

Revenue Budget Summary	Month 4	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 3
Children in Care Placements	31,532	34,431	2,899	9.19%	↑
Disability Family Support	370	676	306	82.70%	=
Children in Care Mental Health Contract	-	100	100	0.00%	=
Families First and Social Work	17,496	16,846	(650)	-3.72%	↑
Preventive (Section 17)	491	365	(126)	-25.66%	↓
In-House Residential & Respite	3,833	4,073	240	6.26%	=
Fostering & Adoption	4,819	4,734	(85)	-1.76%	↑
Other	4,974	5,314	340	6.84%	↓
Total	63,515	66,539	3,024	4.76%	↓

Key Variances

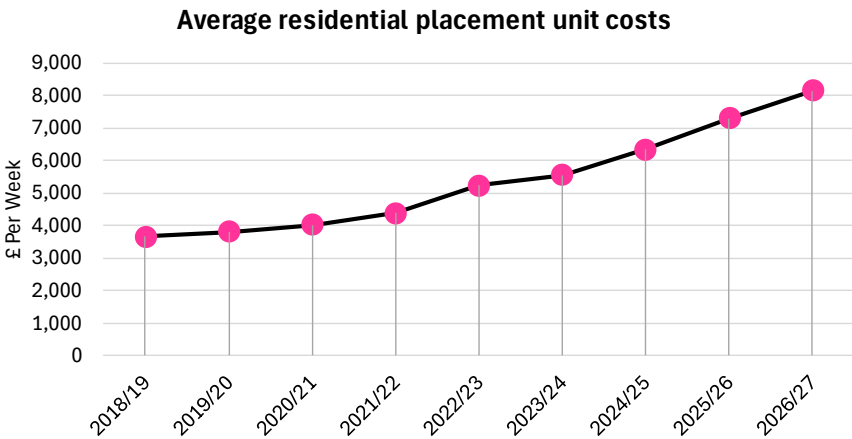
The Children in care placements budget remains difficult to manage despite mitigating initiatives, the main driver is high numbers and increasing unit costs of residential placements. The budget is 25.5 FTE and there are currently 31 children in placement plus another in a court directed residential family assessment place. Intense effort is underway to move children on safely to foster care which is working but new children with complex, high risk needs then enter residential care, so there is turnover despite the number showing as relatively static. In addition, there is an unachieved saving of £0.100m on the CiC mental health contract due to PH funding being redirected in 2025/26. These overspends are likely to be off-set this year by underspends on Families First and prevention which are currently shown in the Financial Recovery Plan. The forecast includes assumed savings achieved of £1.391m.

Risks & Mitigations

The Children’s Placements budget continues to face significant pressure as a result of increasing complexity of need, limited placement sufficiency and rising placement costs. A small number of children with acute safeguarding risks require highly specialised placements at substantial cost. In addition, current market conditions have reduced provider engagement with framework arrangements leading to the necessity to make more placements outside of the framework contract at higher rates. Ongoing challenges in foster carer recruitment continue to constrain family-based placement capacity and increase the use of more expensive alternatives. The number of children in care remains relatively stable, with demand pressures being effectively managed through high-quality social work intervention and transformation initiatives such as reunification and Fostering. Nevertheless, challenges associated with children with complex needs, the local care provider market, and constraints in fostering options have resulted in significant cost pressures on the placement budget.

Savings, Mitigations & Transformation

£'000	●	●	●	●	●	Total
Savings	-	100	-	582	42	724
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	-	-	239	105	423	767
Total	-	100	239	687	465	1,491



Average cost of residential home placements has increased considerably since 2023/24. A combination of children coming into care with significantly complex needs, local market conditions and external impacts of other factors like inflation and pay growth, has resulted in a 47% rise since March 2024.

Revenue Budget Summary	Month 4 Budget £'000	Forecast Outturn £'000	Variance £'000	Variance %	DoT To Month 3
English as an Additional Language and Traveller Service	-	434	434	0.00%	=
Public Health contribution to Schools Wellbeing	(200)	-	200	100.00%	=
Schools PFI	1,209	809	(400)	-33.09%	↑
Early years & Nurseries	1,777	1,797	20	1.13%	↓
Home to School Transport	9,152	9,554	402	4.39%	↑
Libraries	4,211	4,369	158	3.75%	↑
Community Cohesion	3,011	3,058	47	1.56%	=
Other	9,860	9,574	(286)	-2.90%	↑
Total	29,020	29,595	575	1.98%	↑

