to complete or reach final account, a lower level of £1.100m was actually billed in 2019/20 with the remainder forecast for billing in 2020/21, which resulted in this underspend.
150	Stock Condition Survey	The stock condition survey undertaken to help inform the future capital investment required in the housing stock has been covered by underspends across the HRA.
(290)	Mears Contract	Underspend as a result of reduced spending against the following budget areas: Asbestos surveys (£0.123m); Electrical Test & Report (£0.078m); Concessionary Decorating (£0.063m),



## Appendix 4 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description
		Responsive Repairs (£0.026m).
100	Mecanical &Electrical service contracts	Largely due to final spend against Fire Alarms maintenance and Lift Maintenance being £0.048m and £0.030m higher than budgeted respectively.
Tenancy Services		
(143)	Rents & Service Charges	Income was slightly more than budget assumptions for Seniors Housing.
(60)	Premises	There was an underspend of £0.050m for grounds maintenance and council tax costs were £0.030m less than budgeted.
155	Employees costs	Overspend as a result of additional staff cover and regrading.
(4)	Supplies & Services and other	Minor variances.

## Appendix 4 – Revenue Budget Performance

### Dedicated Schools Grant (DSG)

#### Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	2019/20 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Individual Schools Budget (ISB)	127,544	127,544	0	0.0%
(350)	Early Years Block (excluding delegated to Schools) <i>(This includes Private Voluntary &amp; Independent (PVI) Early Years 3 &amp; 4 year old funding for the 15 hours free entitlement to early years education)</i>	13,699	13,141	(558)	-4.1%
(79)	High Needs Block (excluding delegated to Special Schools)	20,473	20,379	(94)	-0.5%
45	Exceptions and Growth Fund	2,893	2,842	(51)	-1.8%
0	Grant Income	(163,805)	(163,805)	0	0.0%
(384)	Total Dedicated Schools Grant (DSG)	804	101	(703)	-87.4%

#### Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Early Years Block (including delegated to Schools)		
(10)	Additional Support Funding for 2, 3 & 4 year olds	Minor variances.
(95)	Early years free entitlement 2 year olds	Estimated underspend for 2 year old payments to PVI providers.
(425)	Early years free entitlement 3 & 4 year olds	Estimated underspend for 3 & 4 year old payments to PVI providers.
(28)	Other	Underspend on early years Ethnic Minority Achievement Service (EMAS).
High Needs Block (excluding delegated to Schools)		
111	Inclusion Support Service	Impact of school traded service element for Brighton & Hove Inclusion Support Service (BHISS) £0.119m and Literacy Support Service (£0.008m).

## Appendix 4 – Revenue Budget Performance

<b>Key Variances £'000</b>	<b>Service Area</b>	<b>Variance Description</b>
(385)	FE and post-19 specialist provision	Adjustment made in 2019/20 by DfE to adjust previous underfunding
56	High needs pupils in other LAs	Increase in the number of high needs pupils being educated in other LA provision.
130	High needs top-up funding	Projected overspend for provision within mainstream and special schools within the city.
48	Agency Placements	Projected overspend for new placements in the Autumn Term.
(55)	Unallocated HNB	Balance of 2018/19 carryforward to be allocated.
1	Other	Minor variances.
<b>Exceptions and Growth Fund</b>		
36	Historic Pension costs	Historic pension liabilities
28	EMAS	Overspend on EMAS budget
(119)	School contingency	Balance of school contingency budget unallocated to carry forward to 2020/21.
4	Other	Minor variances.

