

Families, Children & Learning (FCL)

Revenue Budget Summary

Forecast Variance Month 2 £'000	Service	2024/25 Budget Month 5 £'000	Forecast Outturn Month 5 £'000	Forecast Variance Month 5 £'000	Forecast Variance Month 5 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
0	Director of Families, Children & Learning	191	191	0	0.0%	0	0	0
1,080	Health, SEN & Disability Services	9,845	10,754	909	9.2%	982	573	409
441	Education & Skills	12,827	13,250	423	3.3%	1,665	1,665	0
(1,145)	Children's Safeguarding & Care	41,564	40,070	(1,494)	-3.6%	2,241	2,241	0
0	Quality Assurance & Performance	1,720	1,666	(54)	-3.1%	0	0	0
64	Libraries & Information Services	3,633	3,632	(1)	0.0%	132	132	0
440	Total Families, Children & Learning	69,780	69,563	(217)	-0.3%	5,020	4,611	409
0	Further Financial Recovery Measures (see below)	-	(313)	(313)	-	-	-	-
440	Residual Risk After Financial Recovery Measures	69,780	69,250	(530)	-0.8%	5,020	4,611	409

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

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(263)	In-house Childrens Disability Services	Anticipated additional health income for young person aged over 18 in accommodation at Drove Road from April to December.
(50)	Other	
Health, SEN & Disability Services		
698	Children's Disability Agency Placements	Increase in both volume and cost of residential and foster agency placements compared to budgeted levels.
149	In-house Children's Disability Provision	Unachieved saving due to delay of re-provisioning in-house service to accommodate existing external placements.
175	Children's Disability Section 17	Anticipated ongoing care requirements for four young people.
(113)	Other	Other variances.

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Education & Skills		
293	Home to School Transport	<p>Based on the current data held on Mobisoft the updated forecast overspend for Home to School Transport is £0.293m. This forecast takes account of the current contracted routes as at July and assumes average numbers of 503 5-16 pupils, 97 post 16 pupils and 47 post 19-25 for the remainder of the financial year and a 2.5% increase for inflation from September. Please note final clarification of routes and rates from September still being finalised.</p> <p>Costs have continued to increase considerably. The increased costs as reported previously are related to a combination of the following factors:</p> <p>There are several factors contributing to overspends in Home to School Transport. These include increased demand on the service (both at 5-16 ages, and 16 up until 19th birthday), increased numbers of children requiring single occupancy journeys, lack of local SEND school sufficiency, and increased numbers of routes required to accommodate individual post 16 learners' timetables.</p> <p>Market forces within SEND transport are also contributing to overspend in Home to School Transport. The service is being increasingly impacted by local driver, vehicle passenger assistant, vehicle shortages and increased running costs. There is also a lack of competition in the transport market, particularly minibus providers, which is pushing up contract prices still further.</p> <p>There is increasingly less capacity in the local system to meet demand, not just in the numbers of children requiring transport but the nature of the transport requirements.</p>
100	PFI	Due to higher PFI contractor costs.
30	Other	Minor variances.
Children's Safeguarding & Care		
(1,529)	Demand-Led - Children's placements	There are ongoing significant issues with sufficiency of foster carers and other placement types making placing children difficult and driving up unit costs. In addition the post pandemic period has seen children with increasingly complex needs coming into care. However, the significant success of ongoing initiatives and alternative service offers, attempting to reverse the trend of reducing foster carer numbers and address the complex needs of the children being referred, has meant that it is anticipated that placements for children in care and care leavers will remain within budget in 2024/25.
118	Social Work teams	The social work establishment is currently over recruited due to staff turnover rates of social workers being less than anticipated. Vacancy management, dependent on future turnover could reduce the current forecast overspend.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(138)	Section 17	Income received from ICB for children with ongoing mental health needs
55	Other	Minor variances.
Quality Assurance & Performance		
(54)	Other	Mainly relates to vacant posts in the independent Reviewing Team.
Libraries & Information Services		
(1)	Other	Minor variances.