Key Variances

Schools ceased de-delegation of funds to the English as an Additional Language and Traveller Service (EALTS) meaning that the service needs to operate on a fully traded basis. Income from schools is insufficient to maintain the previous level of service and a restructure is now planned. However, this will not take effect until later in the year meaning a significant overspend for the 2026/27 financial year. In addition, the previously agreed Public Health funding of £0.200m for the Schools Wellbeing Service has now been redirected leaving a shortfall in this budget. The Home to School Transport budget continues to be under pressure with current forecasts indicating that, on average, there will be 31 more pupils eligible for transport than originally anticipated in the budget. The impact of fuel price volatility has been accounted for in this forecast. The forecast includes assumed savings achieved of £0.642m

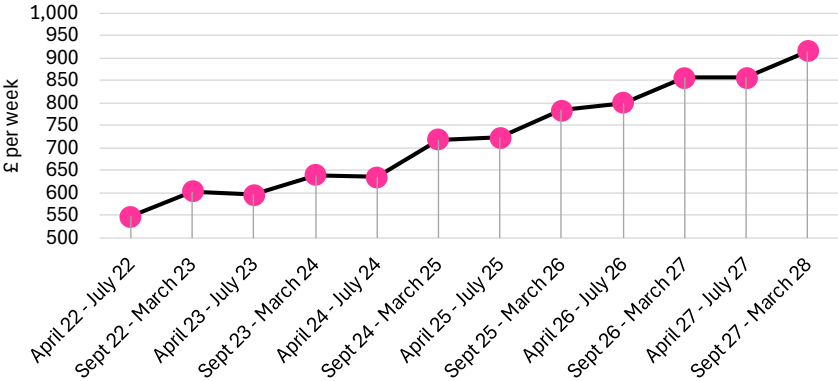
Risks & Mitigations

There remains a risk that pupil numbers eligible for Home to School Transport from September will increase beyond the level assumed within the budget, which has been based on previous year trends. Together with ongoing volatility in the taxi market, this creates a risk of further pressure against the forecast outturn. Mitigating action continues to be taken through active cost management by the transport team, with particular focus on personal travel budgets and route optimisation.

Savings, Mitigations & Transformation

£'000	●	●	●	●	●	Total
Savings	-	300	-	386	206	892
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	-	204	-	50	-	254
Total	-	504	-	436	206	1,146

No. of pupils transported by taxi to school or college



In recent years there has been a substantial increase in both the number of pupils eligible for transport and the average cost per pupil. Since the beginning of the 2022/23 financial year there has been an increase of 57% in the number of pupils transported by taxi and a 53% increase in the average cost.

Revenue Budget Summary	Month 4	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 3
Individual Schools Budget	145,013	145,013	-	0.00%	=
Early Years Block	49,347	48,962	(385)	-0.78%	↑
High needs Block (Excluding delegated to schools)	43,207	50,749	7,542	17.46%	↓
Exceptions & Central Services	2,787	2,793	6	0.22%	↑
Grant Income	(240,354)	(240,354)	-	0.00%	=
Brought Forward Deficit	(1,762)	-	1,762	100.00%	=
Total	(1,762)	7,163	8,925	506.53%	↓

Key Variances

The overall DSG position has worsened since TBM3 with significant adverse variances within High Needs Block budgets of the DSG. There are predicted in-year overspends across a range of budgets including mainstream and special schools top-up funding, external educational agency placements in independent non maintained schools, post-16 high needs provision and education other than at school. The overspends are predominantly being driven by increase in demand - the number of children with Education, Health and Care plans are continuing to go up by 12% per year, whilst unit costs are also increasing due to a rise in complexity of need. In line with government policy, the council is investing in early intervention and mainstream inclusion, however the benefits of this investment (reductions to higher cost placements) is unlikely to be seen until future years. The high needs block allocation received in 2026/27 is at a cash flat level with no uplift provided for growth or inflation factors.

