

## Families, Children &amp; Wellbeing (FCW)

## Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	TBM Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2025/26 Proposed £'000	Net Savings £'000	Net Savings £'000
425	Commissioning & Communities	18,786	18,628	(158)	-0.8%	783	672	78
168	Education & Learning	6,731	6,532	(199)	-3.0%	112	27	5
972	Family Help & Protection	52,994	53,530	536	1.0%	1,563	10	1,089
0	Public Health	1,459	1,459	0	0.0%	1,002	1,002	0
1,565	Total Families, Children & Wellbeing	79,970	80,149	179	0.2%	3,460	1,711	1,172
(120)	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
1,445	Residual Risk After Financial Recovery Measures	79,970	80,149	179	0.2%	3,460	1,711	1,172

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

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Commissioning & Communities		
196	Home to School Transport	<p>Based on data held on Mobisoft the forecast overspend for Home to School Transport is £0.196m. This forecast takes account of the updated current contracted routes as at September.</p> <p>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.</p>

Key Variances		Variance or Financial Recovery Measure Description
£'000	Service Area	
78	Libraries	The budget shows a net overspend of £0.078m across all cost centres and is mainly linked to additional staffing costs as a result 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.
(219)	Community Cohesion	One-off Public Health contribution of £0.120m plus reduced grant payments to partner organisations and income received relating to previous year of £0.050m.
(213)	Other	Minor variances.
Education & Learning		
100	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 £0.100m. Despite receiving pressure funding to compensate for the reserve's depletion in 2023/24, it is not predicted to be sufficient to cover the higher than expected PFI contractor costs plus inflation. For prudence the forecast inflation for 2025/26 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
(198)	Council Nurseries and Other Central Early Years Budgets	Potential underspend of £0.150m in council nurseries due to increased income for free entitlement funding and other underspends of £0.048m linked to central early years budgets
(206)	School Based Counselling	Use of one-off Public Health funding

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Key Variances		£'000 Service Area	Variance or Financial Recovery Measure Description
(145) Other		Other variances	
Family Help & Protection			
1,030	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 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.
333	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.
(245)	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 of the pods of £0.239m.
(100)	Use of Public health funding		Use of Public Health underspend to fund the CiC mental health contract.
(304)	Early help		Use of one-off Transformation and Young Futures grants plus vacant posts being held pending the outcome of the Families First transformation restructure.
(94)	Fostering & Adoption		The number of families receiving adoption allowances has reduced during the year and particularly in the last month plus there are increasing vacancies across the service.
(84)	Other		Minor variances.

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

## Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	TBM Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2025/26 Proposed £'000	Net Savings £'000	Net Savings £'000	Net Savings £'000
4,004	Adult Social Care	106,625	110,097	3,472	3.3%	6,581	3,844	2,737	
158	Commissioning & Partnerships	5,530	5,772	242	4.4%	155	155	0	
5,238	Housing People Services	8,305	13,249	4,944	59.5%	2,520	1,347	1,118	
(9)	Homes & Investment	913	903	(10)	-1.1%	0	0	0	
9,391	Total Homes & Adult Social Care	121,373	130,021	8,648	7.1%	9,256	5,346	3,855	
(1,159)	Further Financial Recovery Measures (see below)	-	(55)	(55)	-	-	-	-	-
8,232	Residual Risk After Financial Recovery Measures	121,373	129,966	8,593	7.1%	9,256	5,346	3,855	

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
0	Adult Social Care	<p>The directorate has developed a Financial Recovery Plan to address the above pressures. The total target is £8.860m. £6.613m has been achieved while £2.247m is at risk. The savings include the following:</p> <ul style="list-style-type: none"> <li>- Targeted Reviews</li> <li>- Staffing Vacancies</li> <li>- Limited fee uplifts</li> <li>- Review of some in-house services</li> </ul>
(55)	Temporary accommodation (TA)	The service has introduced a Financial Recovery Plan to manage in-year budget pressures.

