

Families, Children & Wellbeing (FCW)

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	TBM Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2025/26 Savings Proposed £'000	2025/26 Savings Achieved £'000	2025/26 Savings Unachieved £'000
(158)	Commissioning & Communities	17,181	16,891	(290)	-1.7%	783	751	32
(199)	Education & Learning	4,141	3,034	(1,107)	-26.7%	112	111	1
536	Family Help & Protection	52,919	53,471	552	1.0%	1,563	447	1,116
0	Public Health	468	468	0	0.0%	1,002	1,002	0
179	Total Families, Children & Wellbeing	74,709	73,864	(845)	-1.1%	3,460	2,311	1,149

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

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Commissioning & Communities		
131	Home to School Transport	The final outturn for Home to School Transport was a overspend of £0.143m. There were 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.
32	Libraries	The budget shows a net overspend of £0.032m across all cost centres and is mainly linked to additional staffing costs because of a 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.
(123)	Community Cohesion	The underspend is due to a one-off Public Health contribution of £0.120m.
(330)	Other	Other variances
Education & Learning		
(540)	Schools PFI	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

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		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. The reserve that was drawn upon annually ran out in 23/24. 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 (March 2028) the contract ends and the assets transferred back to the council. As a result of late information received, anticipated PFI contractor costs were overestimated during the year. This was further compounded by late application of external contributions, resulting in a £540k underspend against budget and a £640k change from TBM 9. Measures have been in put in place to avoid such a scenario in 2026/27.
309	School Closure Site Costs	Site costs of school buildings following school closures
(290)	Council Nurseries and Other Central Early Years Budgets	Underspend in council nurseries due to increased income for free entitlement funding and other underspends linked to central early years budgets
(222)	School Based Counselling	Use of one-off Public Health funding
(364)	Other	Other variances
Family Help & Protection		
1,356	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.
277	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.
(279)	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 underspend across all the pods of £0.279m.
(100)	Use of Public health funding	Use of Public Health underspend to fund the CiC mental health contract
(305)	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
(143)	Fostering & Adoption	The number of families receiving adoption allowances reduced during the year and particularly in the last month plus there are increasing vacancies across the service.
(254)	Other	Other variances

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Homes & Adult Social Care (HASC)

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	TBM Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2025/26 Savings Proposed £'000	2025/26 Savings Achieved £'000	2025/26 Savings Unachieved £'000
3,472	Adult Social Care	106,086	112,513	6,427	6.1%	6,581	3,865	2,716
242	Commissioning & Partnerships	5,580	5,052	(528)	-9.5%	155	55	100
4,944	Housing People Services	8,226	13,154	4,928	59.9%	2,520	1,402	1,118
(10)	Homes & Investment	(1,086)	(1,103)	(17)	-1.6%	0	0	0
8,648	Total Homes & Adult Social Care	118,806	129,616	10,810	9.1%	9,256	5,322	3,934
(55)	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
8,593	Residual Risk After Financial Recovery Measures	118,806	129,616	10,810	9.1%	9,256	5,322	3,934

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
5,329	Physical & Sensory Support	<p>The number of clients for Physical and Sensory Support started the year at 2,072 has increased to 2,184 at outturn. (2,174 Month 11)</p> <p>The average weekly unit cost was budgeted at £230pwk for Under 65s and £154pwk for Over 65s. The outturn position shows an increase to £242pwk & £211pwk respectively. (Month 11 £279pwk & £200pwk)</p> <p>The budgeted unit costs of Substance misuse is £716pwk and the outturn is £325pwk (Month 11 £415 pwk)</p> <p>Overall overspend relates to increase in demand and cost in Direct Payments & Short Term Residential costs for under 65s partly offset by reductions in Supported Living, Long</p>

