

Families, Children & Learning (FCL)

Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2024/25 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	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
909	Health, SEN & Disability Services	9,920	10,773	853	8.6%	982	643	339
423	Education & Skills	12,735	13,708	973	7.6%	1,665	1,636	29
(1,494)	Children's Safeguarding & Care	41,371	39,183	(2,188)	-5.3%	2,241	2,220	21
(54)	Quality Assurance & Performance	1,720	1,646	(74)	-4.3%	0	0	0
(1)	Libraries & Information Services	3,633	3,632	(1)	0.0%	132	132	0
(217)	Total Families, Children & Learning	69,570	69,133	(437)	-0.6%	5,020	4,631	389
(313)	Further Financial Recovery Measures (see below)	-	(151)	(151)	-	-	-	-
(530)	Residual Risk After Financial Recovery Measures	69,570	68,982	(588)	-0.8%	5,020	4,631	389

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		
(131)	In-house Children's Disability Services	Anticipated additional health income for young person aged over 18 in accommodation at Drove Road from April to December.
(20)	Other	
Health, SEN & Disability Services		
713	Children's Disability Agency Placements	Increase in both volume and cost of residential and foster agency placements compared to budgeted levels.
79	In-house Children's Disability Provision	Unachieved saving due to delay of re-provisioning in-house service to accommodate existing external placements.

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
185	Children's Disability Section 17	Anticipated ongoing care requirements for three young people.
(124)	Other	Minor variances.
Education & Skills		
695	Home to School Transport	<p>Based on the current data held on Mobisoft the updated forecast overspend for Home to School Transport is £0.695m. This takes account of the current contracted routes and assumes average numbers of 507 5-16 pupils, 109 post 16 pupils and 49 post 19-25 for the remainder of the financial year but does not include the potential risk of an outstanding legal claim of £0.254m re petrol price uplift.</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 minibuss 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. There is an increase in solo routes being created, both to educational provisions where they are the only children attending and using HTST. Since September, we have created 12 more routes and 10 of those have been solo.</p>
100	PFI	Due to higher PFI contractor costs.
178	Other	Minor variances.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Children's Safeguarding & Care		
(2,152)	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.
(126)	Section 17	Income received from the Integrated Care Board(ICB) for children with ongoing mental health needs
90	Other	Minor variances.
Quality Assurance & Performance		
(74)	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 5 £'000	Service	2024/25 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
547	Adult Social Care Operations	83,252	83,845	593	0.7%	4,282	4,034	248
1,156	S75 Sussex Partnership Foundation Trust (SPFT)	20,636	22,371	1,735	8.4%	0	0	0
53	Commissioning & Partnerships	5,450	5,694	244	4.5%	259	259	0
158	Life Events	239	422	183	76.6%	0	0	0
0	Public Health	3,134	3,134	0	0.0%	171	171	0
2,729	Housing General Fund	12,982	15,496	2,514	19.4%	2,042	896	1,146
4,643	Total Housing, Care & Wellbeing	125,693	130,962	5,269	4.2%	6,754	5,360	1,394
(633)	Further Financial Recovery Measures (see below)	-	(727)	(727)	-	-	-	-
4,010	Residual Risk After Financial Recovery Measures	125,693	130,235	4,542	3.6%	6,754	5,360	1,394