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Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		<p>Key savings measures include:</p> <ul style="list-style-type: none"> <li>improving the turnaround time of void Private Sector Leased (PSL) and Seaside properties to minimise losses</li> <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 BB contracts and expanding Block Booked stock aim to further reduce reliance on spot purchasing.</li> </ul>
<b>Adult Social Care</b>		
3,519	Physical & Sensory Support	<p>The number of clients for Physical and Sensory Support started the year at 2,072 has increased to 2,185 at Month 9. (2,175 Month 8)</p> <p>The average weekly unit cost was budgeted at £230pwk for Under 65s and £154pwk for Over 65s. The Month 9 position shows an increase to £252pwk &amp; £198pwk respectively. (Month 8 £245pwk &amp; £192pwk)</p> <p>The budgeted unit costs of Substance misuse is £716pwk and the forecast is currently £372pwk (Month 8 £508 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 and Home Care.</p> <p>For over 65s increases in Long Term Nursing and Short Term Residential Care costs are partially offset by a reduction in Long Term Residential care.</p>
(1,004)	Assessment & SIT	Overall underspend relates to temporary vacancies and increased income related to Financial Assessments.
87	Resource Centres Older People	The overall overspend relates to reduced client income and a refocus for some beds at Ireland Lodge on reablement.
(384)	In House Community Reablement	Overall underspend relates to vacancies and delayed recruitment plus a reduction in premises related spend.

Key Variances	£'000 Service Area	Variance or Financial Recovery Measure Description
(545)	Adult LD Community Care	<p>The number of clients for Adult LD started the year at 1,069 and has increased to 1,123 for Month 9. (1,124 Month 8)</p> <p>The average weekly unit cost is budgeted at £603pwk and is currently forecast at £792pwk at Month 9 (£792pwk at Month 8).</p> <p>Overall underspend relates to reduction in Respite Residential Care and Direct payments offset by an increase in Home Care, Long Term Residential Care &amp; Community Support.</p>
(17)	In -House Adults LD Provision	Original overall overspend related to Agency, Overtime and Sessional workers covering vacancies, sickness and leave particularly Beach House and Beaconsfield Villas. This has been reducing over time due to recruitment and spending controls.
(85)	Learning Disabilities Assessment Teams	Overall underspend relates to vacances being recruited to.
1,718	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 955 at Month 9. (953 at Month 8)</p> <p>The average weekly unit cost was budgeted at £267pwk for Mental health increasing to £329wk for Month 9 (£334 for Month 8) and from £427pwk to £533pwk for Month 9 (£535pwk for Month 8) for Memory &amp; Cognition.</p> <p>Overall overspend relates to increased costs of Supported Living of £1.7m and Community Support Services of £0.375m in Mental Health Primary Support. There is also a shift of Nursing Care where Mental Health has increased, and Memory &amp; Cognition decreased.</p>
128	Adult Mental Health Staffing	Overall overspend relates to the expected SPFT staffing recharges above budget.
55	Hostel Accommodation	Overall overspend includes unbudgeted Health and Safety expenditure and Counsel Fees.
Commissioning & Partnerships		
18	Commissioning ASC	Unfunded posts & unfunded software costs have been partly offset by vacancies.
224	Contracts	Overspend includes £0.114m for unfunded rent and management charges for Supported Accommodation and a forecast overspend on the Carers Support budget offset in part by BCF risk share