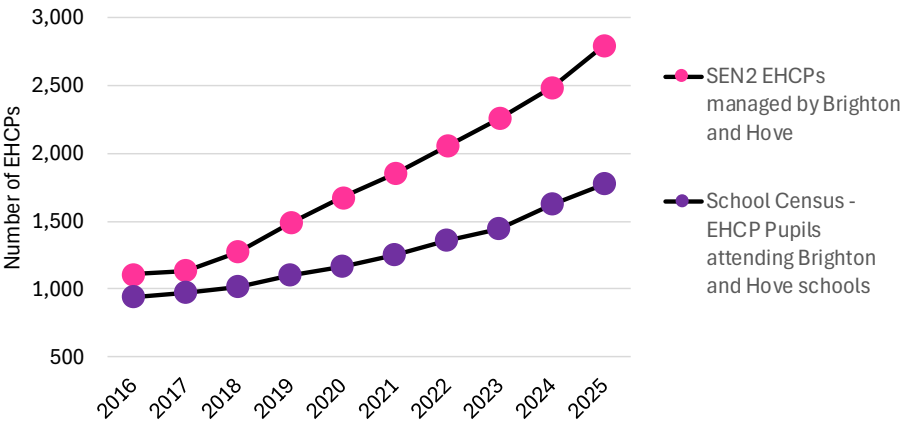
Risks & Mitigations

As is the case nationally, the high needs budgets are facing significant challenges largely linked to the ongoing increase in children with Education, Health and Care plans. Forecasts for high needs budgets in 2026/27 include an assumed level of in-year growth based on similar trends seen in recent financial years. At the end of the 2025/26 financial year there was a cumulative overspend of £1.762m on the central DSG. Currently, the government is providing legislation known as the Statutory Override facility that means any deficit associated with the Central DSG is excluded from the council’s general fund. This facility runs until the end of 2027/28. The government's reforms include a proposal to fund 90% of central DSG deficits to the end of the 2025/26 financial year via a High Needs Stability Grant. At this stage, it is not clear whether a similar arrangement will apply for central DSG deficits arising in 2026/27 and 2027/28.

Savings, Mitigations & Transformation

£'000						Total
Savings	-	-	-	-	-	-
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	-	-	-	-	-	-
Total	-	-	-	-	-	-

Number of Pupils with Education, Health and Care Plans



The graph shows the continual increase in pupils with EHCPs over a ten year period from 2016 to 2025. The number managed by Brighton and Hove has more than doubled over this timeframe with increases in the most recent years being at a higher rate than earlier in the time period.

Revenue Budget Summary	Month 4	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 3
Community Care - Physical & Sensory Support	32,095	39,649	7,554	23.54%	=
Community Care - Learning Disabilities	50,556	50,955	399	0.79%	=
Community Care - Memory & Cognition	11,547	11,781	234	2.03%	=
Community Care - Mental Health	13,507	15,783	2,276	16.85%	=
Assessment teams	14,850	14,928	78	0.53%	↓
In-house services	11,501	12,413	912	7.93%	↓
Commissioning & Partnerships	5,757	5,941	184	3.20%	↓
Total	139,813	151,450	11,637	8.32%	↓

Key Variances

The forecast for community Care is unchanged from TBM3 due to an imbalance of new client costs without the relevant health contributions invoiced to our health partners. The reconciliation of this area of spend will be reflected in TBM 5. For the other areas there is a net increase in forecasted overspend of £0.183m. The main increase this month of £0.128m for In-House Services is due to responsive repairs to hostels. The projected overspend on Community Care placement and packages of care totals £10.5m due to the number of clients being supported and the average unit cost of care being above budgeted levels. The total financial recovery plan for Adult Social Care totals £10.115m, with £6.341m achieved and £3.774m anticipated to be achieved and reflected in the forecast. ASC and Commissioning continue to implement and find new opportunities for financial sustainability which also aligns with regulatory CQC improvement journey.