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		Term Nursing and Home Care. 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.
(874)	Assessment & SIT	Overall underspend relates to temporary vacancies and increased income related to Financial Assessments.
399	Resource Centres Older People	The overall overspend relates to additional staffing costs above the budgeted establishment
(341)	In House Community Reablement	Overall underspend relates to vacancies and delayed recruitment plus a reduction in premises related spend.
(1,173)	Adult LD Community Care	The number of clients for Adult LD started the year at 1,069 and has increased to 1,205 at outturn. (1,205 Month 11) The average weekly unit cost is budgeted at £603pwk and is currently forecast at £782pwk at outturn (£794pwk at Month 11). Overall underspend relates to reduction in Residential Care and Direct payments.
56	In -House Adults LD Provision	Overall overspend relates to unachieved savings target
(94)	Learning Disabilities Assessment Teams	Overall underspend relates to vacancies being recruited to.
2,698	Community Care - Mental Health, & Memory & Cognition	The number of clients for Mental Health and Memory and Cognition started the year at 882 and has risen to 964 at outturn. (1,007 at Month 11) The average weekly unit cost was budgeted at £267pwk for Mental health increasing to £332wk at outturn (£326 for Month 11) and from £427pwk to £536pwk at outturn (£527pwk for Month 11) for Memory & Cognition. Overall overspend relates to increased costs of Supported Living and Community Support Services in Mental Health Support.
283	Adult Mental Health Staffing	Overall overspend relates to the SPFT staffing recharges above budget.
144	Hostel Accommodation	Overall overspend includes unbudgeted Health and Safety related costs.
Commissioning & Partnerships		
(291)	Commissioning ASC	The underspend at outturn is due to the Better Care Fund risk share and one-off allocations of grant funding

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(237)	Contracts	Underspent due to a contract ceasing in quarter 4 and internal recharges not taking place as planned
Housing People Services		
6,897	Temporary accommodation (TA)	<p>The Temporary Accommodation (TA) budget overspent by £6.897m.</p> <p>Demand for TA remains high, and the service is actively seeking ways to reduce costs. Recently, 112 SPOT units were renegotiated onto Block Booked contracts at more favourable rates. For 2025/26, there were on average 468 households in nightly SPOT accommodation, with an overspend of £4.545m.</p> <p>The number of Block Booked (BB) accommodation units has increased from the budgeted 303 to 498 per night on average, resulting in an overspend of £1.804m.</p> <p>Private Sector Leased (PSL) accommodation overspent by £0.860m, primarily due to renegotiated leases at higher rates; however, these remain more cost-effective and stable than alternatives such as hotels.</p> <p>Other areas of the service reported underspends totalling £0.313m, mainly from staffing costs due to vacancies and recruitment challenges.</p> <p>Weekly TA reduction meetings continue to deliver positive outcomes, lowering costs, enhancing service delivery, and improving client results. Between 1 April and 31 March 2026, homelessness was prevented for 538 households, generating savings of £1.503m, which is £0.902m above target.</p>
(1,887)	Commissioned Rough Sleeper and Housing related Support Services	Underspend due to additional funding received and efficiencies within the service
49	Homemove	The overspend is due additional cost and loss of income whilst implementing a new system.
(99)	Housing Options	The primary reason for the underspend is staff vacancies in the service.
(31)	Travellers	Underspend due to security cost being less than expected.
Homes & Investment		
(5)	Housing Strategy and Enabling	Underspend is due mainly to lower than budgeted salary costs
(12)	Private Sector Housing	Efficiencies in service

City Operations

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	TBM Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2025/26 Savings Proposed £'000	2025/26 Savings Achieved £'000	2025/26 Savings Unachieved £'000
(2,608)	City Infrastructure	(6,398)	(14,341)	(7,943)	-124.1%	588	410	178
(444)	Culture & Environment	8,926	7,336	(1,590)	-17.8%	388	269	119
367	Environmental Services	27,791	27,151	(640)	-2.3%	303	303	0
439	Place	2,575	2,798	223	8.7%	393	393	0
(790)	Digital Innovation	9,664	8,609	(1,055)	-10.9%	110	88	22
(3,036)	Total City Operations	42,558	31,553	(11,005)	-25.9%	1,782	1,463	319

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(5,851)	Parking Services	<p>Parking Services outturn is a £0.693 over achievement against its £26.985m net income budget. The services income budget was revised going into 2025/26 after pressure funding and rebalancing of income targets. As a result of this exercise:</p> <ul style="list-style-type: none"> • On-street paid parking under achieved by £0.090m against its income target. • Permit income overachieved by £0.011m against its income target • Suspension income overachieved by £1.085m against its income target • Overall Off-Street Parking is under achieved by £1.07m (11.54%). Within this the Leased Car parks budget is applying a pressure of £0.226m which is being addressed while Barrier carpark income is applying a £0.862m pressure due to underperformance of London Road and Regency Car parks • PCN income, overachieved by £0.046m under the new cash model forecast. This is driven by increased tickets issued in the first month of the year plus a significant collection on old debt but is offset by increased contract costs relating to volume of tickets issued. • There is also a net surplus of £1.816m which is primarily driven through unsupported borrowing and staffing surpluses.