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Key Variances	£'000 Service Area	Variance or Financial Recovery Measure Description
Housing People Services		
5,961	Temporary accommodation (TA)	<p>The Temporary Accommodation (TA) budget is forecast to overspend by £5.961m. The service has successfully renegotiated some SPOT units onto Block Booked (BB) contracts at more favourable rates, thereby decreasing reliance on spot purchases. The current forecast now anticipates 438 households in nightly SPOT at 31/03/2026, a reduction of 112. The forecast overspend is £4.600m, an improvement of £0.184m compared to last month and £0.372m better than Month 7.</p> <p>Due to the above, Block Booked (BB) accommodation has increased from the budgeted 303 units to 477 per night, leading to an overspend of £0.960m. However, this is £0.043m better than last month and £0.029m ahead of Month 7, as the new units are being secured at reduced rates.</p> <p>Private Sector Leased (PSL) overspent by £0.793m, largely owing to the successful renegotiation of leases. Although these leases are at higher rates, they remain more cost-effective and stable compared to alternatives such as hotel accommodation.</p> <p>Other areas of the service saw underspends totalling £0.393m, with the main savings coming from staffing costs, which were £0.314m below budget due to ongoing vacancies and recruitment challenges.</p> <p>Weekly TA reduction meetings continue to yield positive results—reducing costs, improving service delivery, and achieving better client outcomes. Notably, between 1 April and 31 October 2025, homelessness was prevented for 371 households, resulting in savings of £1.364m, which is £0.764m above target.</p> <p>Despite ongoing pressures from high demand, the service is committed to managing demand and costs through proactive landlord engagement and regular reviews of accommodation strategies.</p>

## Appendix 4 – Revenue Budget Performance

Key Variances		
£'000 Service Area		Variance or Financial Recovery Measure Description
(1,008)	Commissioned Rough Sleeper and Housing related Support Services	Underspend due to additional funding received and efficiencies within the service.
61	Homemove	The overspend is due additional cost and loss of income whilst implementing a new system.
(76)	Housing Options	The primary reason for the underspend is staff vacancies in the service.
6	Travellers	The slight overspend is mainly from higher-than-budgeted security costs, partly offset by efficiencies elsewhere.
0	Seaside Homes	This budget is forecast to break-even.
Homes & Investment		
(10)	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

Forecast Variance Month 7 £'000	Service	TBM Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2025/26 Proposed £'000	Net Savings £'000	Net Savings £'000
(2,271)	City Infrastructure	(3,039)	(5,647)	(2,608)	-85.8%	588	74	221
(77)	Culture & Environment	8,695	8,251	(444)	-5.1%	388	160	93
549	Environmental Services	33,149	33,516	367	1.1%	303	303	0
726	Place	3,159	3,598	439	13.9%	393	94	0
(570)	Digital Innovation	8,830	8,040	(790)	-8.9%	110	30	80
(1,643)	Total City Operations	50,794	47,758	(3,036)	-6.0%	1,782	661	394
(150)	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
(1,793)	Residual Risk After Financial Recovery Measures	50,794	47,758	(3,036)	-6.0%	1,782	661	394

### Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
0	Commercial Waste	Reflected in forecast - Marketing revenue generating programmes including Garden Waste and Graffiti removal
0	Print & Sign	Reflected in forecast - 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		
(1,417)	Parking Services	Parking Services are forecasting a £0.687m overachievement against the £27.216m net income budget. The service's income budget was revised for 2025/26 following pressure

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Key Variances	£'000 Service Area	Variance or Financial Recovery Measure Description
		<p>funding and an adjustment of income targets. As a result:</p> <ul style="list-style-type: none"> <li>*On-street paid parking is forecast to overachieve by £0.162m.</li> <li>* Permit income is forecast to overachieve by £0.041m.</li> <li>* Suspension income is forecast to overachieve by £1.157m.</li> <li>* Off-street parking overall is projected to underachieve by £1.07m (-11.5%). Within this:</li> <li>* Leased car parks are creating a pressure of £0.208m, which is being addressed.</li> <li>* Barrier car parks show a £0.929m shortfall, driven by underperformance at London Road and Regency car parks.</li> </ul> <p>PCN income is forecast to underachieve by £0.084m under the new cash model. Although there has been an increase in tickets issued early in the year and higher collection on historic debt, this is offset by increased contract costs linked to ticket volumes.</p> <p>There is a further £1.178m net surplus, primarily arising from reduced unsupported borrowing costs and staffing underspends.</p> <p>A £0.730m risk reserve has been set aside in relation to the new PCN cash model. After accounting for this, the overall forecast surplus for Parking Services is £1.417m.</p>
37	Concessionary Bus Fares	Pressure as a result of Blue badge Pass renewals.
(104)	Network Management	<p>Surpluses within Streetlighting of £0.303m, Traffic Management of £0.141m and Real Time Bus Information (RTBI) sign maintenance of £0.200m are offsetting a shortfall of £0.374m in Section 278 development assessment income.</p> <p>The primary financial pressure relates to Highway Maintenance (£0.276m). Repair activity ceased in February 2025 to meet prior-year budget controls, resulting in a backlog of safety defects. As at Month 9, the backlog has grown to £0.259m. The reported pressure reflects the level of funding required both to address the backlog and to prevent further deterioration.</p>

