

Revenue Budget Summary	Month 5	Forecast		Variance	Variance	DoT
	Budget	Outturn	Variance			
	£'000	£'000	£'000	%	To Month 4	
Children in Care Placements	31,532	34,804	3,272	10.38%	↓	
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	16,702	(794)	-4.54%	↑	
Preventive (Section 17)	491	327	(164)	-33.40%	↑	
In-House Residential & Respite	3,833	4,048	215	5.61%	↑	
Fostering & Adoption	4,819	4,729	(90)	-1.87%	↑	
Other	4,740	5,026	286	6.03%	↑	
Total	63,281	66,412	3,131	4.95%	↓	

Key Variances

The forecast position has slightly worsened since the Month 4 report, primarily due to increased demand for Children in Care placements. While demand typically rises during the second quarter, the current increase is significantly higher than anticipated. This, combined with rising residential placement costs linked to a higher number of children with complex needs, has contributed to the increased forecast overspend. Forecast recovery measures have also been reduced to account for the increasing demand for children in care, lowering the level of risk within the forecast. These pressures have been partially offset by improvements across other service areas, supported by strengthened financial controls and recruitment activity. The forecast includes savings achieved of £1.391m.

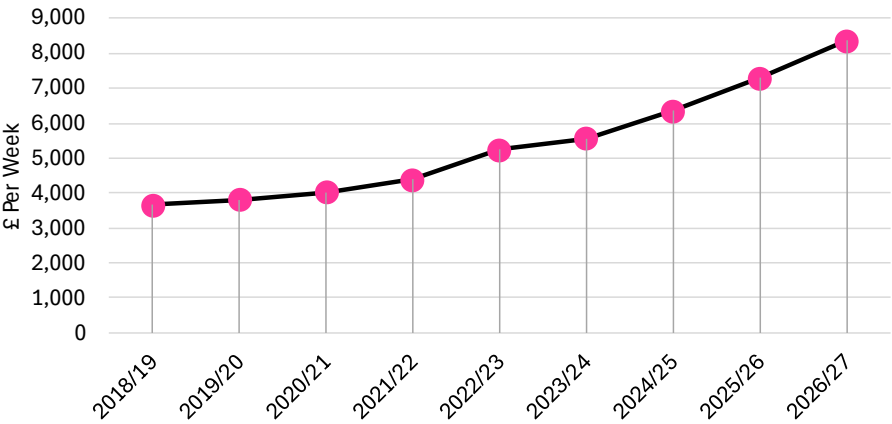
Risks & Mitigations

The Children’s Placements budget continues to face significant pressure due to 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, creating a significant challenge for the service in mitigating the risk of further overspends. The financial recovery plan has been scaled back to reduce the inherent risk within the forecast; however, significant financial risk remains. Tight spending controls and recruitment controls across other services are being maintained to help mitigate these pressures and support the overall financial position.

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 residential placement unit costs



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 50% rise since March 2024.

Revenue Budget Summary	Month 5	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 4
English as an Additional Language and Traveller Service	-	505	505	0.00%	↓
Public Health contribution to Schools Wellbeing	(200)	-	200	100.00%	=
Schools PFI	1,209	709	(500)	-41.36%	↑
Early years & Nurseries	1,777	1,837	60	3.38%	↓
Home to School Transport	9,152	9,513	361	3.94%	↑
Libraries	4,211	4,357	146	3.47%	↑
Community Cohesion	3,011	3,011	-	0.00%	↑
Other	10,095	9,770	(325)	-3.22%	↑
Total	29,255	29,702	447	1.53%	↑

Key Variances

The overall forecast position has improved since last month, supported by the continuing improvement in the schools PFI contract and ongoing scrutiny of spending and recruitment. Home to School Transport has also shown a slight improvement this month; however, this reflects the earlier end of the school term for some pupils in July and should not be interpreted as an ongoing trend. The processing and recording of new contracts remains ongoing, meaning that complete information is not yet available to accurately forecast expenditure for the new academic year. The current forecast is therefore based on trends from previous years and may change significantly once the full information is available.

