

Families, Children & Wellbeing (FCW)

Revenue Budget Summary

2024/25 Outturn Variance £'000	Service	2025/26 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	2025/26 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
300	Commissioning & Communities	18,510	19,207	697	3.8%	783	708	75
576	Education & Learning	6,415	7,078	663	10.3%	112	27	85
(1,938)	Family Help & Protection	53,916	56,284	2,368	4.4%	1,563	439	1,124
0	Public Health	1,459	1,459	0	0.0%	1,002	1,002	0
(1,062)	Total Families, Children & Wellbeing	80,300	84,028	3,728	4.6%	3,460	2,176	1,284
0	Further Financial Recovery Measures (see below)	-	(350)	(350)	-	-	-	-
(1,062)	Residual Risk After Financial Recovery Measures	80,300	83,678	3,378	4.2%	3,460	2,176	1,284

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		
(250)	Children's Placements	Ongoing management of high cost placements
(50)	Legal Fees	Identifying efficiencies and savings options with the legal team
(50)	Commissioning & Communities	Identifying potential savings across the service including commissioning, Libraries and Home to School Transport.
Commissioning & Communities		
492	Home to School Transport	Based on the current data held on Mobisoft the updated forecast overspend for Home to School Transport is £0.492m. This forecast takes account of the updated current contracted routes as at April and assumes 3% inflation from September and pupil number increases of between 5 and 8%. The forecast assumes average numbers of 564 5-16 pupils, 125 post 16 pupils and 55 post 19-25 for the remainder of the financial year. There are several factors that contribute to the overspend in Home to School Transport. These included 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

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Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			SEND school sufficiency, and increased numbers of routes required to accommodate individual post 16 learners' timetables. Market dynamics in SEND transport also cause overspending in Home to School Transport. The service faces growing issues with local driver, passenger assistant, and vehicle shortages, along with rising operational costs. Additionally, limited competition among minibus providers has driven up contract prices. 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 also an increase in solo routes being created, mainly to educational provisions where they are the only children attending and using HTST.
205	Other		Minor variances.
Education & Learning			
265	Schools PFI		<p>The Schools' PFI (Private Finance Initiative) was set up in 2003 to improve the facilities at four schools within the city - Dorothy Stringer, COMART (now closed), Patcham High and Varndean – using private finance to fund the capital improvements. The scheme runs for 25 years and a Special Purpose Vehicle (a legal entity created to fulfil specific or temporary objectives) "Brighton & Hove City Schools Ltd" was set up as part of it. This is currently owned by SEMPERIAN. The scheme is funded partly by a DfE grant with schools paying an annual charge back to the council and partly via an annual drawdown of earmarked reserves. The annual charge is updated each March for the RPIX (RPI All Items Excluding Mortgage Interest) for the 12 months to February. Once the 25-year period is complete (~ 31st March 2028) the contract with SEMPERIAN ends and the assets will be transferred back to the council.</p> <p>It is forecast that by the end of the 2025/26 financial year the Schools' PFI contract will be overbudget by £0.265m. Despite receiving pressure funding to compensate for the reserves depletion in 23/24, it is not predicted to be sufficient to cover the higher than expected PFI contractor costs plus inflation. For prudence the forecast inflation for 25/26 and beyond has been assumed in the model at 3%, despite the Office for Budget Responsibility forecasting that it will average out at 2% between 2024 and 2028.</p>
200	School Closure Site Costs		Site costs of school buildings following school closures
198	Other		Minor variances.
Family Help & Protection			
2,003	Demand-Led - Children's placements		The overspend is the result of a relatively small number of children with extremely high cost placements due to their complex needs and requirement for specialised care. In addition, the prevailing market conditions have made the current framework contracts unattractive to

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		providers and have resulted in the necessity to make more placements outside of the framework contract at higher rates. A further compounding factor is the ongoing difficulty in recruiting foster carers. The shortage of foster carers makes it problematic to place children in family settings, whether in-house or with external providers, forcing the need for more expensive care options.
315	Family Support for children with disabilities	The Overspend is due to the known weekly costs for the children receiving support to prevent entry to care.
50	Other	Minor variances.