Housing, Care & Wellbeing (HCW)

Revenue Budget Summary

Forecast Variance Month 2 £'000	Service	2024/25 Budget Month 5 £'000	Forecast Outturn Month 5 £'000	Forecast Variance Month 5 £'000	Forecast Variance Month 5 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
2,305	Adult Social Care Operations	83,498	84,045	547	0.7%	4,282	4,060	222
1,600	S75 Sussex Partnership Foundation Trust (SPFT)	20,648	21,804	1,156	5.6%	0	0	0
89	Commissioning & Partnerships	5,482	5,535	53	1.0%	259	259	0
93	Life Events	249	407	158	63.5%	0	0	0
0	Public Health	3,134	3,134	0	0.0%	171	171	0
2,488	Housing General Fund	12,950	15,679	2,729	21.1%	2,042	896	1,146
6,575	Total Housing, Care & Wellbeing	125,961	130,604	4,643	3.7%	6,754	5,386	1,368
(2,361)	Further Financial Recovery Measures (see below)	-	(633)	(633)	-	-	-	-
4,214	Residual Risk After Financial Recovery Measures	125,961	129,971	4,010	3.2%	6,754	5,386	1,368

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(353)	Adult Social care	The directorate has developed an over-arching Financial Recovery Plan to address the above pressures including the following measures: The total target is £5,954m with £5,068m achieved and £0.353m left to be achieved as at Month 5 while £0.533m at risk. - Targeted reviews. - Reducing voids within block contracts. - Avoiding unnecessary long term residential admissions.
(280)	Housing General Fund	To pilot the procurement of the management element of block booked emergency accommodation with estimated cost reduction of £0.080m in 2024/25. The service is also taking action to improve the turnaround times for empty properties to further reduce

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		forecast costs by £0.050m this year. There is a further recovery measure of £0.150m as the service is trying to maximise opportunities within council owned stock to provide TA, where appropriate.
Adult Social Care Operations		
520	Demand-Led Community Care - Physical & Sensory Support and Substance Misuse	Overspend mainly due to one client, the subject of a court case with West Sussex County Council. The outcome that BHCC has liability for this client - £1.133m. Other increased costs related to increased unit costs have been offset by an increase in S117 income forecast
(254)	Assessment teams	This is due to a number of temporary vacancies across the Assessment teams as well as an increase in forecast income.
832	In-house provision	Overspends on in-house provision for adults with Learning Disabilities, Resource centres and Hostels is mainly due to use of agency and sessional staff partly offset by increased S117 income forecast at Wayfield Avenue
(150)	Demand-Led Community Care - Adult LD	Underutilisation of Direct Payments.
(401)	Other	Vacancies and reduced use of Community Equipment Store due to cyber attacks
S75 Sussex Partnership Foundation Trust (SPFT)		
650	Demand-Led - Memory Cognition Support	The overspend is the result of high unit costs within the nursing care provision.
333	Demand-Led - Mental Health Support	The overspend is the result of high unit costs and above budgeted number of clients in the nursing care provision.
172	Staffing teams	Pressure due to number of operational managers unfunded. Negotiations over funding responsibilities are still ongoing with SPFT.
Commissioning & Partnerships		
54	Legal fees	Internal recharges for legal costs have increased in recent years offset by vacancies. Unbudgeted expenditure for Wellington Road
Life Events		
277	Bereavement services	Reduced number of cremations partly due to chapel closure for repairs affecting income.
(50)	Coroner	Negotiations with WSCC regarding Assistant Coroners.
(69)	Registrars	Increased Statutory fee income.
Housing General Fund		
2,424	Temporary Accommodation	The budget for Temporary Accommodation (TA) is forecast to overspend by £2.424m for 2024/25.

