

## Appendix 4 – Revenue Budget Performance

### Families, Children & Wellbeing (FCW)

#### Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	TBM Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2025/26 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
570	Commissioning & Communities	18,763	19,188	425	2.3%	783	672	111
370	Education & Learning	6,633	6,801	168	2.5%	112	27	20
1,311	Family Help & Protection	52,919	53,891	972	1.8%	1,563	10	1,158
0	Public Health	1,459	1,459	0	0.0%	1,002	1,002	0
2,251	Total Families, Children & Wellbeing	79,774	81,339	1,565	2.0%	3,460	1,711	1,289
(320)	Further Financial Recovery Measures (see below)	-	(120)	(120)	-	-	-	-
1,931	Residual Risk After Financial Recovery Measures	79,774	81,219	1,445	1.8%	3,460	1,711	1,289

#### 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		
(100)	Agency placements	Ongoing management of high cost placement demand and cost pressures
(20)	Education Strategy	Potential for additional funding from S106 to part fund Senior School Organisational Officer
Commissioning & Communities		
272	Home to School Transport	Based on data held on Mobisoft the forecast overspend for Home to School Transport is £0.272m. This forecast takes account of the updated current contracted routes as at September. There are several factors contributing 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 SEND school sufficiency, and increased numbers of routes required to accommodate individual post 16 learners' timetables.

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
160	Libraries	The budget shows a net overspend of £0.160m across all cost centres and is mainly linked to additional staffing costs because of delay in savings achievement, the regrading of library officers and relief officers from scale 4a to 4b, CCTV costs for Libraries Extra and additional one-off costs following the transfer of customer services desks.
(7)	Other	Minor variances.
Education & Learning		
215	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 &amp; 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 £0.215m. 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>
250	School Closure Site Costs	Site costs of school buildings following school closures
(100)	Council Nurseries	Potential underspend due to increased income for free entitlement funding
(206)	School Based Counselling	Use of one-off Public Health funding
9	Other	Minor variances.
Family Help & Protection		
1,018	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 providers and have resulted in the necessity to make more placements outside of the

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Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			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.
317	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.
(215)	Preventive (Section 17)		Ongoing scrutiny and control of spending to ensure the most efficient and effective use of the Section 17 budget has resulted in an anticipated underspend across all the pods of £0.215m
(100)	Use of Public health funding		Use of Public Health underspend to fund the CiC mental health contract
(48)	Other		Minor variances.

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

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	TBM Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2025/26 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
4,293	Adult Social Care	106,625	110,629	4,004	3.8%	6,581	4,362	1,961
42	Commissioning & Partnerships	5,530	5,688	158	2.9%	155	155	0
6,135	Housing People Services	8,305	13,543	5,238	63.1%	2,520	1,891	300
(10)	Homes & Investment	913	904	(9)	-1.0%	0	0	0
10,460	Total Homes & Adult Social Care	121,373	130,764	9,391	7.7%	9,256	6,408	2,261
(3,029)	Further Financial Recovery Measures (see below)	-	(1,159)	(1,159)	-	-	-	-
7,431	Residual Risk After Financial Recovery Measures	121,373	129,605	8,232	6.8%	9,256	6,408	2,261

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(329)	Adult Social Care	The directorate has developed a Financial Recovery Plan to address the above pressures. The total target is £8.859m. £6.470m has been achieved with a further £0.329m to be achieved as at Month 7 while £2.061m is at risk. The savings include the following:
		- Targeted Reviews
		- Staffing Vacancies
		- Limited fee uplifts
		- Review of some in-house services
(830)	Temporary accommodation (TA)	The service has introduced a Financial Recovery Plan to manage in-year budget pressures. Key savings measures include: • improving the turnaround time of void PSL and Seaside properties to minimise losses