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Key Variances	£'000 Service Area	Variance or Financial Recovery Measure Description
		In addition, Winter Service is forecasting a pressure of £0.180m due to an unusually early onset of winter conditions.
(954)	Transport Projects and Engineering	Main surplus is in Public Transport (£0.900m) as a result of the Bus Service Improvement Plan (BSIP), A £0.168m pressure is being reported in Bikeshare due to unsupported borrowing costs, which is offset largely by Coast Protection surplus of £0.212m owing to capital schemes taking pressure off revenue budgets for this year
(170)	Regulatory Services	Surpluses as a result of staffing vacancies within current structure. Regulatory services is currently going through a restructure. This will be revised once the restructure is filled.
<b>Culture &amp; Environment</b>		
(264)	Venues and Events	Forecast surplus incomes to the Brighton Centre £0.295m. Offset by pressures on income targets for outdoor events of £0.031m.
(60)	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.
303	Bereavement	Income pressure in Bereavement services mostly related to forecast cremations.
(653)	Sport and Leisure	Underspends from surplus Leisure Management Fee incomes, switch funding from DRF to borrowing and Golf Course contracts.
(271)	City Parks	£0.300m pressure relating to tree disease control and base clearance. Mostly offset by vacancies within wider city parks and surpluses from Parks parking.
<b>Environmental Services</b>		
(1,209)	Environmental Services	£0.853m underspend due to vacancy controls within Collections service and Streets Cleansing. £0.358m surpluses in commercial and green waste collections due to an increase in customers.
2,166	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 essential temporary health and safety measures at Hollingdean depot to ensure the site can remain operational. Forecasts of essential PPE to ensure service operates showing £0.271m overspend, though it is anticipated this will reduce during the year as the stores and vehicles parts project. Capital financing costs for fleet procurement is £0.440m overspent and is caused by vehicle renewals in recent years and

Key Variances £'000 Service Area		Variance or Financial Recovery Measure Description
		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.
(590)	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
140	Development Planning	Underachievement of Building Control incomes due to uncertainty in the development market, whilst Planning application incomes are currently forecast to overachieve budgets. Also, anticipated legal fee and consultant budget overspends relating to "Business As Usual" activities along with estimated costs relating to the claim of legal costs regarding the Gas Works appeal. 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.
87	Regeneration	Black Rock borrowing costs offset by rental incomes from the site.
(75)	Net Zero	Underspends as a result of vacancies and spending controls.
167	Architecture & Design	Reduced level of Architects' fees.
Digital Innovation		
(790)	Digital Innovation	At Month 9, Digital Innovation are forecasting an underspend of £0.790m which is an increase of £0.100m from Month 8. The service has conducted a further thorough review of vacancies and budgets and savings have been identified by further delays to recruitment. The service has also reduced the forecast for hardware & services spend in line with the spending controls. Savings are also being made on the contracts budgets, in particular, telephony which is funded from capital for the 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. This is causing well-being concerns as well as a risk of having to make refunds to Schools for missed visits.