Key Variances £'000 Service Area		Variance or Financial Recovery Measure Description
		<p>Emergency nightly accommodation (spot purchased) is forecast to overspend by £2.005m due to greater demand, increased costs, and the continued decrease of TA leased properties. The budget was set at an average of 160 households per night for the year. However, since April, the council has supported an average of 298 households every night. Although the service is working hard to prevent homelessness, numbers remain high. In 2023/24, the number of households placed in spot purchase more than doubled, from 124 at the start of April 2023 to 256 at the financial year end, March 2024. This forecast assumes that the number of households in spot purchased accommodation will increase at a slower rate to 320 by March 2025.</p> <p>The number of TA leased properties has steadily decreased year on year as landlords withdraw their properties from the rental market. This forecast assumes that the number of TA leased properties will reduce by 62 properties this year, from a total of 617 to 555 homes. This is based on prior year trends but also the number of leases (over 50% of stock) coming to an end this financial year. The new leases are also commanding a higher rate and shorter terms. With these factors being considered, the forecast assumes an underspend of (£0.296m) this year.</p> <p>Additionally, the council is facing large increases in contract costs of block booked emergency accommodation, which was factored into the budget. However, due to the demands on the service, there are 79 more block booked properties than allowed for at budget setting time. Therefore, the forecast estimates that this budget will overspend by £0.715m</p>
219	Seaside Homes	There is a forecast overspend on management costs of £0.188m, primarily due to increased insurance costs for 2024/25. Additionally, there is a forecast overspend of £0.097m on the loss of rent from void properties, due to higher turnover within these properties. However, these overspends are partially offset by underspends of (£0.036m) on the repairs and maintenance budgets and (£0.030m) on the provision for bad debt.
2	Private Sector Housing	Unachieved savings for fine income of £0.052m offset by a vacancy on the adaptations team (£0.050m).
70	Commissioned rough sleeper and housing related support services	Overspend relates to a reduction in rent income for these 29 leased properties due to a change in HB eligibility.

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
14	homemove	The overspend is attributed to delays in concluding the Home Connection service. The additional costs will not be invoiced to partners.

City Services

Revenue Budget Summary

Forecast Variance Month 2 £'000	Service	2024/25 Budget Month 5 £'000	Forecast Outturn Month 5 £'000	Forecast Variance Month 5 £'000	Forecast Variance Month 5 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
1,903	City Transport	(6,965)	(6,424)	541	7.8%	978	621	357
(220)	City Environment	33,882	33,662	(220)	-0.6%	2,137	2,137	0
538	City Development & Regeneration	3,371	3,837	466	13.8%	950	560	390
(16)	Culture, Tourism & Sport	10,432	10,477	45	0.4%	817	787	30
1,521	Property & Design	2,938	3,931	993	33.8%	1,919	1,599	320
(88)	Safer Communities	3,761	3,668	(93)	-2.5%	238	238	0
3,638	Total City Services	47,419	49,151	1,732	3.7%	7,039	5,942	1,097

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
City Transport		
474	Parking Services	<p>Parking Services are forecasting an under achievement of £0.474m (Underachievement of 1.04% of expected income targets) against a £28.889m net income budget. This is a significant improvement of £0.682m since Month 2 which reflects actions being undertaken as part of the 24/25 Parking Services Financial Recovery Plan.</p> <p>Parking permits is predicting to be £1.566m (12.34%) underachieved compared to its budget pressure of £12.696m. This forecast is reflecting changes in consumer demand for short term and cheaper products, contains continued reduction in demand in residents and visitor permits across zones and the loss of parking capacity due to active travel proposals along with many other factors.</p> <p>On-street paid parking is predicted to be £1.243m (8.37%) underachieved compared to its budget pressure of £14.800m. £0.300m of which is driven by the removal of previously agreed zone changes last year, with a further £0.077m is a result of the free parking bay to paid parking bay proposals removed this year.</p>