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Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			<ul style="list-style-type: none"> <li>• restructuring the current staffing resources,</li> <li>• temporarily using Large Panel System (LPS) blocks as cost-effective accommodation in place of more expensive spot-purchased options.</li> <li>• In addition, renegotiating Block Booked (BB) contracts and expanding BB stock aim to further reduce reliance on spot purchasing.</li> </ul>
Adult Social Care			
2,674	Physical & Sensory Support		<p>The number of clients for Physical and Sensory Support started the year at 2,072 has increased to 2,177 at Month 7.</p> <p>The average weekly unit cost was budgeted at £230pwk for Under 65s and £154pwk for Over 65s. The Month 7 position shows an increase to £245pwk &amp; £191pwk respectively. (Month 6 £249pwk &amp; £187pwk)</p> <p>The budgeted unit costs of Substance misuse is £716pwk and the forecast is currently £508pwk (Month 6 £474 pwk)</p> <p>Overall overspend relates to increase in demand and cost in Direct Payments &amp; Short Term Residential costs for under 65s partly offset by reductions in Supported Living, Long Term Nursing Care and Long Term Residential Care. Home, Short Term Residential and Nursing care for over 65s is partially offset by a reduction in Long Term Residential care.</p>
(434)	Assessment & SIT		Overall underspend relates to vacancies. Increased income related to Financial Assessments & interest. Overtime forecast reduced in Month 7
175	Resource Centres Older People		The overall overspend relates to reduced client income and a refocus for some beds at Ireland Lodge on reablement. Higher overtime and sessional workers forecasts, and decreased S117 income forecast at Month 7
(291)	In House Community Reablement		Overall underspend relates to vacancies and delayed recruitment. Month 7 reflects a reduced overtime forecast as some posts filled
(661)	Adult LD Community Care		<p>The number of clients for Adult LD started the year at 1,069 and has increased to 1,121 for Month 7.</p> <p>The average weekly unit cost is budgeted at £603pwk and is currently forecast at £773pwk at Month 7 (£781pwk at Month 6).</p>

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Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			Overall underspend is in Supported Living, Respite Residential Care and Direct Payments offset by an increases in Long Term Residential care.
229	In -House Adults LD Provision		Overall overspend relates to Agency, Overtime and Sessional workers covering vacancies, sickness and leave particularly Beach House and Beaconsfield Villas. This has been further reduced for Month 7
(86)	Learning Disabilities Assessment Teams		Overall underspend relates to vacancies being recruited to.
2,203	Community Care - Mental Health, & Memory & Cognition		<p>The number of clients for Mental Health and Memory and Cognition started the year at 882 and has risen to 950 at Month 7.</p> <p>The average weekly unit cost was budgeted at £267pwk for Mental health increasing to £336 pwk for Month 7 (£340 for Month 6) and from £427pwk to £522pwk for Month 6 ( £518pwk for Month 6) for Memory &amp; Cognition.</p> <p>Overall overspend relates to increased costs of Supported Living and Community Support Services in Mental Health Primary Support. There is also a shift of Nursing Care where Mental Health has increased and Memory &amp; Cognition decreased.</p> <p>Income has increased due to increase in S117 clients and costs increasing the 50% share to be recharged.</p>
136	Adult Mental Health Staffing		Overall overspend relates to the expected SPFT staffing recharges to be above budget. Month 7 reduction relates to reduced overtime
59	Other		Minor variances.
<b>Commissioning &amp; Partnerships</b>			
(11)	Commissioning ASC		Unfunded posts & unfunded software costs have been offset by vacancies.
169	Contracts		Overspend includes £0.114m for unfunded rent and management charge at Wellington Road & forecast overspend on the Carers Support budget offset in part by Better Care Fund (BCF) risk share
<b>Housing People Services</b>			
6,329	Temporary accommodation (TA)		The Temporary Accommodation (TA) budget was exceeded by £6.329m.