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(447)	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 was £5.954m and has increased to £6.254 with an additional £0.300m for a new savings project Reviewing Direct Payments. £5.245m of this total has been achieved and £0.447m left to be achieved as at Month 7 while £0.562m is at risk.
		- Targeted reviews.
		- Reducing voids within block contracts.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		- 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. This is forecast to commence in a phased way from November 2024. The service is also taking action to improve the turnaround times for empty properties to further reduce 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		
691	Demand-Led Community Care - Physical & Sensory Support and Substance Misuse	An expensive Physical Community Care case has reduced by £0.169m as now invoiced but is still being challenged. The original commitment was £1.133m. £0.248m balances of unused Covid money has been moved from the Balance Sheet as there is no further claim. £0.300m has been included as an extra income forecast relating to the Direct Payments Project.
(413)	Assessment teams	This is due to a number of temporary vacancies across the Assessment teams as well as an increase in forecast income.
817	In-house provision Adult LD	Overspends within in-house provision for adults with Learning Disabilities, Resource centres and Hostels is mainly due to the need to use agency and sessional staff. This has been partly offset by increased S117 income forecast at Wayfield Avenue. The overspend has reduced in Month 7 due to a contribution from the Community Care budget for a longstanding client who has had to stay longer than anticipated with use of significant resources to uphold the package of care.
(337)	Demand-Led Community Care - Adult LD	This underspend relates to a significant underutilisation of Direct Payments and a lower use of Day Care.
66	Other	Minor variances.
(231)	Community Equipment Store	The underspent relates to reduced usage affected by trends and cyber incidents. However, in Month 7 the overspend has reduced to the usage of more expensive equipment
S75 Sussex Partnership Foundation Trust (SPFT)		
772	Demand-Led - Memory Cognition Support	The overspend is the result of high unit costs within the nursing care provision.
730	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.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
233	Staffing teams	Pressure due to number of operational managers unfunded. Negotiations over funding responsibilities are still ongoing with SPFT.
Commissioning & Partnerships		
84	Legal fees	Internal recharges for legal costs have increased in recent years offset by vacancies.
160	Carers Support	For the Carers Support cost centre there is an expected contribution which has been corrected for Month 7 which shows as an increased cost of £0.170m
Life Events		
321	Bereavement services	Reduced number of cremations partly due to chapel closure for repairs affecting income.
(53)	Coroner	Negotiations with WSCC regarding Assistant Coroners.
(85)	Registrars	Increased Statutory fee income.
Housing General Fund		
2,548	Temporary Accommodation	<p>The budget for Temporary Accommodation (TA) is forecast to overspend by £2.548m for 2024/25.</p> <p>Emergency nightly accommodation (spot purchased) is forecast to overspend by £1.674m due to greater demand, increased costs, and the continued decrease of TA leased properties. This forecast has improved since month 5 due to an improvement in the forecast for rental income as well as better analysis of costs. 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 316 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 be 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 37 properties this year, from a total of 617 to 580 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 (£0.086) this year.</p>

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		<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 100 more block booked properties, on average, than allowed for at budget setting time. Therefore, the forecast estimates that this budget will overspend by £0.749m</p> <p>The temporary accommodation service is forecast to overspend on staff costs by £0.211m but this is offset by staffing underspends in the Housing options service.</p>
409	Seaside Homes	<p>There is a forecast overspend on management costs of £0.210m, primarily due to increased insurance costs and in-house service charges for 2024/25. Additionally, there is a forecast overspend of £0.148m on the loss of rent from void properties, due to higher turnover within these properties. As rents have increased in line with new Local Housing Allowance rates, every week a property is empty is costing the council more in lost rent. There has also been a recent increase to responsive repairs costs and therefore repairs and maintenance budgets are now forecast to overspend by £0.051m.</p>
2	Private Sector Housing	<p>Unachieved savings for fine income of £0.052m offset by a vacancy on the adaptations team (£0.050m).</p>
(147)	Commissioned rough sleeper and housing related support services	<p>This underspend relates an inflationary increase to part of this budget that was not required this year due to the scheduling of re-commissioning which is due on 1st April 2026.</p>
17	Homemove	<p>The overspend is attributed to delays in concluding the Home Connection service. The additional costs will not be invoiced to partners.</p>
(328)	Housing Options	<p>Various underspends on staffing budgets - this is largely offset within the temporary accommodation staffing budgets. There is also a forecast underspend of £0.100m on initiatives. Budgets require realigning after the restructure.</p>
53	Travellers	<p>The main reasons for the overspend is that security costs are still higher than budgets allow but will reduce later in the year and storage and removal costs for unauthorised encampments and van dwellers have increased.</p>
(40)	Housing Strategy and Enabling	<p>Vacancy in the Empty Property team.</p>