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Key Variances £'000 Service Area		Variance or Financial Recovery Measure Description
		<ul style="list-style-type: none"> • A risk reserve of £0.730m has been included linked to the new PCN cash model bringing the full surplus within parking to the listed £1.426m • NEED TO ADD SOMETHING ABOUT BAD DEBT ADJUSTMENT OF £4.425M
51	Concessionary Bus Fares	Pressure because of Blue Badge Pass renewals.
(424)	Network Management	<p>Surpluses within Streetlighting of £0.440m, Traffic Management of £0.141m and Real Time Bus information (RTBI) sign maintenance of £0.235m are offsetting a shortfall of £0.358m in Section 278 development assessment income.</p> <p>The primary financial pressure is £0.474m relating to Highway Maintenance. Repair activity ceased in February 2025 to meet prior-year budget controls, resulting in a backlog of safety defects. Additional Local Transport revenue grant funding was applied here which improved the outturn position</p> <p>In addition, Winter Service resulted in a pressure of £0.221m due to an unusually early onset of winter conditions.</p>
(1,361)	Transport Projects and Engineering	Main surplus is in public transport of £0.900m because of BSIP, Bikeshare are reporting a £0.168m pressure against their unsupported borrowing which is offset largely by Coast Protection surplus of £0.212m owing to their capital schemes taking pressure off revenue budgets for this year. Local Flood Risk management also reported surplus of £0.135m due to high vacancies in team halting work from progressing.
(172)	Regulatory Services	Surpluses because of staffing vacancies within current structure. Regulatory services are currently undergoing a restructuring and the forecast will be revised once the restructure is filled.
(186)	Director of City Infrastructure	Reported as part of other lines in year
Culture & Environment		
(258)	Venues and Events	Forecast surplus income to the Brighton Centre £0.374m. Offset by pressures Outdoor Events of £0.124m.
(330)	Seafront Services	Surplus Seafront income, vacancies held and one-off use of Strategic CIL on eligible seafront spend.
584	Museum and Culture	Pressure relating to the NJC arrangements with the Royal Pavilion Museums Trust under a contractual obligation.
194	Bereavement	Income pressure in Bereavement Services mostly related to forecast cremations.
(894)	Sport and Leisure	Underspends from surplus Leisure Management Fee income, switch funding from DRF to borrowing and Golf Course contracts

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(905)	City Parks	Management of vacancies across the service because of the vacancy controls in place and one-off use of Strategic CIL on eligible spend related to trees.
19	Director Environment and Cult	Minor variances.
Environmental Services		
(1,749)	Environmental Services	£0.371m underspend due to vacancy controls within Collections service and Streets Cleansing following staffing expenditure across Environmental Services reviewed and recoded. £0.272m underspend from controlled expenditure including on bin replacements and litter clearing. £0.306m surpluses in commercial and green waste collections due to increased customers. Applying a further £0.766m of the Food Waste Transitional grant to eligible spend within wider Environmental Services.
1,707	Fleet & Maintenance	Overspend on Refuse/Recycling collection vehicle hire of £0.612m in addition to ongoing maintenance charges of £0.343m and other vehicle costs in keeping an ageing fleet operational. Pressure of £0.312m for ensuring Hollingdean Depot remains operational due to the condition of the site. Capital financing costs for fleet procurement is £0.435m 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. Staffing expenditure across Environmental Services have also been reviewed and recoded leading to changes in the previously forecast positions.
(615)	Strategy and Service Improvement	Underspends due to held vacancies and spending controls. Further underspends of £0.376m resulting from difficult to fill vacancies in maintaining public conveniences. Staffing expenditure across Environmental Services have also been reviewed and recoded accounting for changes in forecast positions.
17	Director of Environmental Services	Minor Variances.
Place		
135	Director of City Operations	Overspend relating to prior year corporate savings yet to be allocated
3	Director of Place	Minor Variances.
(221)	Development Planning	Underachievement of Building Control income due to uncertainty in the development and finance markets, whilst Planning application income 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 (BNG) grant award offsetting costs as well as further offsets from staffing underspends from held vacancies and other