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Key Variances £'000 Service Area		Variance or Financial Recovery Measure Description
		<p>Weekly TA reduction meetings have driven positive initiatives to reduce costs, improve service delivery, and enhance outcomes for clients. As a result, between 1 April and 31 October 2025, homelessness was successfully prevented for 313 households, a significant accomplishment in a challenging environment.</p> <p>Despite these successes, accommodation costs remain under pressure due to persistent high demand.</p> <p>Nightly accommodation was budgeted for 193 households per night, but the current forecast is 600 households, resulting in a budget overspend of £4.982m.</p> <p>Similarly, demand for block booked accommodation increased from a budgeted 317 units to 457 units per night, leading to an overspend of £0.989m.</p> <p>Private Sector Leased overspent by £0.758m, largely due to the successful renegotiation of leases. While these new leases are at higher rates, they remain more cost effective and stable than alternatives, such as hotel accommodation.</p> <p>Staffing costs were £0.400m under budget, reflecting significant vacancies and ongoing recruitment challenges.</p> <p>Moving forward, the service will continue to seek innovative solutions to manage demand and expenditure, including ongoing engagement with landlords and regular review of accommodation strategies.</p>
(1,051)	Commissioned Rough Sleeper and Housing related Support Services	Underspend due to additional funding received and efficiencies within the service.
62	Homemove	The overspend is due additional cost and loss of income whilst implementing a new system.
(107)	Housing Options	The primary reason for the underspend is staff vacancies in the service.
5	Travellers	The slight overspend is mainly from higher-than-budgeted security costs, partly offset by efficiencies elsewhere.

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
0	Seaside Homes	This budget is forecast to break-even.
Homes & Investment		
(9)	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.



## Appendix 4 – Revenue Budget Performance

### City Operations

### Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	TBM Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2025/26 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
(2,014)	City Infrastructure	(3,039)	(5,310)	(2,271)	-74.7%	588	367	221
287	Environment & Culture	8,695	8,618	(77)	-0.9%	388	295	93
411	Environmental Services	33,149	33,698	549	1.7%	303	303	0
198	Place	3,164	3,890	726	22.9%	393	393	0
(525)	Digital Innovation	8,833	8,263	(570)	-6.5%	110	30	80
(1,643)	Total City Operations	50,802	49,159	(1,643)	-3.2%	1,782	1,388	394
(150)	Further Financial Recovery Measures (see below)	-	(150)	(150)	-	-	-	-
(1,793)	Residual Risk After Financial Recovery Measures	50,802	49,009	(1,793)	-3.5%	1,782	1,388	394

### Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(50)	Commercial Waste	Marketing revenue generating programmes including Garden Waste and Graffiti removal
(100)	Print & Sign	Recovery of Print & Sign income by advertising the service and encouraging services to make use of the internal offering instead of entering contracts with external bodies.
City Infrastructure		
(1,614)	Parking Services	Parking Services are forecasting a net surplus of £1.614m against a budgeted net income of £27.216m. This includes a projected surplus of £0.874m, driven by On-Street Paid Parking exceeding its income target by £0.264m, although Permit Income is expected to fall short by £0.067m. Off-Street Parking is forecast to underperform by £0.990m, largely due to a £0.779m shortfall from barrier car parks, particularly at London Road and Regency and a £0.191m pressure from leased car parks, which is being addressed. These

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Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			pressures are partially offset by a £0.085m surplus in PCN Income, supported by increased ticket issuance and historic debt recovery, though higher contract costs are also noted. Additionally, a further surplus of £0.827m is anticipated from savings in unsupported borrowing and staffing efficiencies. A risk reserve of £0.730m has been included in line with the new PCN cash model.
37	Concessionary Bus Fares		Minor overspend.
331	Network Management		There are surpluses in streetlighting of £0.143m and traffic enforcement of £0.240m, which help offset pressures in the Road Works Permits scheme of £0.184m and Section 278 development assessments of £0.200m. The primary financial pressure lies in Highway Maintenance of £0.331m, where repair activity ceased in February 2025 to meet last year's budget controls. This pause has resulted in a growing backlog of safety defects, now valued at £0.259m as of Month 7. The current pressure reflects the funding required to address this backlog and prevent further escalation.
(925)	Transport Projects and Engineering		Main surplus is £0.900m in Public Transport as a result of Bus Service Improvement Plan (BSIP) funding received allowing management of costs. Bikeshare are reporting a £0.176m pressure against unsupported borrowing which is offset in part by other smaller surpluses.
(100)	Regulatory Services		Surpluses as a result of staffing vacancies within current structure. Regulatory services are going through a restructure consultation, the results of which are a projected in year underspend.
Environment & Culture			
(188)	Venues and Events		Forecast surplus incomes to the Brighton Centre £0.253m. Offset by pressures on income targets for outdoor events of £0.064m.
(41)	Seafront Services		Surplus Seafront incomes and vacancies held.
501	Museum and Culture		Pressure relating to the NJC arrangements with the Royal Pavilion Museums Trust under a contractual obligation.
340	Bereavement		Income pressure in Bereavement services mostly related to forecast cremations
(534)	Sport and Leisure		Underspends from surplus Leisure Management Fee incomes, switch for capital programme funding from Direct Revenue Funding to borrowing and Golf Course contracts.
(155)	City Parks		£0.300m pressure relating to tree disease control and basal root clearance. Offset by vacancies within wider city parks and surpluses from Parks parking.