City Services

Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2024/25 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
541	City Transport	(7,106)	(6,877)	229	3.2%	978	621	357
(220)	City Environment	33,690	33,448	(242)	-0.7%	2,137	2,137	0
466	City Development & Regeneration	3,392	3,779	387	11.4%	950	650	300
45	Culture, Tourism & Sport	10,112	10,122	10	0.1%	817	787	30
993	Property & Design	2,388	3,404	1,016	42.5%	1,919	1,599	320
(93)	Safer Communities	3,720	3,525	(195)	-5.2%	238	238	0
1,732	Total City Services	46,196	47,401	1,205	2.6%	7,039	6,032	1,007

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
City Transport		
410	Parking Services	<p>Parking Services are forecasting an underachievement of £0.410m (Underachievement of 0.09% of expected income targets) against a £28.889m net income budget.</p> <p>Parking permits is predicting to be £1.556m (12.26%) underachieved compared to its budget 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 £1.193m (8.04%) underachieved compared to its budget of £14.800m. £0.300m of which is driven by the removal of previously agreed zone changes last year, with a further £0.0700m a result of the free parking bay to paid parking</p>

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		<p>bay proposals removed this year. Off-Street Parking is predicted to underachieve by £0.850m (9.16%) with a particular decline of £0.130m in Regency Car Park over the last two months. Leased Car parks have been reviewed and £0.339m pressure identified, this is driven by reduced activity, resulting in poor projected profits. The invoicing, accruals and forecasting for leased car parks has been led by Finance for some time by taking performance reports from NCP at certain times of the year. Due to this issue being identified outside of Parking Services' remit to control, discussions will consider the opportunity for these responsibilities to be led in Parking Services with support from Finance. There are also corrective adjustments for prior year activity which contributed £0.095m to this pressure.</p> <p>These shortfalls are offset by predicted surplus income for Parking Suspensions of £0.206m (15.79%). In addition, there is a predicted reduction in Parking costs of £0.350m which is primarily driven by surplus in unsupported borrowing budgets and reductions in Staffing costs £0.198m as a result of effect of vacancies held in year. PCN income is set to overachieve by £2.570m 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, though there are also concerns around the team staff resource to collect on this debt, with increased costs in debt recovery and provisions for bad debt.</p>
650	Concessionary Bus Fares	<p>Concessionary travel is forecasting £0.650m 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 2024/25 to be at the same rate as the 2023/24 deal, however if 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.</p>
(79)	Network management	<p>The Road Works Permit income forecast is £0.158m less than budgeted, though is comparable to previous year actual income which was supported by reserve that is now fully utilised. Other pressures are around Highway agreements which are reporting £0.230m below budgeted targets due to decreased activity for developments in the city. These pressures are offset by £0.034m for vacancies held in year, £0.041m for Drainage underspends, £0.300m generated from increased hoarding income owing to new large hoarding licences being issued and other network management incomes above target of £0.081m.</p>