Homes & Adult Social Care (HASC)

Revenue Budget Summary

2024/25 Outturn Variance £'000	Service	2025/26 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	2025/26 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
(1,445)	Adult Social Care	85,113	86,884	1,771	2.1%	5,275	4,657	618
1,712	S75 Sussex Partnership Foundation Trust (SPFT)	21,578	24,244	2,666	12.4%	1,306	1,175	131
(229)	Commissioning & Partnerships	5,234	5,270	36	0.7%	155	123	32
2,347	Housing People Services	8,804	15,553	6,749	76.7%	2,520	950	1,570
46	Homes & Investment	912	904	(8)	-0.9%	0	0	0
2,431	Total Homes & Adult Social Care	121,641	132,855	11,214	9.2%	9,256	6,905	2,351
0	Further Financial Recovery Measures (see below)	-	(1,856)	(1,856)	-	-	-	-
2,431	Residual Risk After Financial Recovery Measures	121,641	130,999	9,358	7.7%	9,256	6,905	2,351

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(804)	Adult Social Care	The directorate has developed a Financial Recovery Plan to address the above pressures. The total target is £6.736m. £5.363m has been achieved with a further £0.679 to be achieved as at Month 2 while £0.693m is at risk. The savings include the following:
		- Targeted Reviews
		- Staffing Vacancies
		- Limited fee uplifts
		- Review of some in-house services
		- Increase in Carefirst fees
(1,052)	Temporary accommodation (TA)	The service has implemented a Financial Recovery Plan to address in-year pressures. The savings include the following:

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Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			<ul style="list-style-type: none"> • improvement of void turnaround to reduce void loss in PSL and Seaside properties. • proposal for restructuring the current staffing resources, • utilisation of LPS blocks as temporary accommodation in the interim period instead of more expensive spot purchase accommodation.
Adult Social Care			
2,116	Physical & Sensory Support		Increase in demand and cost, in Day Care, Nursing Care & Residential Care with a reduction in Community Support
468	In-house provision		Staffing spend projected to be over budget due to Agency, Overtime & Sessional workers covering vacancies, sickness and leave
(640)	Adult LD Community Care		Underspend projected due to forecast unit cost being lower than budgeted
(159)	Assessment teams		Temporary vacancies within assessment teams
(14)	Other		Minor variances.
S75 Sussex Partnership Foundation Trust (SPFT)			
2,352	Community Care - Mental Health, & Memory & Cognition		Increased costs of Community Support, Nursing Care and Supported Living within Mental Health as well as Nursing Care and Residential Care within Memory & Cognition
314	S75 Mental Health Staffing		Projected overspend on SPFT staffing recharges
Commissioning & Partnerships			
36	Contracts		Carers support spend projected above budget
Housing People Services			
6,464	Temporary accommodation (TA)		<p>The budget for Temporary Accommodation (TA) was overspent by £6.464m for 2025/26.</p> <p>Nightly accommodation (spot purchased) was budgeted for an average of 193 households per night for the year. However, the forecast assumes that the average units per night will be 477. The service aims to reduce the average nightly cost wherever possible, but greater demand, increased costs and the continuous decline of Temporary Accommodation leased properties pose significant challenges. Consequently, this budget has been overspent by £5.436m. The service is implementing additional measures to reduce the number of households accommodated as part of the financial recovery plan and future budget strategy.</p> <p>Block Booked - The service is facing significant pressures on the overall costs of Block Booked accommodation. The budget is set at 303 units per night during 2025/26 but due to increased demand the forecast assumes 414 units. Additionally, the council is experiencing substantial increases in contract prices resulting in an overspend of</p>