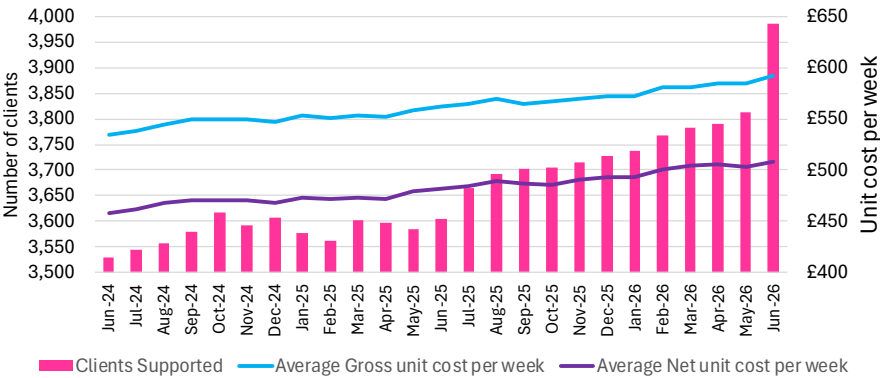
Risks & Mitigations

In 2025/26, the outturn for community care budgets was £6.8m overspent and the net uplift after savings for 2026/27 was £2.1m. The care required for the people related to this spend continue to require such support into 26/27, creating a structural overspend in the forecast. The Adult Social Care budget is facing significant challenges in mitigating the risks from increasing demands and managing the unit costs, where pressures in the independent sector continue to rise at a pace above general inflation. In respect of financial recovery and the ongoing management of Community Care Budget pressures, a monthly savings and efficiencies meeting provides rigorous monitoring and oversight of the Adult Social Care & Health savings progress. Additionally, each month the top ten spends on placements and packages of care are reviewed to ensure immediate remedial action is undertaken to look at options and, wherever possible, reduce the cost of care whilst meeting assessed need.

Savings, Mitigations & Transformation

£'000						Total
Savings				23		23
Pressure mitigations						-
Transformation programmes			3,774	6,318		10,092
Total	-	-	3,774	6,341	-	10,115

ASC Community Care Demand and Unit Costs



The graph shows the significant increase in ASC clients support over the last 2 years (8% since June 2024) and the steady ongoing increase unit costs of care

Revenue Budget Summary	Month 4	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000			
HPS - Temp Accommodation (TA) and Allocations	14,641	15,084	443	3.03%	↑
HPS - TA Management & Support	804	654	(150)	-18.60%	↑
HPS - Rough Sleeper & Housing related Support	4,455	4,455	-	0.00%	↓
HPS - Travellers	397	441	44	11.07%	↓
H&I - Private Sector Housing	577	586	9	1.59%	=
H&I - Housing Strategy and Enabling	180	197	17	9.18%	↓
Total	21,054	21,417	363	1.72%	↑

Key Variances

The HGF position has improved by £0.031m since TBM3, reflecting continued progress in delivering the Temporary Accommodation (TA) Recovery Plan. Housing People Services (HPS) is forecasting an overspend of £0.336m. Housing & Investment (H&I) is forecasting an overspend of £0.026m. TA remains the most significant financial pressure within the service. However, the position continues to improve through delivery of the TA Recovery Plan and reduced reliance on high-cost accommodation. Between April and July 2026, 85 households were moved from higher cost accommodation, supporting improved financial performance.

The service also benefits from a forecast salary underspend of £0.150m due to recruitment delays.

Overall, the forecast reflects continued progress in reducing accommodation costs and delivering recovery plan actions.

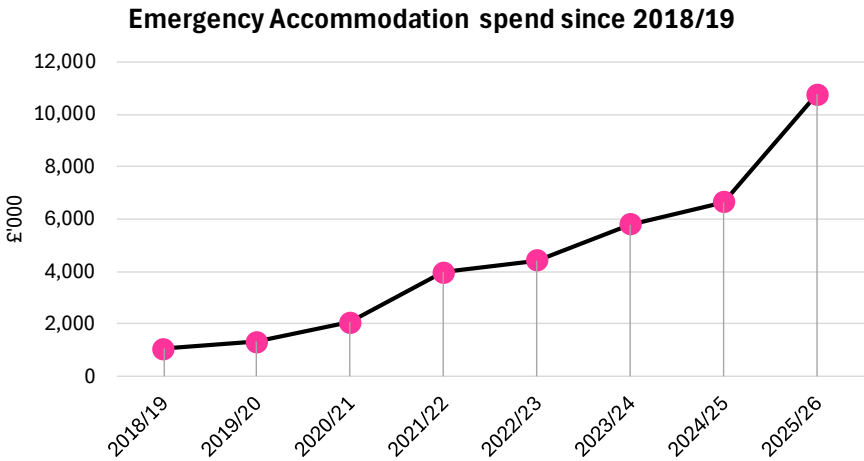
Risks & Mitigations

Temporary Accommodation remains the most significant demand-led financial pressure within the Housing General Fund, driven by sustained homelessness demand, rising accommodation costs and Housing Benefit subsidy loss. The Temporary Accommodation Recovery Plan continues to mitigate these pressures through reducing reliance on high-cost nightly paid accommodation, increasing lower-cost provision, supporting move-on to settled housing and delivering operational efficiencies. However, delivery of forecast savings remains dependent on property availability, mobilisation timescales and continued demand management.