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(752)	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. Bus Shelter Advertising Net Income is forecast to increase by £0.072m largely due to inflation.
City Environment		
(242)	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 and staffing vacancies.
City Development & Regeneration		
609	Development Planning	Underachievement of Planning and Building Control income of £0.938m as there is still some uncertainty over levels of service post-covid and legal fee overspends of £0.180m relating to The Gasworks appeal. This is offset by staffing underspends of £0.509m as part of expenditure controls.
(165)	Planning Policy Major Projects	Consultancy underspends offset by 1% turnover target greater than actual vacancies in year as part of expenditure controls
8	Economic Development	A Minor overspend from 1% turnover target being greater than actual vacancies in year.
(65)	Business Development and Customer Services	Held vacancies in service.
Culture, Tourism & Sport		
(31)	Sport and Leisure	Underspends of £0.038m on Golf Course contracts, offset by additional sports facilities responsive repairs costs.
48	Venues	Overspend from increased electricity costs and 1% turnover target greater than actual vacancies in year and surplus incomes.
50	City Parks	Overspend from 1% turnover target greater than actual vacancies in year.
(57)	Tourism and Marketing	There is a net underspend forecast across the service, largely as result of staffing vacancies and surplus fees.
Property & Design		
(33)	Head of Property	Minor Underspends.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
707	Estates Management	Vacant Properties within both the In-house & Commercial portfolios 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 £0.363m. There are initial pressures of £0.340m 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.
297	Facilities & Building Services	£0.342m forecast overspend relating to essential only responsive repairs functions due to rising costs and conditions of facilities. Post room services contains forecast overspends of £0.051m 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 £0.082m within Facilities & Building Services.
70	Energy & Water Management	Overspend from increased electricity costs offset by underspends in forecast gas costs.
(25)	Education Property Management	There is a net underspend forecast across the service, largely as result of staffing vacancies.
Safer Communities		
(195)	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 5 £'000	Service	2024/25 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
62	Policy, Communications & Leadership Office	1,837	1,996	159	8.7%	24	24	0
(50)	Legal & Democratic Services	3,509	3,560	51	1.5%	335	335	0
(137)	Elections & Land Charges	413	281	(132)	-32.0%	20	20	0
(20)	Customer, Modernisation & Performance Insight	1,435	1,383	(52)	-3.6%	35	35	0
346	Finance	2,182	2,552	370	17.0%	144	16	128
0	Procurement (Mobo)	(39)	(39)	0	0.0%	2	2	0
79	HR & Organisational Development	3,878	3,907	29	0.7%	222	199	23
(100)	Information Technology & Digital	8,082	7,962	(120)	-1.5%	649	323	326
(154)	Welfare Revenue & Business Support	7,874	7,677	(197)	-2.5%	327	327	0
0	Communities, Equality & Third Sector	2,638	2,638	0	0.0%	581	581	0
17	Contribution to Orbis	2,925	2,936	11	0.4%	0	0	0
278	Directorate wide	0	0	0	0.0%	0	0	0
321	Total Corporate Services	34,734	34,853	119	0.3%	2,339	1,862	477
(278)	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
43	Residual Risk After Financial Recovery Measures	34,734	34,853	119	0.3%	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		
0	Directorate wide	Mitigations to offset the additional 1% vacancy factor now being managed at service level.
Policy, Communications & Leadership Office		
0	Monitoring Officer	Potential vacancy savings in service to offset the previously forecast staffing overspend
62	CEO	A combination of recruitment cost, staff training and expected overspends on staffing cost.
8	Communications	Overspends in subscriptions to organisations, graphic design and an increase in professional fees.
65	Policy development	Forecast overspends in staffing
24	External Funding Manager	Forecast overspends in staffing
Legal & Democratic Services		
(101)	Legal team	Combination of vacancy contribution and external income generation.
12	Democratic Services	shortfall in income contribution and other small overspends which have been offset by underspends in mobile phone rentals.
106	Members allowance	Overspend in member allowance due to governance change plus a cabinet member cover
26	Political assistance	Staffing overspends
8	Civic Mayors office	Increase in contribution to other organisations.
Elections & Land Charges		
(137)	Local Land Charges	Increased income forecast as HMLR transfer not expected before Q3 2024/25 at the very earliest.
11	Canvassing	Overspends in postages due to increased outgoing postage costs for statutory annual canvass mailings
(7)	Electoral registration	Staffing underspends and other income offset by overspends in operations budgets.
Customer, Modernisation & Performance Insight		
(52)	Performance team	Vacancy contribution.
Finance		
370	Financial Services	Overspend due to an increase in audit and agency fees.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
0	Insurance Administration	
HR & Organisational Development		
0	Policy and Initiatives	<p>£0.019m pressure for 0.5 FTE savings adjustments for Union facilities time in Unison £0.067m pressure for 0.5 FTE savings adjustments for Union facilities time in GMB transferring from City Clean in addition to an ongoing cover staffing pressure in GMB and redundancy settlement costs.</p> <p>These are partially offset by an underspend of £0.090m in HR and recruitment largely driven by projected overachievement of income (predominantly internal recharges).</p> <p>A reduction in income from external training delegates may further impact future forecasts and is being monitored closely. Traded services income particularly to schools remains uncertain and work continues with FCL to monitor continued viability of current service offer. The pressure forecast has been offset since Month 4 by increased income projection in the recruitment cost centre but volatility in recruitment spend may lead to further change in future forecasts.</p>
29	Occupational Health and Safety	Mainly due to £0.033m staff pressure for seven months of M10 Asbestos resource in H&S.
Information Technology & Digital		
(120)	IT&D	<p>At Month 7, IT & Digital are forecasting an underspend of £0.120m which is an improvement of £0.020m from last month. The service has identified some further savings in Contracts and vacancy control and have 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 £0.415m 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 IT&D 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, the service is 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 are mitigated as much as possible by reviewing licences and usage but are</p>