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Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			<p>£0.619m.</p> <p>Private Sector Leased TA is underspent by £0.288m. This is due mainly to HB subsidy costs being £0.132m over budget. Despite lower numbers of leased properties being used for TA as landlords withdraw their properties from the rental market, the new leases are also commanding a higher rate and shorter terms. This is part of the reason for the increased numbers of Block Booked accommodation.</p> <p>There are unbudgeted Support Accommodation costs amounting to £0.173m to secure 25 units for the next three years.</p>
0	Commissioned Rough Sleeper and Housing related Support Services		This budget is forecast to break-even.
50	Homemove		The overspend is due additional cost and loss of income whilst implementing a new system.
165	Housing Options		Overspend is due mainly to high initiative spend
71	Travellers		The main reasons for the overspend is that security costs are still higher than budgets allow.
0	Seaside Homes		This budget is forecast to break-even.
Homes & Investment			
(8)	Housing Strategy and Enabling		Underspend is due mainly to lower than budgeted salary costs
0	Private Sector Housing		This budget is forecast to break-even.

City Operations

Revenue Budget Summary

2024/25 Outturn Variance £'000	Service	2025/26 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	2025/26 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
(3,302)	City Infrastructure	(3,119)	(5,446)	(2,327)	-74.6%	588	367	221
(993)	Environment & Culture	8,571	9,429	858	10.0%	388	295	93
577	Environmental Services	33,055	33,553	498	1.5%	303	303	0
324	Place	3,044	3,391	347	11.4%	393	393	0
(403)	Digital Innovation	8,817	8,567	(250)	-2.8%	110	30	80
(3,797)	Total City Operations	50,368	49,494	(874)	-1.7%	1,782	1,388	394

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
City Infrastructure		
(1,438)	Parking Services	Parking Services are forecasting a surplus position of £0.707m against a £27.216m net income budget. Within this, on-street and permit income are expected to breakeven, off-street parking, leased car parks and barrier car parking are forecasting a combined pressure of £1.485m. Offsetting these pressures is a forecast overachievement of PCN income of £1.951m following a projected move to a new accounting policy for PCN's. There is also a net predicted pressure of £0.621m which is primarily driven by a £1.066m in Contract costs (links to more tickets issued) offset through unsupported borrowing and other surpluses. Included in the forecast is the use of the risk reserve set aside to fund the bad debt provision of £0.730m set aside in 2024/25.
0	Network Management	Surpluses on streetlighting costs (£0.143m) and traffic enforcement (£0.260m) balancing out the pressures on Road Works Permits scheme of £0.281m and section 278 development assessments of £0.128m.
(839)	Transport Projects and Engineering	Main surplus is in public transport (£0.900m) as a result of savings made on the Bus Service Improvement Plan (BSIP) contract, Bikeshare are reporting a £0.176m pressure against their unsupported borrowing which is offset in part by other smaller surpluses across the service.

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(50)	Regulatory Services	Surplus as a result of staffing vacancies within the existing structure. Regulatory services are currently going through a restructure consultation and the forecast will be revised once the restructure is completed.
Environment & Culture		
(172)	Venues and Events	Forecast surplus incomes to the Brighton Centre.
485	Museum and Culture	Pressure relating to the NJC arrangements with the Royal Pavilion Museums Trust under a contractual obligation.
566	Bereavement	Income pressure in Bereavement services mostly related to forecast cremations.
(40)	Sport and Leisure	Underspends of £0.030m on Golf Course contracts
19	City Parks	£0.300m pressure relating to tree disease control and base clearance. Mostly offset by vacancies within wider city parks.
Environmental Services		
(1,497)	Environmental Services	£0.861m underspend due to vacancies within Collections service and Streets Cleansing. Further underspends of £0.320m in Public Conveniences and a £0.338m surplus in commercial and green waste collections due to increased customers.
2,140	Fleet & Maintenance	Overspend on Refuse/Recycling collection vehicle hire of £0.735m in addition to ongoing maintenance charges and other vehicle costs in keeping an ageing fleet operational. Pressure of £0.197m for ensuring Hollingdean Depot remains operational due to the state of the site. Forecasts of essential PPE to ensure service operates showing £0.287m overspend, though it is anticipated this will reduce during the year as part of the Stores and Vehicles Parts project. Capital financing costs for fleet procurement is forecast at £0.471m overspent and is caused by vehicle renewals in recent years and the additional costs from the transition to electric vehicles. An action plan has been developed to take longer term actions to address spend in this area and deliver a more resilient service for residents.
(145)	Strategy and Service Improvement	Underspends as a result of held vacancies and spending controls
Place		
120	Director of City Operations	Overspend relating to prior year corporate savings yet to be allocated
131	Development Planning	Underachievement of Building Control income of £0.647m due to uncertainty in the development and finance markets. Planning application incomes are currently forecast to be on target. Also, anticipated legal fee and consultants overspends of £0.107m relating to Business Usual activities greater than budget. This is offset mostly by staffing underspends of £0.595m from held vacancies as part of spending controls.
100	Regeneration	Black Rock borrowing costs offset by rental incomes from the site