Appendix 4 – Revenue Budget Performance

Key Variances £'000 Service Area		Variance or Financial Recovery Measure Description
		<p>Off-Street Parking is predicted to underachieve by £0.381m (4.11%). London Road and Regency Square car parks both had an unexpectedly poor month compared to the high income pressures identified for the summer months which required a forecast revision. The reduced activity in London road car park over certain days can be attributed to road closures on its access road, this did however contribute to the increased suspension income.</p> <p>These underachievement's are offset by predicted surplus income for Parking Suspensions of £0.198m (15.22%). In addition There is also a predicted reduction in Parking costs of £0.515m which is driven by surplus in Unsupported borrowing budgets of £0.338m and staffing vacancies of £0.130m held in year.</p> <p>PCN income is set to overachieve by £2.02m due to increased levels of payments particularly in relation to CCTV bus lane enforcement. This is representing the switch this year to better enforcement strategies and new traffic schemes. However, there are concerns around the team staff resource to collect on this debt, with increased costs in debt recovery and provisions for bad debt.</p>
651	Concessionary Bus Fares	Concessionary travel is forecasting £0.651m overspend this year following increases to the Government Reimbursement Tool, which is estimated to place the total cost at £10.600m. There is a push for 24/25 to be at the same rate as the 2023/24 deal, however it is not possible to negotiate down to a level within 2023/24 rates and the use of the Government Reimbursement Tool applied, this will generate the pressure listed.
80	Network management	Road Works Permit income forecast £0.158m less than budgeted target. This is comparable to previous year actual income, which was supported by reserve, that is now fully utilised. This pressure is partly offset by Traffic Regulation Order net income £0.035m and Events net income £0.035m forecast to achieve more than budget.
(664)	Transport Projects and Engineering	Payments to Bus Operators for both base and enhanced services funded by the DfT Bus Service Improvement Plan grant where services are enhanced.
City Environment		
(220)	City Clean	£0.150m overspend in street cleansing due to increased costs required for litter picking the A27 and A23. These are mitigated by forecast surpluses in commercial and green waste collections due to increased customers.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
City Development & Regeneration		
510	Development Planning	Underachievement of Planning and Building Control income of £0.846m as there is still some uncertainty over levels of service post-covid and legal fee overspends of £0.187m relating to The Gasworks appeal. This is offset by staffing underspends £0.574m.
6	Planning Policy Major Projects	Minor overspend from 1% turnover target greater than actual vacancies in year.
(50)	Business Development and Customer Services	Held vacancies in the service.
Culture, Tourism & Sport		
(16)	Sport and Leisure	Underspends of £0.038m on Golf Course contracts, offset by additional sports facilities responsive repairs costs
19	Venues	Minor overspend from 1% turnover target greater than actual vacancies in year and surplus incomes.
64	City Parks	Overspend from 1% turnover target greater than actual vacancies in year.
(22)	Tourism and Marketing	Held vacancies in service.
Property & Design		
573	Estates Management	Vacant Properties within both the In-house & Commercial portfolio's have caused pressures from the loss of rental income and the additional premises related costs until new tenants can be attracted resulting in forecast pressures of £0.247m. There are initial pressures of £0.289m regarding the letting of Barts House 3rd and 4th floors where current rents and anticipated occupational savings from vacating are not achieving the full savings target for this year, though this is under review to ensure savings can be delivered going forward.
420	Facilities & Building Services	£0.475m forecast overspend relating to essential only responsive repairs functions due to rising costs and conditions of facilities. Post room services has a forecast overspend of £0.112m due to additional surcharges from Royal Mail whilst the service is not barcode compliant, though work is underway to ensure the council is compliant to mitigate costs. These overspends are partly offset by forecast underspends in security costs of £0.122m in other supplies & services within Facilities & Building Services.
Safer Communities		
(93)	Safer Communities	There is a net underspend forecast across the service, largely as result of vacancy management.

Corporate Services

Revenue Budget Summary

Forecast Variance Month 2 £'000	Service	2024/25 Budget Month 5 £'000	Forecast Outturn Month 5 £'000	Forecast Variance Month 5 £'000	Forecast Variance Month 5 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
38	Policy, Communications & Leadership Office	1,855	1,917	62	3.3%	24	24	0
(30)	Legal & Democratic Services	3,548	3,498	(50)	-1.4%	335	335	0
0	Elections & Land Charges	418	281	(137)	-32.8%	20	20	0
(10)	Customer, Modernisation & Performance Insight	1,447	1,427	(20)	-1.4%	35	35	0
0	Finance	2,206	2,552	346	15.7%	144	16	128
0	Procurement (Mobo)	(39)	(39)	0	0.0%	2	2	0
87	HR & Organisational Development	3,917	3,996	79	2.0%	222	199	23
0	Information Technology & Digital	8,132	8,032	(100)	-1.2%	649	323	326
0	Welfare Revenue & Business Support	7,652	7,498	(154)	-2.0%	327	327	0
0	Communities, Equality & Third Sector	2,642	2,642	0	0.0%	581	581	0
0	Contribution to Orbis	2,925	2,942	17	0.6%	0	0	0
0	Directorate wide	0	278	278	0.0%	0	0	0
85	Total Corporate Services	34,703	35,024	321	0.9%	2,339	1,862	477
0	Further Financial Recovery Measures (see below)	-	(278)	(278)	-	-	-	-
85	Residual Risk After Financial Recovery Measures	34,703	34,746	43	0.1%	2,339	1,862	477