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		still seeing increased costs. There is also a new pressure of £0.046m for licences for the council's trial of Microsoft 365 co-pilot.
Welfare Revenue & Business Support		
(127)	HB, CTAX & NNDR Running Expenses including Discretionary payments	Forecast staffing underspend of £0.325m and other income of £0.165m that has been offset by overspends in postage and design of £0.111m, underachievement of court cost recovery of £0.265m, overspends in Professional fees of £0.020m and other small overspends in the service.
(80)	Social Fund & Welfare	Forecast staffing underspends.
(33)	WRBS Systems Teams	Forecast staffing underspends.
(79)	Corp Debt & Banking	Forecast staffing £0.155m, bank charges £0.040m offset by rebate income £0.120m and other overspends in the service.
66	Payroll & Pensions	Staffing overspends.
56	Management & Admin	Staffing overspends £0.086m offset partly by income and other small underspends in the service.
Contribution to Orbis		
11	Orbis Partnership Budget	There is currently a forecast underspend of £0.133m on the overall partnership budget. This is due to underspends in Audit, Finance and Treasury offset by an overspend in Insurance. The Council's share of this is £0.039m. This forecast does not include BHCCs share of the pay award for BHCC and SCC staff which will increase the forecast by approximately £0.050m and result in an estimated pressure of £0.011m.

Centrally-held Budgets

Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2024/25 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
700	Bulk Insurance Premia	3,822	4,522	700	18.3%	0	0	0
(425)	Capital Financing Costs	7,997	7,287	(710)	-8.9%	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	(32,193)	(32,193)	0	0.0%	0	0	0
589	Housing Benefit Subsidy	399	988	589	147.6%	0	0	0
2,574	Other Corporate Items	1,170	3,448	2,278	194.7%	2,475	1,271	1,204
3,438	Total Centrally-held Budgets	(18,499)	(15,642)	2,857	15.4%	2,475	1,271	1,204
(1,364)	Further Financial Recovery Measures (see below)	-	(1,327)	(1,327)	-	-	-	-
2,074	Residual Risk After Financial Recovery Measures	(18,499)	(16,969)	1,530	8.3%	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		
(1,327)	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.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
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 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		
(400)	Investment income	Higher expected investment income due to higher balances and interest rate than forecast.
(310)	Interest on borrowing	Delay in long-term borrowing until next year by using cash balances and short-term borrowing
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 relating to an overpayment on the 2023/24 unfunded pension costs budget.
1,327	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. Also includes £0.123m of residual unachieved 2022/23 savings.
1,300	2024/25 Pay Award	Estimated additional cost of 2024/25 pay award above amount provided for in budget.
(238)	Homes for the City of Brighton & Hove	An increase in the Homes for the City of Brighton & Hove LLP distributable profit recognised for the financial year ending 31 March 2024, following the final sign off of the Statement of Accounts for 2023/24.
(21)	Working Balance	Release of unrequired Working Balance.