Central Hub

Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	TBM Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2025/26 Proposed £'000	Net Savings £'000	Net Savings £'000
(227)	Cabinet Office	1,571	1,083	(488)	-31.1%	100	0	100
37	Corporate Leadership Office	967	1,116	149	15.4%	0	0	0
1,248	Finance & Property	6,859	7,923	1,064	15.5%	655	0	25
(294)	Governance & Law	5,281	4,826	(455)	-8.6%	132	0	12
(444)	People & Innovation	15,282	14,790	(492)	-3.2%	289	0	0
68	Contribution to Orbis	2,924	2,992	68	2.3%	115	0	0
388	Total Central Hub	32,884	32,730	(154)	-0.5%	1,291	0	137

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
<b>Cabinet Office</b>		
(488)	Cabinet Office	There is a forecast underspend of £0.105m for subscriptions for this year, income generation in Tourism and Marketing of £0.146m as well as a combination of reduced payroll costs and operational expenditure forecast on goods & services of £0.211m due to spending controls currently in place.
<b>Corporate Leadership Office</b>		
149	CEO	The overspend is a combination of mandatory training costs and temporary staffing arrangements within Corporate Leadership following council wide restructuring in 2024/25.
<b>Finance &amp; Property</b>		
(296)	Finance	The underspend is a combination of expected staffing savings of £0.148m, Redmond Review audit grant £0.098m and £0.167m one off income from settlement of the class action on truck cartel, offset by overspends in consultants and professional fees.

Key Variances		Variance or Financial Recovery Measure Description
£'000	Service Area	
668	WRBS	The service is forecasting a £0.668m overspend at Month 9. The pressure is a combination of re-procurement of HR system, a staffing pressure of £0.560m which includes a forecast agency spend for Council Tax, Housing Benefit and scanning and indexing backlog clearing, a £0.168m postage overspend as well as a decline in income from schools. This is offset by expected contract recovery costs.
1,642	Estates Management	Estate Management – Service is forecasting a £1.642m overspend which is a combination of lost rental incomes from the decanting of New England House, void costs including NNDR and fire safety waking watch, offset by redistributed LEP funding received amounting to £0.677m pressure. £0.221m pressure from agricultural estate. £0.098m 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. £0.087m pressure on Commercial Portfolio from voids and rent-free periods of new tenants. £0.149m pressure at Phoenix house due to voids and rent-free periods.
(915)	Building & Surveying	The service is forecasting a £0.915m underspend which is mainly caused by reprofiling of some works to capital, savings on planned maintenance and operational costs as well as overachievement in surveyor's income £0.116m.
(35)	Education Property management	The service is forecasting a £0.035m underspend resulting from small savings and income across the service.
Governance & Law		
(94)	Legal Services	The service is forecasting a £0.094m underspend resulting from 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.
(318)	Elections, Registrars and Local Land Charges (LLC)	Electoral Services: small £0.002m underspend. LLC: £0.148m overachievement due to delayed transfer of some functions to HMLR. Forecast revised down by £0.002m due to a continued reduction in searches across same period last year. Coroner: £0.028m underspend due to renegotiation of shared service cost apportioning with WSCC in BHCC's favour and lower than expected recharges due to holding of vacancies in shared service. Mortuary: £0.058m pressure due to necessary staffing regularisation and increasing energy costs. Overspend reduced by expected income uplift from contract

Key Variances £'000 Service Area		Variance or Financial Recovery Measure Description
		renegotiation. Registration Services: £0.198m underspend driven by £0.062m income overachievement and £0.143m staffing underspend.
(43)	Democratic Services	Democratic services are forecasting a £0.043m underspend at Month 9, which is a combination of small savings across the service but is partially offset with a staffing budget pressure which the service is monitoring.
People & Innovation		
6	Strategic communications	Strategic communication and engagement (SCE) is declaring a £0.010m overspend resulting from staffing pressure and licensing cost for Hootsuite and Vuelio of £0.041m offset by savings across the service
(142)	Innovation Services	The Innovation Service is reporting a £0.142m underspend from mainly vacancy savings and pausing all non-statutory improvement work at Month 9.
(312)	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 due to service redesign and income generation from corporate refuse collection and recycling contract of £0.120m, corporate premises concierge service underspend of £0.289m and a further £0.017m in corporate landlord facilities. This however has been offset by an increase in utilities with an overspend of £0.202m and facility and building services.</p> <p>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 under investment in the corporate portfolio, has resulted in increasing spend on repairs and maintenance. In Health, Safety and Wellbeing services, an underspend of £0.039m is declared largely from holding vacancies due to service redesign and a budget pressure of £0.054m for Security/Safety assessments and related preventative works required for members and staff covering cost</p>
(99)	HR Policy and Initiatives	The underspend is a combination of staffing savings and expected income from recruitment team.