Mobo = Specific budget items held by Orbis but **Managed on behalf of** the relevant partner i.e. they are sovereign, non-partnership budgets. Under or overspends on Mobo budgets fall directly to the relevant partner whereas any budget variance on 'Orbis Services' is shared in accordance with the Inter-Authority Agreement (IAA).

Explanation of Key Variances

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(278)	Directorate wide	The directorate will identify mitigations to offset the additional 1% vacancy factor.
Policy, Communications & Leadership Office		
31	Monitoring Officer	Overspend resulting from acting up costs in service.
19	CEO	A combination of recruitment cost, staff training and expected overspends on staffing cost.
12	Communications	Overspends in subscriptions to organisations, graphic design and an increase in professional fees.
Legal & Democratic Services		
(61)	Legal team	Combination of vacancy contribution and external income generation.
11	Democratic Services	shortfall in income contribution and other small overspends which have been offset by underspends in mobile phone rentals.
Elections & Land Charges		
(137)	Local Land Charges	Increased income forecast as HMLR transfer not expected before Q3 2024/25 at the very earliest.
Customer, Modernisation & Performance Insight		
(20)	Performance team	Vacancy contribution.
Finance		
345	Financial Services	Overspend due to an increase in audit and agency fees.
1	Insurance Administration	Small overspends in operations budgets.
HR & Organisational Development		
47	Policy and Initiatives	A permanent pressure bid has been submitted for a permanent Asbestos Resource which has been agreed by CLT. £0.019m for 0.5fte savings adjustments for Union facilities time in Unison and 2 x 0.5fte in GMB with 1 of these Union facilities savings pressures transferring from City Clean. This has been offset by recruitment income £40k. A reduction in income from external training delegates may further impact future TBM and is being monitored closely. Traded services income particularly to schools remains uncertain, work continues with FCL to monitor continued viability of current service offer. The volatility in recruitment spend could lead to further change in TBM.
32	Occupational Health and Safety	Comprised of £0.033m staff pressure for 7 x months of M10 Asbestos resource in H&S.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Information Technology & Digital		
(100)	IT&D	At month 5, IT & Digital are forecasting an underspend of £100,000 which is an improvement of £100,000 from last month. Service has been able to mitigate the Traded Services saving target by implementing a recruitment freeze within the whole of the IT&D Service from 1 April 2024. This has led to in-year cost avoidance, but it should be noted that this is having a detrimental impact on the service provision. Within Traded Services, the £415K saving has been partially offset by 3 vacancies but this is having an impact on the ability to deliver services to Schools. Traded Services are also having to absorb additional costs relating to Schools closures and mergers although we are exploring whether some of these can be charged elsewhere, dependent on the future use of the site. Following a deep review of contracts and spend, service is now expecting some in-year savings on telephony spend following the migration of services to a cloud platform. However, the service is also experiencing continuing pressures with inflation increases on contracts and services which will be mitigated as much as possible by reviewing licences and usage but are still seeing increased costs. There is a new pressure of £46K for licences for the council's trial of Microsoft 365 co-pilot.
Welfare Revenue & Business Support		
(48)	HB, CTAX & NNDR Running Expenses incl Discretionary payments	Forecasted staffing underspend of £416k that has been offset by overspends in postage and designing £90k, underachievement of court cost recovery of £215k, overspends in Professional fees £60k and other small overspends in the service.
(40)	Social Fund & Welfare	Forecasted staffing underspends.
(48)	WRBS Systems Teams	Forecasted staffing underspends.
(129)	Corp Debt & Banking	Forecasted staffing overspends offset by small underspends and misc income in the service.
52	Payroll & Pensions	Staffing overspends.
59	Management & Admin	Staffing overspends.
Contribution to Orbis		
17	Orbis Partnership Budget	There is currently a forecast overspend of £0.074m on the overall partnership budget. This is mostly due to overspends on Insurance and Procurement partially offset by an underspend in Finance. The Council's share of this is £0.011m. In addition there is a small pressure of £0.006m due to a small under provision on the base budget.
Directorate wide		
278	Directorate wide	Overspend arising from additional 1% vacancy factor.