Appendix 4 – Revenue Budget Performance

Housing Revenue Account (HRA)

Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2024/25 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
(24)	Repairs & Maintenance	18,449	17,999	(450)	-2.4%
414	Tenancy Services	14,900	15,395	496	3.3%
85	Housing Management & Support	6,432	6,746	313	4.9%
699	Housing Investment & Asset Management	2,924	3,039	115	3.9%
0	Housing Strategy & Supply	1,578	1,576	(2)	-0.1%
88	Council-owned Temporary Accommodation	958	1,042	85	8.8%
(533)	Rent & Service Charges	(73,472)	(73,979)	(507)	-0.7%
730	Service Area Total	(28,231)	(28,182)	50	0.2%
202	Capital Financing Costs	8,509	8,710	200	2.4%
(250)	Direct Revenue Funding	19,722	19,472	(250)	-1.3%
682	Total Housing Revenue Account	0	0	(0)	0.0%

Explanation of Key Variances

Key Variances £'000	Subjective Area	Variance Description
(1,400)	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 16% of the net salary budget.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Subjective Area	Variance Description
599	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.
366	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.
(15)	Other	Minor variances.
Tenancy Services		
344	Employees	There is a forecast overspend against staffing costs, mainly due to the proposed increase in resources to deal with the change in nature of the management services required and anticipated costs in response to the new duties under the Building Safety Act 2022 and Social Housing (Regulation) Act 2023.
141	Premises	A forecast overspend of £0.083m within Sheltered services on cleaning costs, based on first 4 months of spend. 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.
11	Other	Minor net variance
Housing Management & Support		
210	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 and an increase in support service charges based on latest costings.
65	Supplies & Services	There is a forecast overspend against professional fees, mainly due to increased costs in Housing Ombudsman Service membership subscription.
38	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.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Subjective Area	Variance Description
Housing Investment & Asset Management		
(53)	Employees	There is a forecast underspend against staffing costs, mainly due to a number of vacancies across the service.
275	Premises	Additional contractor capacity has been procured, via a waiver, to provide new water risk assessments. Re-tendering the water safety contract and separating risk assessment from completion of remediation actions, is being taken forward as a priority.
877	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 the impact of introducing 24-hour CCTV provision, replacing the staffing costs for 24-hour security. It also includes the cost of a dedicated Fire Safety consultant, weekend floor-walks, temporary plant hire, rubbish clearance and additional temporary staffing resources.
(111)	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.
(873)	Income	Leaseholder service charge income is £0.810m higher than budgeted, due to increased costs of insurance and repair costs being higher than estimated. There is also additional professional fee income in respect of Leasehold extension matters.
Housing Strategy & Supply		
(40)	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, due to the change in providers. It is anticipated that in future years there will be a saving in relation to software costs.
Council-owned Temporary Accommodation		
142	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.
(67)	Supplies and Services	There is a forecast underspend against the Transfer Incentive Scheme budget.
10	Employees	Minor variance.

Appendix 4 – Revenue Budget Performance

Key Variances £'000	Subjective Area	Variance Description
Rent & Service Charges		
(452)	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.
(69)	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 123 empty homes per month, down from 150 per month in 2023/24 a reduction of 22%.
14	Garages & Car Parks	At Month 7 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.
Capital Financing Costs		
200	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 £0.013m.

Dedicated Schools Grant (DSG)

Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2024/25 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
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	25,402	(164)	-0.6%
1,284	High Needs Block (excluding delegated to Schools)	39,652	40,850	1,198	3.0%
104	Exceptions and Central Services	3,397	3,521	124	3.7%
0	Grant Income	(205,139)	(205,139)	0	0.0%
1,358	Total Dedicated Schools Grant (DSG)	1,274	2,432	1,158	90.9%

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Early Years Block (including delegated to Schools)		
(164)	Central Early Years Block	Predicted underspend on early years free entitlement budgets based on extrapolation of data from October headcount
High Needs Block (excluding delegated to Schools)		
305	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	The Children with medical needs budget has been increased by a further £0.250m in 2024/25 but is still showing an expected overspend of £0.180m. There is a continued significant increase in the number of pupils receiving education through bespoke tuition due to their medical needs.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance Description
211	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.
247	Special School Placements	Placements in the city's special schools for new academic year in excess of commissioned numbers.
244	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
16	Other	Other compensating variances.
Exceptions and Growth Fund		
124	Other	Minor variances.