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		supplies & services underspends as part of spending controls. These are offset by estimated costs relating to the claim of legal costs regarding a planning appeal.
159	Regeneration	Black Rock borrowing costs offset by rental income from the site.
(173)	Net Zero	Underspends due to vacancies and spending controls.
320	Architecture & Design	Reduced level of Architects' fees, through a reduction in projects during 2025/26.
Digital Innovation		
(1,055)	Digital Innovation	The underspend reflects reduced replacement mobile device spend following the new eligibility process and increased re-use, plus in-year savings on telephony and other contracts (year 1 funded from capital). These are partly offset by inflationary uplifts and changes to licensing models. Salary underspends from vacant posts continue, but vacancies (including 5 in Traded Services) are impacting delivery and the ability to meet existing SLAs.

Central Hub

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	TBM Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2025/26 Savings Proposed £'000	2025/26 Savings Achieved £'000	2025/26 Savings Unachieved £'000
(488)	Cabinet Office	1,611	1,146	(465)	-28.9%	100	100	0
149	Corporate Leadership Office	967	1,087	120	12.4%	0	0	0
1,064	Finance & Property	7,453	8,604	1,151	15.4%	655	610	45
(455)	Governance & Law	5,468	4,962	(506)	-9.3%	132	120	12
(492)	People & Innovation	17,017	15,404	(1,613)	-9.5%	289	225	64
68	Contribution to Orbis	2,924	2,900	(24)	-0.8%	115	115	0
(154)	Total Central Hub	35,440	34,103	(1,337)	-3.8%	1,291	1,170	121

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Cabinet Office		
(208)	Economic Development	Underspends on the Greater Brighton Economic Board (£0.241m) and other minor items, partly offset by staffing-related variances (£0.095m).
(224)	Policy	The underspend mainly relates to staffing savings of £0.102m and reduced subscription costs of £0.106m.
(33)	Tourism and Marketing	Higher-than-anticipated income generated by the service.
Corporate Leadership Office		
120	Leadership Support	Pressures on professional fees, recruitment expenditure, and staffing costs associated with service redesign, including other minor underspends.
Finance & Property		
(743)	Building Surveying	Primarily due to the reprofiling of some works to capital, along with savings in planned maintenance and operational costs (£0.719m). This position is further supported by overachievement in surveyors' income (£0.227m) and other small savings across the service, which are partially offset by budget pressures relating to landlord charges of £0.244m.

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(43)	Education Property Management	The underspend reflects small savings and increased income across the service.
1,681	Estates Management	This position is primarily driven by lost rental income resulting from the decanting of New England House (£1.403m), together with void-related costs including National Non-Domestic Rates (NNDR) and fire safety waking watch arrangements. These pressures are partially offset by redistributed Local Enterprise Partnership (LEP) funding of £1.190m. Further pressures include £0.199m within the agricultural estate and £0.094m of income pressure at Bartholomew House, where rental income has not yet met targets. This is despite the successful leasing of the 3rd and 4th floors, which has helped reduce operating costs as these are now borne by tenants. The commercial portfolio is reporting a £0.088m pressure due to voids and rent-free periods for new tenants, while Phoenix House is showing a £0.202m pressure, also driven by voids and rent-free period.
(400)	Financial services	This position reflects a combination of planned staffing savings of £0.025m, receipt of the Redmond Review audit grant (£0.098m), and the flexible use of capital receipts, which enabled the capitalisation of staffing costs relating to transformation activity (£0.135m). In addition, there was a one-off income benefit of £0.167m arising from the settlement of the truck cartel class action as well as income from other bodies £0.083m. These favourable movements were partially offset by overspends on consultancy and professional fees of £0.108m.
(26)	Procurement	The service is reporting a £0.026m underspend resulting from savings in purchase of computer hardware.
671	Welfare Revs and Busi Support	The Welfare Revenues and Business Support (WRBS) Service is reporting an outturn overspend of £0.671m. This position is driven by a combination of pressures, including the re-procurement of the HR system iTrent, incorporating an additional data analytics module and increased software costs (£0.358m). The service is also reporting staffing-related pressures totalling £0.916m, comprising £0.341m of agency spend to support Council Tax, Housing Benefit, and the clearing of scanning and indexing backlogs, alongside a £0.168m overspend on postage. Further pressures include a £0.059m reduction in income from schools and an underachievement in court cost recovery of £0.125m. These pressures have been partially offset by £0.286m of non-government income and the alternative use of other income streams, including releasing of £0.126m of fairness funding, reducing the overall net overspend position
11	Insurance Administration	Undertaking of the Insurance Fund review, which the council is required to undertaken biannually to ensure liability and risks are adequately understood.
Governance & Law		