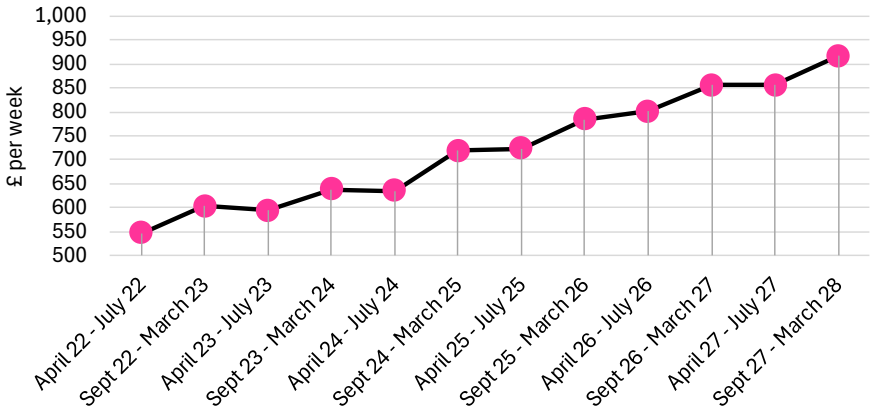
Risks & Mitigations

There is a financial risk that the number of pupils eligible for Home to School Transport from September may be higher than the assumptions included in the budget, which are based on trends from previous years. This is further impacted by ongoing volatility in the taxi market, which could increase pressure on the forecast outturn position. The transport team continues to manage costs closely, including through the use of personal travel budgets and further review of transport routes.

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 5	Forecast			
	Budget	Outturn	Variance	Variance	DoT
	£'000	£'000	£'000	%	To Month 4
Individual Schools Budget	145,679	145,679	-	0.00%	=
Early Years Block	48,108	47,673	(435)	-0.90%	↑
High needs Block (Excluding delegated to schools)	43,169	50,966	7,797	18.06%	↓
Exceptions & Central Services	3,398	3,404	6	0.18%	=
Grant Income	(240,354)	(240,354)	-	0.00%	=
Brought Forward Deficit	(1,762)	-	1,762	100.00%	=
Total	(1,762)	7,368	9,130	518.16%	↓

Key Variances

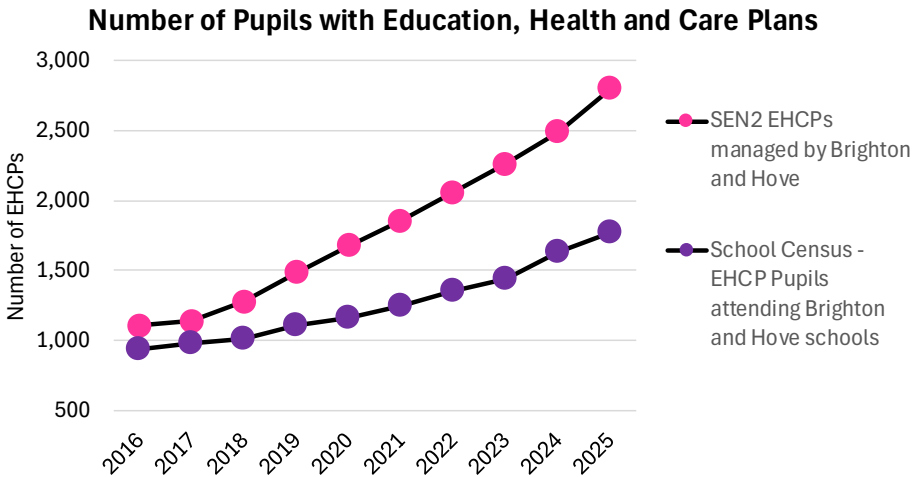
The overall DSG position has marginally worsened since TBM4 with significant adverse variances within High Needs Block budgets of the DSG. There are predicted in-year overspends across a range of budgets including mainstream and special schools top-up funding, external educational agency placements in 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) are 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	-	-	-	-	-	-