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(4)	Net Zero	Minor underspends
Digital Innovation		
(250)	Digital Innovation	At Month 2, Digital Innovation are forecasting an underspend of £0.250m. The estimated savings are mostly from salaries budgets due to a continuing number of vacancies. Although the service has now been able to recruit some staff, vacancies are still having an impact and difficulties are being experienced with service provision, particularly in the Traded Services team. Some in year savings are expected on the telephony budget as well as on other contracts, but there are also pressures on other contracts with inflationary increases and changes to licensing models.

Central Hub

Revenue Budget Summary

2024/25 Outturn Variance £'000	Service	2025/26 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	2025/26 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
(248)	Cabinet Office	1,641	1,641	0	0.0%	100	0	100
109	Corporate Leadership Office	975	996	21	2.2%	0	0	0
703	Finance & Property	7,775	9,769	1,994	25.6%	655	630	25
(648)	Governance & Law	5,052	4,749	(303)	-6.0%	132	120	12
83	People & Innovation	14,792	15,278	486	3.3%	289	289	0
(42)	Contribution to Orbis	2,912	2,912	0	0.0%	115	100	0
0	Directorate wide	0	0	0	0.0%	0	115	0
(43)	Total Central Hub	33,147	35,345	2,198	6.6%	1,291	1,254	137

Explanation of Key Variances

Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
Corporate Leadership Office			
21	CEO		Service is forecasting an overspend of £0.021m in respect of recruitment and interview cost of senior officers following the council redesign in 2024/25
Finance & Property			
1,994	Estate Management		A combination of Lost rental incomes from the decanting of New England House, void costs including NNDR and fire safety waking watch amounting to £1.230m pressure. £0.241m pressure from agricultural estate. £0.200m income pressure on Bartholomew house where rental incomes are not meeting income targets yet, however leasing of 3rd and 4th floors has achieved savings where operating costs are with tenants. £0.270m pressure on Commercial Portfolio from voids and rent free periods of new tenants. £0.195m pressure at Phoenix house due to voids and rent-free periods.

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Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
Governance & Law			
(26)	Legal Services		Legal Services is forecasting a £0.0026m underspend resulting from a combination of small savings across the service offset by overspends £0.078m on library books. The overspend on library books is a legacy pressure from an unachievable income target.
(277)	Elections, Registrars and Local Land Charges		The service is forecasting an underspend of £0.277m, mainly driven by forecast over achievement in income due to the delayed transfer of the local land searches service to the government but pressure funding for that loss of income is already in place ahead of HMLR transfer which is not expected until 2026/27. The service has seen no change in the number of searches compared to same period for 2024/25 and is therefore the forecast is maintained at that same level. A further £0.151m underspend is forecast in Registration services across the staffing budget with the service holding vacancies pending the conclusion of consultation on new structure in Autumn 2025. These have been offset by a staffing budget pressure of £0.034m and an expected professional fees income shortfall from ESCC contract with mortuary due to lower numbers of post-mortems in Mortuary Services.
People & Innovation			
55	Strategic communications		£0.055m overspend relating to staffing.
(5)	Innovation Services		Vacancy Savings
183	HROD		Human Resources and Organisation Development is forecasting an overspend of £0.183m at Month 2. The overspend is a combination of £0.130m budget pressure split as £0.054m pressure for Security/Safety assessments and related works required for members/staff and a £0.076m pressure on for Health, Safety and Wellbeing relating to ongoing compliance works, Fire Safety, Building Safety and associated costs. A further £0.053m is a net staffing budget pressure.
253	Facilities and Building services		Facilities and Building Services is forecasting a net overspend of £0.253m resulting from a combination of factors. There is a £0.113m staffing budget pressure which has been historically mitigated by underspends elsewhere in the service. However, the disaggregation of the service together with the increasing pressures on facilities management requirements including corporate offices, helpdesk function for corporate landlord portfolio, contractor management and compliance needs relating to the corporate landlord portfolio have resulted in the need to flag the budget pressure. There is a further £0.112m staffing budget pressure relating to new essential roles in the service, the roles will be filled after the service redesign is complete as well as a £0.050m