Centrally-held Budgets

Revenue Budget Summary

Forecast Variance Month 2 £'000	Service	2024/25 Budget Month 5 £'000	Forecast Outturn Month 5 £'000	Forecast Variance Month 5 £'000	Forecast Variance Month 5 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
350	Bulk Insurance Premia	3,822	4,522	700	18.3%	0	0	0
0	Capital Financing Costs	7,997	7,572	(425)	-5.3%	0	0	0
0	Levies & Precepts	242	242	0	0.0%	0	0	0
0	Unallocated Contingency & Risk Provisions	64	64	0	0.0%	0	0	0
0	Unringfenced Grants	(32,113)	(32,113)	0	0.0%	0	0	0
200	Housing Benefit Subsidy	399	988	589	147.6%	0	0	0
3,845	Other Corporate Items	15	2,589	2,574	17160.0%	2,475	1,271	1,204
4,395	Total Centrally-held Budgets	(19,574)	(16,136)	3,438	17.6%	2,475	1,271	1,204
(2,635)	Further Financial Recovery Measures (see below)	-	(1,364)	(1,364)	-	-	-	-
1,760	Residual Risk After Financial Recovery Measures	(19,574)	(17,500)	2,074	10.6%	2,475	1,271	1,204

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(1,364)	Organisational Redesign	A programme of work to undertake Phase 2 of the Organisational Redesign is underway alongside reviews of some functions to explore savings through functional alignment and other changes. Savings will be part-year in 2024/25 in most cases, but the council will utilise unilateral spending and vacancy controls to ensure the saving is met this year in lieu of full-year savings being identified and realised in 2025/26.
Bulk Insurance Premia		
700	Insurance claims.	Settlement of insurance claims in the first five months is considerably higher than previous years and includes two claims costing £0.100m each. The annual budget has now been

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		used meaning that future settlement of claims for the remainder of the year represents an overspend and it is currently forecast that this figure will be £0.700m
Capital Financing Costs		
(425)	Investment income	Higher than expected investment income due to higher balances than forecast.
Housing Benefit Subsidy		
589	Housing Benefit Subsidy	Based on the mid year estimate submitted to DWP there is now an estimated pressure of £0.589m. The main element of this is a pressure of £0.709m on a certain benefit type for vulnerable tenants which is not fully subsidised. This pressure has continued to rise since last year but is being investigated to assess what steps can be taken to reduce it. This pressure is partially offset by a forecast surplus of £0.120m on the net position of the recovery of overpayments.
Other Corporate Items		
(90)	Corporate Pension Costs	An underspend of £0.090m relating to an overpayment on the 2023/24 unfunded pension costs budget.
1,364	Organisational Redesign savings	A programme of work to undertake Phase 2 of the Organisational Redesign is underway alongside reviews of a number of functions to explore savings through functional alignment and other changes. Savings will be part-year in 2024/25 in most cases but the council will utilise unilateral spending and vacancy controls to ensure the saving is met this year in lieu of full-year savings being identified and realised in 2025/26. As a contribution towards this a 1% reduction has been applied on a one-off basis to salary budgets in 2024/25 which has generated an in year saving of £1.271m.
1,300	2024/25 Pay Award	Estimated additional cost of 2024/25 pay award above amount provided for in budget.