Demand remains high, with accommodation pressures of £2.332m offset by forecast savings of £1.890m expected from the TA Recovery Plan.

Savings, Mitigations & Transformation

£'000	●	●	●	●	●	Total
Savings	-	-	-	-	-	-
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	-	829	1,890	2,124	300	5,143
Total	-	829	1,890	2,124	300	5,143



The graph shows a rise in the use of emergency accommodation over time, reflecting increasing immediate housing need and reduced access to settled temporary options. There has also been a clear shift towards more expensive spot-purchased (nightly) accommodation, which remains the highest cost form of provision and continues to drive in-year pressure.

The forecast assumes a downward trend in costs as more cost-efficient accommodation is brought into use.

Revenue Budget Summary	Month 4	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 3
Repairs & Maintenance	19,421	19,169	(252)	-1.30%	=
Housing Management & Support	6,933	6,888	(45)	-0.65%	=
Housing Investment & Asset Management	(124)	(434)	(310)	-250.00%	=
Housing Safety & Regulatory Compliance	3,807	4,116	309	8.12%	=
Housing Strategy & Supply	2,134	2,075	(59)	-2.76%	↓
Tenancy Services	17,534	18,000	466	2.66%	=
Council-owned Temporary Accommodation	200	834	634	317.00%	=
Rent & Service Charges	(78,919)	(78,919)	-	0.00%	↑
Capital Financing Costs	12,000	12,000	-	0.00%	=
Direct Revenue Funding	17,014	17,262	248	1.46%	=
Total	-	991	991	0.00%	↑

Key Variances

The forecast has improved by £0.467m compared with TBM3. This is due to improvement in void numbers reducing from 150 to 127 properties since April, supported by increased refurbishment activity and additional contractor capacity. Continued focus on reducing void turnaround times and sustaining tenancies should help reduce future rent loss and support the long-term financial position.

The HRA continues to face significant cost pressures, particularly from disrepair claims and associated repair costs, with forecast expenditure of £2.0m partially mitigated by a £1.0m earmarked reserve. The Repairs Service has implemented measures to reduce future liabilities, including reducing backlogs, addressing the root causes of defects and strengthening legal processes. Claims received are lower than at the same point last year.

Risks & Mitigations

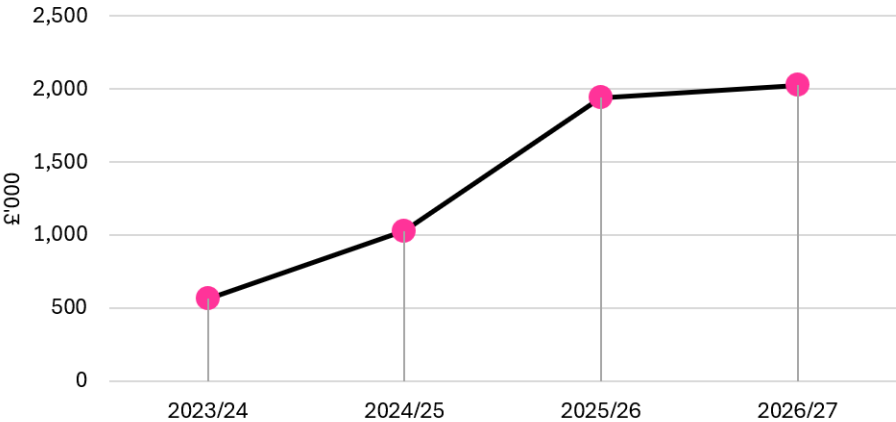
The HRA continues to face significant financial challenges and uncertainty, with key risks including disrepair claims, building safety compliance, rent collection and void performance. While disrepair expenditure remains a major pressure, the service has implemented a range of proactive measures to reduce both the volume and long-term cost of claims. Claims received are lower than the same period last year, and work is underway to address root causes of defects, reduce outstanding cases, strengthen legal processes and improve tenant awareness. These measures have increased short-term repair expenditure but are expected to reduce future liabilities, improve customer satisfaction and support better value for money over the medium term.

The HRA will continue to closely monitor expenditure, income collection and emerging risks throughout the year.

Savings, Mitigations & Transformation

£'000						Total
Savings	-	-	-	-	-	-
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	-	-	-	-	-	-
Total	-	-	-	-	-	-

Disrepair claims revenue costs



This shows growth in revenue costs for disrepair claims, covering legal and professional fees and compensation. Costs of the disrepair works are charged to capital, given the nature of the works undertaken.