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 5	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 4
Community Care - Physical & Sensory Support	32,094	39,948	7,854	24.47%	↓
Community Care - Learning Disabilities	50,499	50,897	398	0.79%	↑
Community Care - Memory & Cognition	11,547	11,781	234	2.03%	=
Community Care - Mental Health	13,507	16,383	2,876	21.29%	↓
Assessment teams	14,946	15,024	78	0.52%	=
In-house services	11,336	12,248	912	8.05%	=
Commissioning & Partnerships	5,884	6,068	184	3.13%	=
Total	139,813	152,349	12,536	8.97%	↓

Key Variances

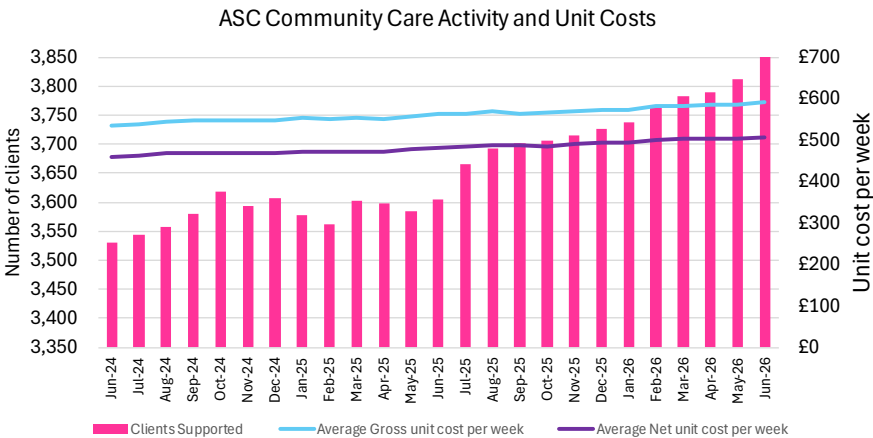
The overall forecast for ASC has increased by £900k from TBM4 . The projected overspend on Community Care placement and packages of care is due to the number of clients being supported and the average unit cost of care being above budgeted levels. The total financial recovery plan for Adult Social Care totals £10.115m, with £4.9m achieved and £3.4m anticipated to be achieved and is reflected in the forecast. The forecast of growth in demand will be subject to a deep dive to evaluate how the MHCLG investment of £6.4 million can be deployed to accelerate the interventions related to managing demand and containing costs. Provider fee uplift requests of £2.3m have been received of which £0.6m has been agreed to date, leaving £1.8m pressure not included 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 cost of care required for the people related to the overspend in 25/26 continues, and will continue given the long-term nature of care, especially for working age adults with long term conditions, this creates a structural overspend into 27/28. There are significant challenges in mitigating the risks from increasing demands and unit costs, where pressures in the independent sector continue to rise at a pace above general inflation and the council's commitment to paying the living wage. In respect of financial recovery and the ongoing management of Community Care Budget pressures, a monthly meeting provides rigorous monitoring and oversight of ASC Transformation. Each month the top ten spends on placements and packages of care are reviewed to ensure immediate remedial action is undertaken.

Savings, Mitigations & Transformation

£'000	●	●	●	●	●	Total
Savings	-	-	-	23	-	23
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	-	1,813	3,432	4,847	-	10,092
Total	-	1,813	3,432	4,870	-	10,115



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 5	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 4
HPS - Temp Accommodation (TA) and Allocations	14,641	15,176	535	3.65%	↓
HPS - TA Management & Support	804	667	(137)	-17.03%	↓
HPS - Rough Sleeper & Housing related Support	4,455	4,455	(0)	-0.01%	↑
HPS - Travellers	397	441	44	11.07%	=
H&I - Private Sector Housing	577	580	3	0.54%	↑
H&I - Housing Strategy and Enabling	180	194	14	7.64%	↑
Total	21,054	21,513	459	2.18%	↓