Appendix 4 – Revenue Budget Performance

Housing Revenue Account (HRA)

Revenue Budget Summary

Forecast Variance Month 2 £'000	Service	2024/25 Budget Month 5 £'000	Forecast Outturn Month 5 £'000	Forecast Variance Month 5 £'000	Forecast Variance Month 5 %
421	Repairs & Maintenance	18,449	18,425	(24)	-0.1%
(200)	Tenancy Services	14,900	15,314	414	2.8%
(35)	Housing Management & Support	6,432	6,518	85	1.3%
(243)	Housing Investment & Asset Management	2,924	3,623	699	23.9%
41	Housing Strategy & Supply	1,578	1,578	0	0.0%
(4)	Council-owned Temporary Accommodation	958	1,046	88	9.2%
0	Rent & Service Charges	(73,472)	(74,005)	(533)	-0.7%
(20)	Service Area Total	(28,231)	(27,501)	730	2.6%
0	Capital Financing Costs	8,509	8,711	202	2.4%
0	Direct Revenue Funding	19,722	19,472	(250)	-1.3%
(20)	Total Housing Revenue Account	0	682	682	0.0%

Explanation of Key Variances

Key Variances £'000	Subjective Area	Variance Description
Repairs & Maintenance		
(1,518)	Employees	Capitalisation of salaries in respect of the EICR programme (£0.900m), plus forecast underspend against the net staffing budget largely from vacancy management. The underspend equates to approximately 18% of the net salary budget.
1,058	Premises	There is a forecast overspend against the subcontractor business as usual budget, based on spend to date. A proportion of this spend relates to the disrepair claims, these costs are difficult to forecast based on the volume and timing of claims being made. This continues to be a source of financial pressure for the HRA and will be closely monitored over the course of the financial year.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Subjective Area	Variance Description
446	Supplies and Services	The service continues to experience significant costs arising from disrepair claims. These by their very nature are difficult to forecast and will be closely monitored each month, this assumes that a new legal resource is in place to manage the claims early in the process, enabling better management of spend.
(10)	Transport	Minor variance.
Tenancy Services		
179	Employees	There is a forecast overspend against staffing costs, mainly due to the proposed service redesign and anticipated costs in response to the new duties under the Building Safety Act 2022 and Social Housing (Regulation) Act 2023.
122	Premises	Forecast overspend of £0.083m within Sheltered services on cleaning costs, based on the first four months expenditure. There are also overspends on tree maintenance costs of £0.050m and council tax costs of £0.050m. These overspends have been offset by an estimated underspend against utility cost budgets, based on Information provided by the corporate energy team.
58	Supplies and Services	Forecast overspend on the use of temporary accommodation of £0.050m for council housing tenants, linked to the current policy for Temporary Accommodation across the authority and in some part to the number of empty properties held in the HRA.
50	Income	Th closure of Chapel Street Car Park is part of the emergency Large Panel System response leading to a loss of income generated from the car park.
5	Other	Minor net variance
Housing Management & Support		
50	Employees	There is a forecast net overspend on staffing costs, a saving of £0.054m due to the interim management arrangements. This has been directly offset following the recruitment of an interim Programme Director of Housing Regulatory Response.
35	Premises	Information provided by the corporate energy team estimate result in an estimated underspend against utility cost budgets. However, this is offset by business rates charge for the Housing Centre being higher than budgeted by £0.077m.
Housing Investment & Asset Management		
(81)	Employees	There is a forecast underspend against staffing costs, mainly due to a number of vacancies across the service.
256	Premises	Additional contractor capacity is currently being procured to provide new water risk assessments. Three contractors have been approached with a view to mobilise as soon as possible through a procurement waiver. Re-tendering the water safety contract and