## Appendix 4 – Revenue Budget Performance

Key Variances		
£'000 Service Area		Variance or Financial Recovery Measure Description
55   Inclusion, Learning & Org Development		Inclusion, Learning & Org Development. is forecasting an overspend of £0.055m mainly arising from an income accrual £0.063m reversed in the current financial period.
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 9.

## Centrally-held Budgets

### Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	TBM Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2025/26 Proposed £'000	Net Savings £'000	Net Savings £'000	Net Savings £'000
195	Bulk Insurance Premia	4,348	4,543	195	4.5%	0	0	0	0
(3,260)	Capital Financing Costs	12,579	8,846	(3,733)	-29.7%	0	0	0	0
0	Levies & Precepts	249	249	0	0.0%	0	0	0	0
0	Unallocated Contingency & Risk Provisions	1,888	141	(1,747)	-92.5%	0	0	0	0
0	Unringfenced Grants	(28,726)	(29,222)	(496)	-1.7%	0	0	0	0
915	Housing Benefit Subsidy	699	6,339	5,640	806.9%	0	0	0	0
1,654	Other Corporate Items	(85)	(665)	(580)	-682.4%	0	0	0	0
(496)	Total Centrally-held Budgets	(9,048)	(9,769)	(721)	-8.0%	0	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 a number of large value claims outstanding as at Month 9.
Capital Financing Costs		
(3,733)	Financing Costs	Previous year outturn and subsequent review of the capital programme 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 use of 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.

Key Variances		
£'000 Service Area	Variance or Financial Recovery Measure Description	
Unallocated Contingency & Risk Provisions		
(1,747) Risk Provision	Release of centrally held risk provision to support in year position.	
Unringfenced Grants		
(496) Redistribution of Business Rates levy surplus	A forecast has been made that £100m for the business rates levy surplus will be distributed to all authorities and the council's share of that in line with previous years allocations would be £0.496m. Confirmation of the amount to be distributed is expected to be announced alongside the final Local Government Finance Settlement.	
Housing Benefit Subsidy		
5,640 Housing Benefit Subsidy	There is a forecast pressure of £5.640m on Housing Benefit Subsidy, which has increased by £4.725m since Month 7. The initial pressure was based on the mid-year estimate submitted to DWP. Clarification is being sought on Housing Benefit Subsidy regulations to ensure the correct subsidy amount claimed. A prudent provision has been made to reflect the current interpretations whilst clarification is being sought. This has resulted in an additional pressure of £2.280m in respect of 2024/25 and £2.445m in 2025/26, both of which will need to be recognised in 2025/26.	
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.	
(1,109) Review of Reserves	Release of unrequired reserves and provisions identified in the December budget report	
(1,125) Repayment of Working Balance	Delay repayment of working balance due in 2025/26	