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Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
Environmental Services			
(1,426)	Environmental Services		£1.098m underspend due to vacancy controls within Collections service and Street Cleansing. £0.414m surpluses in commercial and green waste collections due to increased customers.
2,427	Fleet & Maintenance		Overspend on Refuse/Recycling collection vehicle hire of £0.696m in addition to ongoing maintenance charges and other vehicle costs in keeping an ageing fleet operational. Pressure of £0.306m for ensuring Hollingdean Depot remains operational due to the state of the site. Forecasts of essential PPE to ensure service operates showing £0.271m overspend, though it is anticipated this will reduce during the year. Capital financing costs for fleet procurement is £0.440m 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.
(452)	Strategy and Service Improvement		Underspends as a result of held vacancies and spending controls. Further underspends of £0.295m resulting from difficult to fill vacancies in maintaining public conveniences
Place			
120	Director of City Operations		Overspend relating to prior year corporate savings yet to be allocated.
361	Development Planning		Underachievement of Building Control incomes due to uncertainty in the development and finance markets, whilst Planning application incomes are currently forecast to overachieve budgets. Also, anticipated legal fee and consultants overspends relating to Business As Usual activities greater than budget. Biodiversity Net Gain grant award offsetting costs as well as further offsets from staffing underspends from held vacancies and other supplies & services underspends as part of spending controls. These are offset by costs associated with legal claims.
129	Regeneration		Black Rock borrowing costs offset by rental incomes from the site
(51)	Net Zero		Minor underspends as a result of vacancies and spending controls
167	Architecture & Design		Reduced level of Architects' fees.
Digital Innovation			
(570)	Digital Innovation		At Month 7, Digital Innovation are forecasting an underspend of £0.570m which is an increase of £0.020m from Month 6. This increase in underspend is due to delays in recruiting to vacant posts. The overall estimated underspend for Digital Innovation is from salary and contracts budgets, in particular, telephony which is funded from capital for the

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		first year so creating an in-year saving. However, the service is also experiencing pressures on some contracts with inflationary increases and changes to licensing models. Vacancies are still having an impact on the service provision, particularly for the Traded Services team who have 5 vacant posts and are struggling to meet existing SLAs.

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### Central Hub

### Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	TBM Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2025/26 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
(169)	Cabinet Office	1,571	1,344	(227)	-14.4%	100	0	100
84	Corporate Leadership Office	967	1,004	37	3.8%	0	0	0
3,372	Finance & Property	7,314	8,562	1,248	17.1%	655	0	25
(429)	Governance & Law	5,078	4,784	(294)	-5.8%	132	0	12
(72)	People & Innovation	15,353	14,909	(444)	-2.9%	289	0	0
67	Contribution to Orbis	2,924	2,992	68	2.3%	115	0	0
2,853	Total Central Hub	33,207	33,595	388	1.2%	1,291	0	137
(1,500)	Further Financial Recovery Measures	-		0	-	-	-	-
1,353	Residual Risk After Financial Recovery Measures	33,207	33,595	388	1.2%	1,291	0	137

### Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Cabinet Office		
(227)	Cabinet Office	This is mainly due to the forecast underspend of £0.103m for subscriptions for this year. The remaining underspend is a combination of reduced payroll costs and less expenditure forecast on goods & services due to spending controls currently in place.
Corporate Leadership Office		
37	CEO	The service is forecasting an overspend of £0.045m at Month 6, down from £0.085m at Month 6. The overspend is a combination of mandatory training costs and temporary staffing arrangements within Corporate Leadership following council wide restructuring in 2024/25.