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		operational budget pressure on postal services due to increased demand for the service. These overspends have been offset by income of £0.135m in the service.

Centrally-held Budgets

Revenue Budget Summary

2024/25 Outturn Variance £'000	Service	2025/26 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	2025/26 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
764	Bulk Insurance Premia	4,348	4,348	0	0.0%	0	0	0
(1,131)	Capital Financing Costs	12,628	12,128	(500)	-4.0%	0	0	0
0	Levies & Precepts	249	249	0	0.0%	0	0	0
0	Unallocated Contingency & Risk Provisions	2,185	2,185	0	0.0%	0	0	0
(509)	Unringfenced Grants	(29,188)	(29,188)	0	0.0%	0	0	0
896	Housing Benefit Subsidy	699	1,299	600	85.8%	0	0	0
1,360	Other Corporate Items	(1,775)	(449)	1,326	74.7%	0	0	0
1,380	Total Centrally-held Budgets	(10,854)	(9,428)	1,426	13.1%	0	0	0

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Housing Benefit Subsidy		
600	Housing Benefit Subsidy	There is insufficient data to make a detailed forecast but based on the 2024/25 outturn and the pressure funding provided in the 2025/26 budget an overspend of £0.600m is estimated.
Capital Financing Costs		
(500)	Borrowing Costs	Previous year slippage and reprofile of the capital programme has delayed borrowing costs resulting in an underspend in the current financial year.
Other Corporate Items		
805	2024/25 Pay Award	Estimated additional cost of 2024/25 pay award above amount provided for in budget.
(283)	Corporate Pension Costs	An underspend of £0.177m on the unfunded pension costs budget. Of this, £0.085m relates to an overpayment in respect of 2024/25 and £0.092m is an in-year underspend. Over achievement of £0.106m on National Insurance savings on AVC scheme.
804	Organisational Redesign	At this stage £0.804m of the 2024/25 organisational redesign saving is forecast to be at risk.

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Housing Revenue Account (HRA)

Revenue Budget Summary

2024/25 Outturn Variance £'000	Service	2025/26 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	2025/26 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
210	Repairs & Maintenance	19,267	19,049	(218)	-1.1%	(1,555)	(1,555)	0
306	Tenancy Services	16,242	15,870	(372)	-2.3%	(170)	(170)	0
543	Housing Management & Support	6,671	6,550	(121)	-1.8%	0	0	0
394	Housing Investment & Asset Management	3,391	4,808	1,417	41.8%	(184)	(184)	0
(91)	Housing Strategy & Supply	2,073	2,073	0	0.0%	(145)	(145)	0
447	Council-owned Temporary Accommodation	1,071	1,297	226	21.1%	0	0	0
(1,959)	Rent & Service Charges	(76,979)	(77,227)	(248)	-0.3%	(164)	(164)	0
(150)	Service Area Total	(28,263)	(27,578)	685	2.4%	(2,218)	(2,218)	0
166	Capital Financing Costs	11,579	11,579	0	0.0%	0	0	0
(16)	Direct Revenue Funding	16,684	16,449	(235)	-1.4%	(250)	(250)	0
0	Total Housing Revenue Account	0	450	450	0.0%	(2,468)	(2,468)	0

Explanation of Key Variances

Key Variances £'000	Subjective Area	Variance Description
Repairs & Maintenance		
(906)	Employees	Increased capitalisation of salary costs, largely in respect of the Electrical Installation Condition Report (EICR) programme, plus forecast underspend against the net staffing budget as a result of vacancies across the service. The underspend equates to approximately 9% of the net salary budget.
(855)	Premises - Business as Usual	There is a forecast underspend against the subcontractor business as usual budget, based on spend to date. This will be closely monitored over the remainder of the financial year.
800	Premises - Repairs backlog	Good progress continues to be made and the latest forecast assumes that the repairs backlog will be largely cleared by December.