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Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(59)	Democratic Services	A range of small savings across the service.
(184)	Legal services	A combination of income generation, staffing savings, the capitalisation of some transformation costs through the flexible use of capital receipts, and other smaller savings across the service
(8)	Elections	The service is reporting a £0.008m underspend, reflecting small in-year savings across the service.
(214)	Registrations Services	The service is reporting a £0.214m underspend, driven by income overachievement (£0.096m) and staffing savings (£0.118m).
(49)	Local Land Charges	The underspend is mainly due to the delayed transfer of functions to HM Land Registry (HMLR).
59	Mortuary Services	This pressure is primarily driven by staffing regularisation costs, professional fees, and some smaller overspends across the service.
(51)	Coroner Services	This underspend is primarily due to the renegotiation of shared service cost apportionment with West Sussex County Council (WSSCC) in Brighton & Hove City Council's favour, along with lower-than-expected recharges resulting from vacancies held within the shared service.
People & Innovation		
(335)	Facilities & Building Services	This position reflects a range of mitigation measures within the service, primarily driven by staffing cost savings from holding vacancies as part of service redesign (£0.283m), income generation from the corporate refuse collection and recycling contract (£0.123m), an underspend on the corporate premises concierge service (£0.068m), and other smaller savings across the service. These savings are partially offset by increased utility costs, resulting in an overspend of £0.210m, alongside other minor pressures within facilities and building services.
(2)	Strategic Comms and Engagement	This small underspend reflects the impact of the capitalising transformation costs linked to the council's transformation programme (£0.054m), partially offsetting budget pressures within the service.
(473)	HR and Advisory	This position reflects a combination of factors, including the capitalisation of transformation costs linked to the council's transformation programme (£0.290m), staffing cost savings of £0.076m, recruitment income of £0.093m, and other small savings across the service.
(221)	Learning and Org Development	This underspend is largely due to the capitalisation of transformation costs linked to the council's transformation programme (£0.111m), alongside underspends in Equality, Diversity and Inclusion initiatives (£0.072m) and other savings across the service.

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(582)	Innovation	Innovation Service is reporting a £0.582m underspend, largely because of the capitalisation of transformation costs linked to the council's transformation programme of £0.440m. The underspend is further supported by vacancy savings and the pausing of all non-statutory improvement work, contributing an additional £0.142m.
Contribution to Orbis		
(24)	Contribution to Orbis	The position reflects better-than-anticipated performance across services within the partnership.

Centrally-held Budgets

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	TBM Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
195	Bulk Insurance Premia	4,348	4,561	213	4.9%
(3,733)	Capital Financing Costs	7,548	3,571	(3,977)	-52.7%
0	Levies & Precepts	249	249	0	0.0%
(1,747)	Unallocated Contingency & Risk Provisions	1,773	0	(1,773)	-100.0%
(496)	Unringfenced Grants	(28,375)	(28,365)	10	0.0%
5,640	Housing Benefit Subsidy	699	5,769	5,070	725.3%
(580)	Other Corporate Items	(1,378)	1,456	2,834	205.7%
(721)	Total Centrally-held Budgets	(15,136)	(12,759)	(2,377)	15.7%

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Bulk Insurance Premia		
213	Bulk Insurance Premia	Settlement of insurance claims
Capital Financing Costs		
(3,977)	Financing Costs	Previous year outturn and subsequent review of the capital programme have 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.
Unallocated Contingency & Risk Provisions		
(1,747)	Risk Provision	Release of centrally held risk provision to support in year position.
(26)	Contingency	Release of unallocated contingency budget.