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Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
Finance & Property			
(274)	Finance		The underspend is a combination of expected income from services to external bodies of £0.203m, Redmond Review audit grant of £0.098m and £0.167m one off income from settlement of the class action on Truck Cartel, offset by overspends in staffing due to temporary staffing arrangements.
750	WRBS		The pressure is a combination of re-procurement of HR system iTrent with an added module for data analytics £0.305m, added to this is a declared staffing pressure of £0.500m which includes a forecast £0.200m agency spend for Council Tax, Housing Benefit and scanning and indexing backlog clearing, a £0.113m postage overspend as well as a decline in income from schools £0.059m.
1,705	Estates 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 £0.525m pressure. £0.221m pressure from Agricultural Estate. £0.065m 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. £0.080m pressure on Commercial Portfolio from voids and rent-free periods of new tenants. £0.152m pressure at Phoenix house due to voids and rent-free periods.
(891)	Building & Surveying		Mainly due to reprofiling of some works to capital and savings on planned maintenance and operational costs.
(42)	Education Property management		The service is forecasting a £0.020m underspend resulting from small savings and income across the service.
Governance & Law			
(95)	Legal Services		A combination of income generation, staffing and other small savings across the service. One-off litigation income of £0.167m which was previously reported under Legal has been transferred and now reported under Finance.
(13)	Elections, Registrars and Local Land Charges (LLC)		Electoral Services: small £0.003m underspend . LLC: £0.155m overachievement due to delayed transfer to His Majesty's Lad Registry (HMLR). Income forecast revised down by £0.022m due to a reduction in searches since July 2025. Coroner: £0.041m pressure. Shared service cost apportioning with WSCC renegotiated to reduce recharge by £0.101m. Mortuary: £0.059m pressure due to necessary staffing regularisation and increasing energy costs. Overspend reduced by expected income uplift from contract renegotiation.

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Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			Registration Services: £0.082m underspend driven by £0.040m income overachievement and £0.94m staffing underspend
(186)	Democratic Services		Democratic services are forecasting a £0.013m underspend at Month 7 resulting from small savings across the service. However, there is staffing budget pressure which the service is monitoring for which small savings within the service are forecast to mitigate the pressure in this financial period, a budget pressure bid has been submitted for future financial periods.
People & Innovation			
14	Strategic Communications		Overspend resulting from staffing pressure and licensing cost for Hootsuite and Vuelio of £0.041m offset by savings across the service
(142)	Innovation Services		Underspend from mainly vacancy savings and pausing all non-statutory improvement work at Month 7
(159)	Health & Safety, Wellbeing, Facilities & Building Services		<p>This underspend is a result of mitigations in the service mainly driven by forecast staffing spend savings from holding vacancies and income generation from corporate refuse collection and recycling contract £0.343m and a further £0.041m in corporate landlord facilities. This has also been historically mitigated by underspends elsewhere in the service, however the ungrouping of the service together with the increasing pressures on Facilities and Building Services output requirements, including corporate offices, helpdesk function for corporate landlord portfolio, contractor management, statutory compliance needs aging corporate portfolio and significant underspend relating to the corporate landlord portfolio, has resulted in the need to flag the budget pressure.</p> <p>A further indicative £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 £0.253m operational budget pressure on facilities and postal services due to increased demand for the service. In health, safety and wellbeing services, £0.130m budget pressure split as £0.054m pressure for Security/Safety assessments and related preventative works required for members and staff covering cost. A £0.076m pressure on operating budgeting for Health, Safety and Wellbeing for costs relating to ongoing regulatory costs, health, safety and wellbeing reset, training, assurance and compliance works including Fire Safety and Building Safety, and associated costs.</p>

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Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			These overspends have been offset by income of £0.384m and other small underspends across the HSWFBS service
(138)	HR Policy and Initiatives		Human Resources is declaring an underspend of £0.138m at Month 7. The underspend is a combination of staffing savings and expected income from recruitment team.
(19)	Inclusion, Learning & Organisational Development		Inclusion, Learning & Organisational Development. is forecasting an underspend of £0.019m mainly due to the delay of Oliver McGowan roll-out, the training will only start in 2026/27
Contribution to Orbis			
68	Orbis Partnership		The overall partnership budget is forecast to be on target but due to the contribution ratios on different elements this equates to a small overspend of £0.005m for Brighton & Hove. Added to this is a shortfall of £0.063m in the overall contribution budget which results in a total forecast pressure of £0.068m at Month 7.