Revenue Budget Summary	Month 4	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 3
City Infrastructure	46,986	48,754	1,768	3.76%	↓
Culture & Environment	20,668	21,329	661	3.20%	↓
Environmental Services	43,357	45,628	2,271	5.24%	↓
Place	5,146	5,066	(80)	-1.55%	↑
Digital Innovation	9,410	8,922	(488)	-5.19%	↑
Total	125,567	129,699	4,132	3.29%	↓

Key Variances

A key change from the month 3 report is further cost forecasts of £0.862m including agency usage associated within Environmental Services which are currently being reviewed in light of the Zero Missed Bins investment previously included.

There are some further expenditure reductions and vacancy underspends included accross City Operations.

All other expediture forecasts have been reviewed and there are no further key changes.

Risks & Mitigations

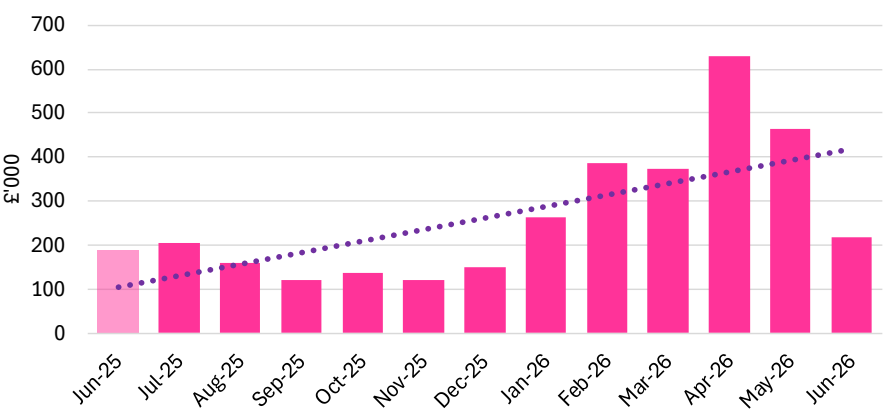
Previous risks reported have been reviewed and are still identified as risks. These include Concessionary Fares, with Compass moving to a claims basis and the forecast rising from £0.257m to £0.365m. Further risks include additional arboriculture disease work, extra collection resources, high agency spend, ageing fleet hire costs and no carry forward for project resource. Mitigations include reviewing vacant Building Control posts before adding resources.

There is a risk that the Highway repairs will increase further but is dependant on further adverse weather conditions which could impact repairs, particularly across the winter period.

Savings, Mitigations & Transformation

£'000	●	●	●	●	●	Total
Savings	375	-	265	235	268	1,143
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	-	-	110	-	60	170
Total	375	-	375	235	328	1,313

Monthly cost of Highway repairs



Forecast expenditure for the year is £3.2m based on spend incurred since April 2026 and assuming a spend profile for the remaining 9 months which is consistent with the same period in 2025/26. For comparative purposes June 25 has been included but not part of the forecast calculation.

Revenue Budget Summary	Month 4	Forecast		Variance		DoT
	Budget	Outturn	Variance		To Month 3	
	£'000	£'000	£'000	%		
City Infrastructure	(53,320)	(53,909)	(589)	-1.10%	↑	
Culture & Environment	(11,813)	(13,810)	(1,997)	-16.91%	↑	
Environmental Services	(10,277)	(10,031)	246	2.39%	↑	
Place	(2,562)	(2,273)	289	11.28%	↓	
Digital Innovation	(180)	(122)	58	32.22%	=	
Total	(78,152)	(80,145)	(1,993)	-2.55%	↑	

Key Variances

A key change from the month 4 report includes a reduction of Parking incomes reflecting actual usage over the year to date period. On-Street income is 6.6% up compared to last year, however the target is 8% based on the savings across the MTFS and much of this is weighted towards the summer. These will be under further review as the summer months continue. These have been mitigated within City Infrastructure through further incomes within Bus Shelter Advertising.

Building Control income forecasts have also reduced based on year to date actuals, but will also be kept under review.

There are other income improvements accross City Operations including Venues and revised forecasts within Commercial Waste. All other income forecasts have been reviewed and there are no further key changes.