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Subjective Area	Variance Description
		separating risk assessment from completion of remediation actions, is being taken forward as a priority.
725	Large Panel Systems - revenue costs	Enhanced building safety measures for the eight Large Panel System blocks, with significant costs arising from the introduction of a 24-hour security service to help manage items being taken into the building and to support with floor walks and maintaining clear egress and exits to the building. The current forecast includes additional staffing costs for 24-hour security, a dedicated Fire Safety consultant, weekend floor-walks, temporary plant hire and additional temporary staffing resources.
(137)	Supplies & Services	In consultation with the leaseholder service manager there is no contribution to Leaseholder Bad Debt provision resulting in a saving of £0.152m.
(64)	Income	Additional professional fee income in respect of Leasehold extension matters.
Housing Strategy & Supply		
(38)	Employees	An increase in capitalised salaries for housing new supply is offset by a reduced level of capitalised salaries against ICT budgets. The delivery of new software is entering into a new phase which will require costs associated with business as usual are met from revenue budgets.
38	Supplies & Services	An overspend against software costs.
Council-owned Temporary Accommodation		
146	Premises	Council-owned Temporary Accommodation can by its nature be volatile, in respect of empty properties and repairs costs, at this stage of the year it is assumed that there will be an overspend, based on spend to date.
(68)	Supplies and Services	There is a forecast underspend against the Transfer Incentive Scheme budget.
10	Employees	Minor variance.
Rent & Service Charges		
(403)	Rents & Service Charges	Net overachievement in rents and service charge income, predominantly relating to new housing supply and fewer homes forecast to be sold under the Right to Buy scheme.
(146)	Empty Property rent loss	Regular meetings of the empty property action grouped has resulted in the average number of empty homes reducing. The forecast for 2024/25 is for there to be an average of 115 empty homes per month, down from 150 per month in 2023/24 a reduction of 30%.
16	Garages & Car Parks	At Month 5 it is anticipated that income from garages, car parks and permits will be close to breakeven across the year, however this is offset by a greater level of rent loss than anticipated. Current forecasts show a total rent loss of £0.400m an overspend against budget of £0.021m. Current rent loss budgets for garages and car parks equate to 23% of the income budget, with the forecast spend increasing this to 24% of rental income due.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Subjective Area	Variance Description
Capital Financing Costs		
202	Capital Financing costs	There is an anticipated increase in financing costs due to the projected increase in interest costs and assumed timing of borrowing being taken on by the HRA.
Direct Revenue Funding		
(250)	Depreciation	A forecast underspend against the depreciation budget due to the impairment of Large Panel System block assets following assessment of accounting treatment for 2023/24 agreed with the council's external Auditors. The depreciation figure is required to be funded by revenue resources and transferred to the Major Repairs Reserve at year end to fund the capital programme.
0	Contribution to Reserves	As per the 2024/25 budget paper, £3.266m is expected to be contributed to reserves to fund future years pressures. If the in year overspend cannot be managed down then the contribution to reserves will be reduced by £0.682m.

Dedicated Schools Grant (DSG)

Revenue Budget Summary

Forecast Variance Month 2 £'000	Service	2024/25 Budget Month 5 £'000	Forecast Outturn Month 5 £'000	Forecast Variance Month 5 £'000	Forecast Variance Month 5 %
0	Individual Schools Budget (ISB)	137,798	137,798	0	0.0%
(30)	Early Years Block (excluding delegated to Schools) <i>(This includes Private Voluntary & Independent (PVI) Early Years 3 & 4 year old funding for the free entitlement to early years education)</i>	25,566	25,536	(30)	-0.1%
389	High Needs Block (excluding delegated to Schools)	39,652	40,936	1,284	3.2%
97	Exceptions and Central Services	3,397	3,501	104	3.1%
0	Grant Income	(205,139)	(205,139)	0	0.0%
456	Total Dedicated Schools Grant (DSG)	1,274	2,632	1,358	106.6%

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Early Years Block (including delegated to Schools)		
(30)	Central Early Years Block	Underspend due to recruitment delays.
High Needs Block (excluding delegated to Schools)		
312	Post-16 High Needs	There has been a significant increase in the number of high needs learners accessing FE colleges in the last year and there has also been a movement of high needs learners moving into the city with responsibility for education falling to Brighton and Hove.
175	Children with Medical Needs	This budget has been increased by a further £0.250m in 2024/25 but is still showing an expected overspend of £0.175m. There is a continued significant increase in the number of pupils receiving education through bespoke tuition due to their medical needs.
261	Independent non maintained school agency placements	The Independent non-maintained school agency placements budget continues to be under pressure due to increasing demand, higher unit costs and a lack of suitable local provision.
222	Special School Placements	Placements in the city's special schools for new academic year in excess of commissioned numbers.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance Description
295	Mainstream School Top-up Funding	Increase in the unit costs and number of children with Education Health and Care plans in mainstream schools since April
19	Other	Other compensating variances.
Exceptions and Growth Fund		
104	Other	Other variances.