## Centrally-held Budgets

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Forecast Variance Month 5 £'000	Service	TBM Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2025/26 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
195	Bulk Insurance Premia	4,348	4,543	195	4.5%	0	0	0
(2,215)	Capital Financing Costs	12,628	9,368	(3,260)	-25.8%	0	0	0
0	Levies & Precepts	249	249	0	0.0%	0	0	0
0	Unallocated Contingency & Risk Provisions	2,091	2,091	0	0.0%	0	0	0
0	Unringfenced Grants	(28,726)	(28,726)	0	0.0%	0	0	0
915	Housing Benefit Subsidy	699	1,614	915	130.9%	0	0	0
1,589	Other Corporate Items	(86)	1,568	1,654	1923.3%	0	0	0
484	Total Centrally-held Budgets	(8,797)	(9,293)	(496)	-5.6%	0	0	0

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Bulk Insurance Premia		
195	Bulk Insurance Premia	The forecast for the settlement of insurance claims for the remainder of the year is higher than anticipated for 2025/26 due to several large value claims outstanding as at Month 7.
Capital Financing Costs		
(3,260)	Financing Costs	Previous year outturn and capital programme review at Month 7 has resulted in slippage and reprofile of the capital programme has reduced the in-year borrowing need resulting in an underspend in the current financial year. In addition, the council continues to maximise its internal reserves to meet its capital financing requirement, which while limiting investment returns, will delay the need to externally borrow during a time of elevated borrowing rates and reduce in year borrowing costs.
Housing Benefit Subsidy		
915	Housing Benefit Subsidy	Based on the mid year estimate submitted to DWP there is now an estimated pressure of £0.915m. The main element of this is a pressure of £1.081m on a certain benefit type for

## Appendix 4 – Revenue Budget Performance

Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			vulnerable tenants which is not fully subsidised. The costs in this area have continued to rise since last year. A post has been created which will have the remit of investigating this pressure with the intention of maximising subsidy received. This pressure is partially offset by a surplus of £0.187m on the net position of the recovery of overpayments.
Other Corporate Items			
803	2025/26 Pay Award		Estimated additional cost of 2025/26 pay award above amount provided for in budget.
(289)	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 £0.112m on National Insurance savings on AVC scheme.
974	Functional Alignment		At this stage £0.974m of the 2024/25 functional alignment saving is forecast to be at risk.
95	Other VFM Savings		Unachieved balance of savings from previous years.
71	Public Health contribution to General Fund services		Achievement of these savings is now reflected in FCW forecasts.

## Appendix 4 – Revenue Budget Performance

### Housing Revenue Account (HRA)

#### Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	TBM Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2025/26 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
(257)	Repairs & Maintenance	19,256	19,286	30	0.2%	(1,555)	(1,255)	300
(242)	Tenancy Services	16,241	16,014	(227)	-1.4%	(170)	(170)	0
(158)	Housing Management & Support	6,666	6,517	(149)	-2.2%	0	0	0
2,283	Housing Investment & Asset Management	3,371	5,299	1,928	57.2%	(184)	(184)	0
(24)	Housing Strategy & Supply	2,110	1,986	(124)	-5.9%	(145)	(145)	0
203	Council-owned Temporary Accommodation	1,071	1,446	375	35.0%	0	0	0
(379)	Rent & Service Charges	(76,979)	(77,361)	(382)	-0.5%	(164)	(164)	0
1,427	Service Area Total	(28,264)	(26,813)	1,451	5.1%	(2,218)	(1,918)	300
0	Capital Financing Costs	11,580	11,580	0	0.0%	0	0	0
(235)	Direct Revenue Funding	16,684	16,449	(235)	-1.4%	(250)	(250)	0
1,192	Total Housing Revenue Account	0	1,216	1,216	0.0%	(2,468)	(2,168)	300