## **Appendix 4 – Revenue Budget Performance**

## Housing Revenue Account (HRA)

## Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	TBM Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
30	Repairs & Maintenance	19,256	18,807	(449)	-2.3%
(227)	Tenancy Services	16,241	16,013	(228)	-1.4%
(149)	Housing Management & Support	6,666	6,676	10	0.2%
1,928	Housing Investment & Asset Management	3,371	5,445	2,074	61.5%
(124)	Housing Strategy & Supply	2,110	1,954	(156)	-7.4%
375	Council-owned Temporary Accommodation	1,071	1,344	273	25.4%
(382)	Rent & Service Charges	(76,979)	(77,421)	(442)	-0.6%
1,451	Service Area Total	(28,263)	(27,182)	1,081	3.8%
0	Capital Financing Costs	11,579	11,579	(0)	0.0%
(235)	Direct Revenue Funding	16,684	16,449	(235)	-1.4%
1,216	Total Housing Revenue Account	0	846	846	0.0%

## Explanation of Key Variances

Key Variances £'000	Subjective Area	Variance Description
<b>Repairs &amp; Maintenance</b>		
(1,175)	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 12% of the net salary budget.
915	Premises	Good progress continues to be made in clearing the backlog and the latest forecast assumes that this will be largely cleared by the end of the year. There is a forecast

Key Variances £'000 Subjective Area		Variance Description
		overspend against the “business as usual” budget, based on spend to date and the volume of repairs being undertaken.
1,816	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 £1m 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.
Tenancy Services		
59	Employees	Minor net variance.
(109)	Premises	There is a forecast underspend of approximately £0.200m against utility costs, based on information supplied by the Energy and Water team.
(215)	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.
37	Third Party Payments	Minor net variance.
Housing Management & Support		
(131)	Employees	There is a net underspend forecast against staffing costs, mainly as a result of revised costs compared to budget setting assumptions.
111	Premises	Additional part-year insurance costs for LPS blocks excess layer insurance.
30	Supplies & Services	Minor net variance.
Housing Investment & Asset Management		
(147)	Employees	There is a forecast underspend against the salaries budget, mainly relating to number of vacancies across the year.
423	Premises	Forecast overspend against Compliance servicing and maintenance budgets.
2,401	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.

Key Variances	£'000 Subjective Area	Variance Description
Housing Strategy & Supply		
(192)	Employees	Increased capitalisation of salaries, compared to budget assumptions
36	Supplies and Services	Minor net variance.
Council-owned Temporary Accommodation		
74	Employees	Minor net variance.
321	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.
(123)	Supplies and Services	There is a forecast underspend against the Transfer Incentive Scheme budget
Rent & Service Charges		
(442)	Rents & Service Charges	The income budget is approximately £77m for the financial year and at Month 8 there is a minor over-achievement of £0.443m (equating to 0.6%) based on the first 8 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 7 £'000	Service	TBM Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Individual Schools Budget (ISB)	143,169	143,169	0	0.0%
(523)	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>	39,737	39,027	(710)	-1.8%
2,261	High Needs Block (excluding delegated to Schools)	41,300	43,666	2,366	5.7%
45	Exceptions and Central Services	3,663	3,715	52	1.4%
680	Grant Income	(228,549)	(227,869)	680	0.3%
2,463	Total Dedicated Schools Grant (DSG)	(680)	1,708	2,388	351.2%

## Explanation of Key Variances

Key Variances £'000 Service Area		Variance Description
Early Years Block (including delegated to Schools)		
(100)	Central Early Years Block	Central Early Years Block funding not committed
(160)	Early Years Additional Support Funding	Over provision of budget for Additional Support Funding for Under 2s
(450)	Early Years Free Entitlement	Predicted underspends following autumn term early years census
High Needs Block (excluding delegated to Schools)		
1,069	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.

Key Variances		
£'000	Service Area	Variance Description
615	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, which has meant specialist Social Emotional Mental Health placements are now being made in schools/academies in other LAs.
883	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.
74	Brighton and Hove Special School Placements	Current placements in the city's special schools for in excess of commissioned numbers.
(125)	Inclusion Support Services	Expected underspend due to funding contribution to Early Years team from the Early Years Block.
(150)	Other	Other variances
Exceptions and Growth Fund		
52	Other	Minor variances
Grant Income		
680	DSG Grant	2024/25 central DSG overspend held in unusable reserve