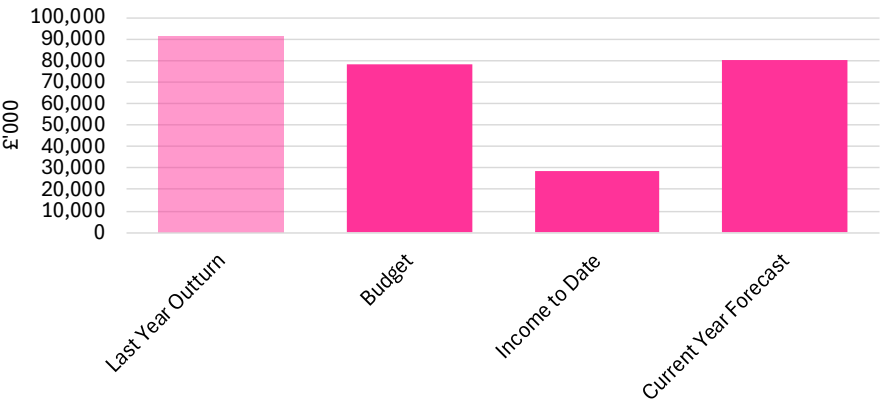
Risks & Mitigations

Previous risks reported have been reviewed and are still identified as risks. These include parking and PCN income pressures. Savings at risk include Red Routes and paid parking in light-touch zones, both forecast at 50% achievement due to delays and challenge. Monitoring of Black Rock income remains important, as underachievement could increase in-year pressure.

Savings, Mitigations & Transformation

£'000						Total
Savings	-	-	-	121	-	121
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	220	433	343	2,792	-	3,788
Total	220	433	343	2,913	-	3,909

City Operations Income



City Operations is showing £28.371m income received to date with an outturn forecast of £80.145m against an income target of £78.153m. Income may not always be linear and may have peak times during the year such as summer months or actioned through year end entries. Prior year income was £91.308m which included use of BSIP grant towards related expenditure. Year to date income will continue to be assessed for the reliability of the forecast position.

Revenue Budget Summary	Month 4	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 3
Cabinet Office	1,189	1,126	(63)	-5.30%	↑
Corporate Leadership Office	1,107	1,107	-	0.00%	=
Finance & WRBS	10,337	10,808	471	4.56%	↓
Property Estates	(4,873)	(3,859)	1,014	20.81%	↓
Property Other	9,670	9,104	(566)	-5.85%	↑
Governance & Law	5,008	4,698	(310)	-6.19%	↑
People & Innovation	6,160	6,176	16	0.26%	↑
Contribution to Orbis	3,139	3,139	-	0.00%	=
Total	31,737	32,299	562	1.77%	↑

Key Variances

The Directorate's position improved by £0.230m at TBM4, mainly due to a combination of mitigations within Facilities and Building Services and Strategic Communications and Engagement, together with £0.245m from staffing cost savings and £0.098m from contract reviews. The most significant pressure is in Finance and Property Services with a net pressure of £1.036m, driven by lost rental income and landlord related charges and costs on vacant properties as well as staffing and operational costs Pressure in WRBS , £0.287m. This has been partly offset by an expected income overachievement of £0.400m within the Surveying Team, resulting from increased SEND and direct commission projects. There have been only minor changes across other services, with Governance and Law and the Cabinet Office maintaining forecast underspends of £0.310m and £0.063m respectively. These underspends are mainly attributable to income overachievement and savings in operational expenditure.

Risks & Mitigations

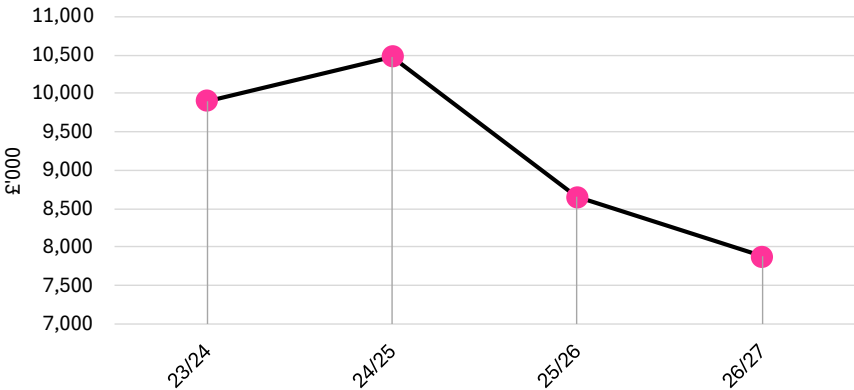
Key risks remain across Central Hub budgets, particularly within Property, WRBS and enabling services. Property maintenance and landlord related costs may increase as the number of vacant properties rises and unforeseen works are required. The most significant risks currently relate to rental income shortfalls and the reliance on additional Surveying income and new projects to help mitigate the financial position.