#### Explanation of Key Variances

Key Variances £'000	Subjective Area	Variance Description
Repairs & Maintenance		
(992)	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 because of vacancies across the service. The underspend equates to approximately 10% of the net salary budget.
1,414	Premises	Good progress continues to be made in clearing the backlog and the latest forecast assumes that this will be largely cleared by December. There is a forecast overspend against the “business as usual” budget, based on spend to date and the volume of repairs being undertaken.

## Appendix 4 – Revenue Budget Performance

Key Variances £'000 Subjective Area Variance Description		
1,613	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.
(2,005)	Contribution from earmarked reserves	Allocation from earmarked reserves of £1.000m for disrepair claims as set aside in the 2025/26 budget and £1.005m to be allocated from the repairs backlog reserve to cover the latest estimated costs.
<b>Tenancy Services</b>		
168	Employees	There is a net forecast overspend forecast against staffing costs, which is mainly driven by additional resources required for fire safety.
(111)	Premises	There is a forecast underspend of approximately £0.200m against utility costs, based on information supplied by the Energy and Water team.
(338)	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.
54	Third Party Payments	Minor net variance.
<b>Housing Management &amp; Support</b>		
(147)	Employees	There is a net underspend forecast against staffing costs, mainly as a result of revised costs compared to budget setting assumptions..
(2)	Premises	Minor net variance.
<b>Housing Investment &amp; Asset Management</b>		
(64)	Employees	Minor net variance.
35	Premises	Minor net variance.
2,560	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.
(603)	Income	Increased income from leasehold service charges, compared to budget assumptions.
<b>Housing Strategy &amp; Supply</b>		
(155)	Employees	Increased capitalisation of salaries, compared to budget assumptions
31	Supplies and Services	Minor net variance.
<b>Council-owned Temporary Accommodation</b>		
73	Employees	Minor net variance.

## Appendix 4 – Revenue Budget Performance

Key Variances £'000 Subjective Area Variance Description		
458	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 and reflecting additional costs in respect of void costs for Large Panel Systems (LPS) units.
(156)	Supplies and Services	There is a forecast underspend against the Transfer Incentive Scheme budget
Rent & Service Charges		
(382)	Rents & Service Charges	The income budget is approximately £77.000m for the financial year and at Month 7 there is a minor over-achievement of £0.382m (equating to 0.5%) based on the first seven 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

Forecast Variance Month 5 £'000	Service	TBM Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Individual Schools Budget (ISB)	143,150	143,150	0	0.0%
(24)	Early Years Block (excluding delegated to Schools) <i>(This includes Private Voluntary &amp; Independent (PVI) Early Years 3 &amp; 4 year old funding for the free entitlement to early years education)</i>	39,705	39,182	(523)	-1.3%
2,087	High Needs Block (excluding delegated to Schools)	41,294	43,555	2,261	5.5%
100	Exceptions and Central Services	3,663	3,708	45	1.2%
680	Grant Income	(228,492)	(227,812)	680	0.3%
2,843	Total Dedicated Schools Grant (DSG)	(680)	1,783	2,463	362.2%

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Early Years Block (including delegated to Schools)		
(38)	Central Early Years Block	Minor variance
(85)	Early Years Additional Support Funding	Over provision of budget for Additional Support Funding for Under 2s
(400)	Early Years Free Entitlement	Predicted underspends following autumn term early years census
High Needs Block (excluding delegated to Schools)		
895	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.
486	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

## Appendix 4 – Revenue Budget Performance

Key Variances £'000 Service Area			Variance Description
			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.
825	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.
125	Brighton and Hove Special School Placements		Current placements in the city's special schools for in excess of commissioned numbers.
(70)	Other		Other variances.
Exceptions and Growth Fund			
45	Other		Minor variances.
Grant Income			
680	DSG Grant		2024/25 central DSG overspend held in unusable reserve