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Unringfenced Grants		
10	S31 Business Rates Retention (BRR) compensation grants	Due to timing differences between the business rates collection fund and the general fund there is a variance of £0.010m for a shortfall in S31 BRR compensation grants.
Housing Benefit Subsidy		
5,070	Housing Benefit Subsidy	There was an initial pressure of £0.914m on Housing Benefit Subsidy most of which related to a pressure of £1.081m on a certain benefit type for vulnerable tenants in supported accommodation which is only subsidised at 60%. An audit in 2025/26 identified procedures had overlooked a key criterion in determining vulnerability in supported accommodation claims. This is partly due to the migration from legacy benefits to Universal Credit, with the distinction around employment vulnerability less clear. Up until this point, all these claims, whether or not they were eligible for Limited Capability for Work had been receiving 60% subsidy. However, if a claimant was not in receipt of the Limited Capability for Work component of Universal Credit, the claims should have received 0% subsidy, meaning the council has to bear the full cost of the Housing Benefit paid to the tenant over the Rent Officer Decision. This issue has resulted in additional pressures of £1.645m in respect of 2024/25 and £2.328m in 2025/26, both of which will need to be recognised in 2025/26. A recovery plan is in place to minimise the ongoing housing benefit subsidy losses.
Other Corporate Items		
803	2025/26 Pay Award	Additional cost of 2025/26 pay award above amount provided for in budget.
(297)	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 £0.118m 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.
(1,673)	Review of Reserves	Release of unrequired reserves and provisions of £1.109m identified in the December budget report plus release of other reserves: ICT reserves of £0.362m, unallocated sums held in working Balance of £0.120m, Travellers site capital reserve of £0.079m and other minor items of £0.003m.
(1,125)	Repayment of Working Balance	Delayed repayment of working balance due in 2025/26
3,917	General Risk Reserve	NEED TO ADD SOMETHING ABOUT £3.917M RISK RESERVE CREATION
(320)	Innovation Funding	Application of Innovation Funding at a corporate level.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
216	Corporate Bad Debt Provision	Increased contribution to the corporate bad debt provision.
165	Restructure & Redundancy Reserve	Revenue funding of Restructure & Redundancy Reserve.
8	Other items.	Minor variances

Appendix 4 – Revenue Budget Performance

Housing Revenue Account (HRA)

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	TBM Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %	2025/26 Savings Proposed £'000	2025/26 Savings Achieved £'000	2025/26 Savings Unachieved £'000
(449)	Repairs & Maintenance	21,394	20,159	(1,235)	-5.8%	(1,555)	(1,509)	46
(228)	Tenancy Services	16,241	15,729	(512)	-3.2%	(170)	(170)	0
10	Housing Management & Support	6,912	6,842	(70)	-1.0%	0	0	0
2,074	Housing Investment & Asset Management	3,462	6,002	2,540	73.4%	(184)	(184)	0
(156)	Housing Strategy & Supply	1,878	1,551	(327)	-17.4%	(145)	(145)	0
273	Council-owned Temporary Accommodation	1,072	1,765	693	64.6%	0	0	0
(442)	Rent & Service Charges	(76,980)	(77,297)	(317)	-0.4%	(164)	(164)	0
1,081	Service Area Total	(26,021)	(25,249)	772	3.0%	(2,218)	(2,172)	46
(0)	Capital Financing Costs	9,337	8,873	(464)	-5.0%	0	0	0
(235)	Direct Revenue Funding	16,684	16,754	70	0.4%	(250)	(250)	0
846	Total Housing Revenue Account	0	378	378	0.0%	(2,468)	(2,422)	46

Explanation of Key Variances

Key Variances £'000	Subjective Area	Variance Description
Repairs & Maintenance		
(2,117)	Employees	Increased capitalisation of salary costs, largely in respect of the Electrical Installation Condition Report (EICR) programme and review of staff time spent on capital projects. The underspend equates to approximately 20% of the net salary budget.
1,216	Premises	Good progress continued to be made in clearing the backlog, but the service has seen an increase in the volume of works being undertaken each month, largely from new regulations around condensation and damp.