Legal, Finance, HR and Procurement services also remain under pressure, requiring additional capacity to support council wide transformation activity. There is also an unquantified risk associated with any responsive repairs activity to council assets that may be required across the city during the year.

Savings, Mitigations & Transformation

£'000	●	●	●	●	●	Total
Savings	-	-	614	798	213	1,625
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	300	-	535	200	10	1,045
Total	300	-	1,149	998	223	2,670

Annual commercial rental income



2025/26 saw the closure of New England House reducing the commercial income generated by c.£900k. Other factors for the reduced income relates to the disposal of properties to achieve a capital receipt, void properties or rent reductions as a consequence or lease renewals or new lettings.

Revenue Budget Summary	Month 4	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 3
Bulk Insurance Premia	4,565	4,665	100	2.19%	=
Capital Financing Costs	13,453	13,906	453	3.37%	=
Levies & Precepts	258	258	-	0.00%	=
Unallocated Contingency & Risk Provisions	3,535	3,535	-	0.00%	=
Unringfenced Grants	(15,000)	(15,000)	-	0.00%	=
Housing Benefit Subsidy	3,099	3,520	421	13.59%	=
Other Corporate Items	6,897	8,475	1,578	22.88%	=
Total	16,807	19,359	2,552	15.18%	=

Key Variances

TBM 04 update. The Housing Benefit Subsidy budget has been overspent for several years. £2.000m pressure funding was included in 2026/27 to fund these rising costs. Whilst TBM4 forecast remains the same, Housing Benefit data indicates a potential increase in pressure. This is being investigated and reported as a risk, with further updated expected in TBM5. A recovery plan is in place to reduce the Housing Benefit Subsidy loss. This is expected to reduce the pressure by £0.240m by year end. Other mitigations in the recovery plan may also see other, smaller movements. The financing cost budget overspend remains at £0.453m, driven by higher borrowing costs and the use of borrowing in place of up to £17m of capital receipts to fund transformation activity. Under Other Corporate Items there is no change from TBM3 with £0.946m for pay award offer and £0.730m pressure due to Business Rates Retention.

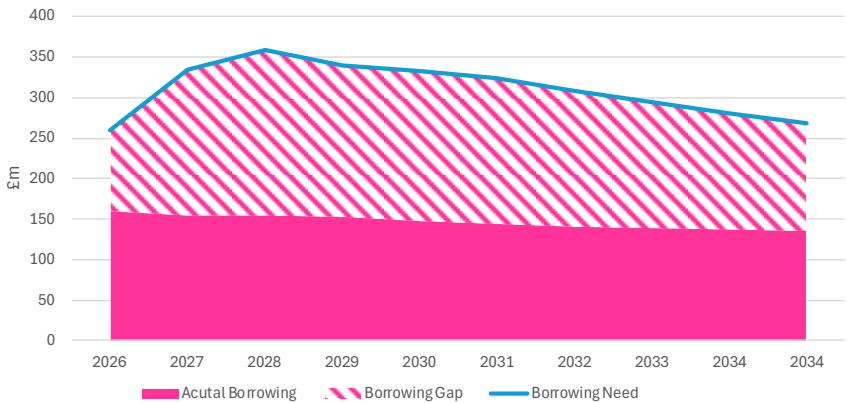
Risks & Mitigations

A Housing Benefit Subsidy Recovery Action Plan is in place to minimise the Housing Benefit subsidy loss. The primary way to achieve this is by loss-inducing Supported Accommodation providers gaining “registered” status. At least one provider is expected to achieve this in 2026/27, which has been included in the forecast. Other activities are also underway such as improving knowledge around housing benefit subsidy loss in relation to claims for providers and the voluntary and community sector, maximising powers under the Supported Housing (Regulatory Oversight) Act, and reviewing commissioned supported accommodation

Savings, Mitigations & Transformation

£'000						Total
Savings	-	-	450	1,550	-	2,000
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	1,125	-	-	-	-	1,125
Total	1,125	-	450	1,550	-	3,125

General Fund Borrowing Requirement



The graph shows the funding gap between the need to borrow to support the capital programme versus the actual borrowing portfolio. The general fund has a gap of up to £180m in 2026/2 which will be met by a combination of using the cash from internal reserves, and external borrowing.