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Key Variances £'000 Subjective Area Variance Description		
2,542	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 action is taken to manage the claims early in the process, enabling better management of spend.
1	Transport	Minor net variance.
(1,800)	Contribution from earmarked reserves	Allocation from earmarked reserves of £1m for disrepair claims as set aside in the 2025/26 budget and £0.8m to be allocated from the repairs backlog reserve to cover the latest estimate costs.
Tenancy Services		
(24)	Employees	Minor net variance.
10	Premises	Minor net variance.
(399)	Supplies & Services	There is a one-off reduction in the planned contribution to the General Needs rent bad debt provision, following confirmation that the Leasehold bad debt provision is no longer required and will be transferred in-year.
41	Third Party Payments	Minor net variance.
Housing Management & Support		
(88)	Employees	There is a net underspend forecast against staffing costs.
(25)	Premises	Minor net variance.
(8)	Supplies and Services	Minor net variance.
Housing Investment & Asset Management		
40	Employees	Increased staffing resources required for the Building Safety case team and interim arrangements for the Fire Safety team. The part-year costs have been largely offset by a number of vacancies across the service at Month 2.
118	Premises	There is a forecast overspend against the servicing and maintenance budgets, based off the first 2 months of spend and early projections.
1,259	Supplies & Services	Enhanced building safety measures for a few of our blocks, with significant costs arising from 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.
Council-owned Temporary Accommodation		
62	Employees	The recharge of staffing costs from the General Fund is forecast to be slighter higher than budgeted and based largely on last year's spend.

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Key Variances		
£'000	Subjective Area	Variance Description
241	Premises	Council-owned Temporary Accommodation can by its nature be volatile. There is a significant overspend in respect of empty properties and repairs costs, based on spend incurred to date.
(77)	Supplies and Services	There is a forecast underspend against the Transfer Incentive Scheme budget.
Rent & Service Charges		
(248)	Rents & Service Charges	The income budget is approximately £77m for the financial year and at Month 2 there is a minor over-achievement of £0.248m (equating to 0.3%) based on the first two months of data and assumptions made around level of voids and changes in number of properties across the year.
Direct Revenue Funding		
(235)	Depreciation	There is an anticipated underspend against the depreciation budget, based on latest assumptions.

Dedicated Schools Grant (DSG)

Revenue Budget Summary

2024/25 Outturn Variance £'000	Service	2025/26 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
0	Individual Schools Budget (ISB)	145,996	145,996	0	0.0%
(564)	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>	41,079	41,089	10	0.0%
1,066	High Needs Block (excluding delegated to Schools)	41,486	42,819	1,333	3.2%
178	Exceptions and Central Services	3,055	3,149	94	3.1%
0	Grant Income	(232,295)	(232,295)	0	0.0%
680	Total Dedicated Schools Grant (DSG)	(679)	758	1,437	211.6%

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Early Years Block (including delegated to Schools)		
10	Central Early Years Block	Minor variance.
High Needs Block (excluding delegated to Schools)		
540	Post-16 High Needs	There has been a significant increase in the number and cost of high needs learners accessing FE colleges and specialist post-19 provision 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.
314	High needs pupils in other LA schools	There is an overspend in the budget relating to high needs pupils being educated in schools in other LAs. This is partly due to the lack of specialist provision within the city and has also been impacted by the closure of Homewood College last year, which has meant specialist Social Emotional Mental Health placements are now being made in schools/academies in other LAs.
382	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.

Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance Description
24	Special School Placements	Current placements in the city's special schools for in excess of commissioned numbers.
73	Other	Other variances
Exceptions and Growth Fund		
94	Other	Unfunded pressure relating to school premature retirement costs in the Central Schools Services Block