Appendix 4 – Revenue Budget Performance

Key Variances £'000	Subjective Area	Variance Description
1,671	Supplies and Services	The service continued to experience significant costs arising from disrepair claims during the year.
(2,005)	Contribution from earmarked reserves	There was an allocation from earmarked reserves of £1m for disrepair claims as set aside in the 2025/26 budget and £1.005m to was allocated from the repairs backlog reserve to cover the latest estimated costs.
Tenancy Services		
112	Employees	There was a net overspend against the staffing budget.
(333)	Premises	There was an underspend of approximately £0.495m against utility costs, offset by a net overspend against other premises costs across the service.
(308)	Supplies & Services	There was 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 was transferred in-year.
17	Third Party Payments	Minor net variance.
Housing Management & Support		
(132)	Employees	There was a net underspend forecast against staffing costs, mainly because of revised costs compared to budget setting assumptions.
(37)	Premises	Minor net variance.
99	Supplies & Services	There was an overspend against professional fees.
Housing Investment & Asset Management		
(278)	Employees	There was an underspend against the salaries budget, mainly relating to number of vacancies across the year.
638	Premises	There was an overspend against Compliance servicing and maintenance budgets.
2,816	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.
(636)	Income	Increased income from leasehold service charges, compared to budget assumptions.
Housing Strategy & Supply		
(388)	Employees	Increased capitalisation of salaries, compared to budget assumptions
61	Supplies and Services	Minor net variance.
Council-owned Temporary Accommodation		
74	Employees	Minor net variance.

Appendix 4 – Revenue Budget Performance

Key Variances	Subjective Area	Variance Description
729	Premises	Council-owned Temporary Accommodation can by its nature be volatile. There was a significant overspend in respect of empty properties and repairs costs, reflecting additional costs in respect of void costs for Large Panel Systems (LPS) units.
(110)	Supplies and Services	There was an underspend against the Transfer Incentive Scheme budget
Rent & Service Charges		
(317)	Rents & Service Charges	The income budget was approximately £77m for the financial year and there was a minor over-achievement of £0.310m (equating to 0.4%).
Capital Financing Costs		
(464)	Capital Financing costs	There was an underspend against financing costs, based off capital spend and timing of when borrowing was undertaken.
Direct Revenue Funding		
70	Depreciation	Minor net variance.

Dedicated Schools Grant (DSG)

Revenue Budget Summary

Forecast Variance Month 9 £'000	Service	TBM Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Individual Schools Budget (ISB)	153,748	153,748	0	0.0%
(710)	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>	40,580	39,535	(1,045)	-2.6%
2,366	High Needs Block (excluding delegated to Schools)	34,356	36,487	2,131	6.2%
52	Exceptions and Central Services	3,663	3,659	(4)	-0.1%
680	Grant Income	(233,027)	(232,347)	680	0.3%
2,388	Total Dedicated Schools Grant (DSG)	(680)	1,082	1,762	259.1%

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Early Years Block (including delegated to Schools)		
(176)	Central Early Years Block	Central Early Years Block funding not committed
(254)	Early Years Additional Support Funding	Over provision of budget for Additional Support Funding for Under 2s
(615)	Early Years Free Entitlement	Underspends following spring term early years census
High Needs Block (excluding delegated to Schools)		
806	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.
680	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

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance Description
		Social Emotional Mental Health placements are now being made in schools/academies in other LAs.
908	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. This budget also funds provision for education other than in schools and there has been a significant increase in demand in this area
90	Brighton and Hove Special School Placements	Current placements in the city's special schools in excess of commissioned numbers.
(192)	Inclusion Support Services	Expected underspend due to funding contribution to Early Years team from Early Years Block
(161)	Other	Other variances
Exceptions and Growth Fund		
(4)	Other	Minor variances
Grant Income		
680	DSG Grant	2024/25 central DSG overspend held in unusable reserve