Key Variances

The forecast position has slightly worsened since the Month 4 report, primarily due to increased demand for Temporary Accommodation, particularly within spot-purchased accommodation. Whilst demand reduced during the first four months of the year, August saw a significant increase in households requiring TA, reversing the previous downward trend and increasing accommodation costs above forecast assumptions. The forecast has also been adversely impacted by delays in delivering a number of savings initiatives, including the Exempt Accommodation programme and EPC related proposals, reducing the level of savings achievable in 2026/27. In addition, delays to key transformation projects, including the Dynamic Market and Base One arrangements, continue to present delivery risks. Work is ongoing to mitigate these pressures and maximise future savings opportunities; however, further delays may increase the level of financial risk within the forecast.

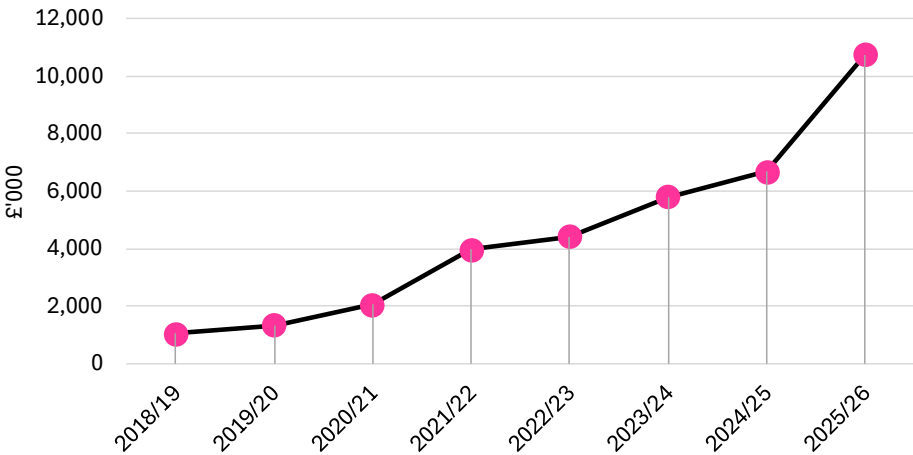
Risks & Mitigations

Temporary Accommodation remains the most significant demand-led financial pressure within the Housing General Fund, driven by sustained homelessness demand, increasing accommodation costs and Housing Benefit subsidy loss. The TA Recovery Plan continues to mitigate these pressures, reducing reliance on high-cost nightly paid accommodation, increasing lower-cost provision, supporting move-on into settled housing and delivering operational efficiencies. However, delivery of forecast savings remains dependent on affordable housing supply and maintaining reductions in demand. Current accommodation pressures of £2.171m are offset by forecast savings of £1.636m from the recovery programme. Whilst work continues to strengthen financial sustainability, delays to key transformation initiative, procurement of the dynamic marketing for block booked accommodation, and in year delivery of saving projects, EPC and exempt accommodation, remain a financial risk during the remainder of the year.

Savings, Mitigations & Transformation

£'000						Total
Savings	-	-	-	-	-	-
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	-	829	2,307	1,707	300	5,143
Total	-	829	2,307	1,707	300	5,143

Emergency Accommodation spend since 2018/19



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 5	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 4
Repairs & Maintenance	19,421	19,207	(215)	-1.10%	↓
Housing Management & Support	6,933	6,888	(45)	-0.65%	↑
Housing Investment & Asset Management	(124)	(508)	(384)	-309.33%	↑
Housing Safety & Regulatory Compliance	3,807	4,282	476	12.49%	↓
Housing Strategy & Supply	2,134	2,111	(23)	-1.07%	↓
HPS -Tenancy Services	17,534	18,073	540	3.08%	↓
HPS - Council-owned Temporary Accommodation	200	748	548	273.98%	↑
Rent & Service Charges	(78,336)	(78,336)	-	0.00%	=
Capital Financing Costs	11,417	11,417	-	0.00%	=
Direct Revenue Funding	17,014	17,262	248	1.46%	↓
Total	-	1,145	1,145	0.00%	↓

Key Variances

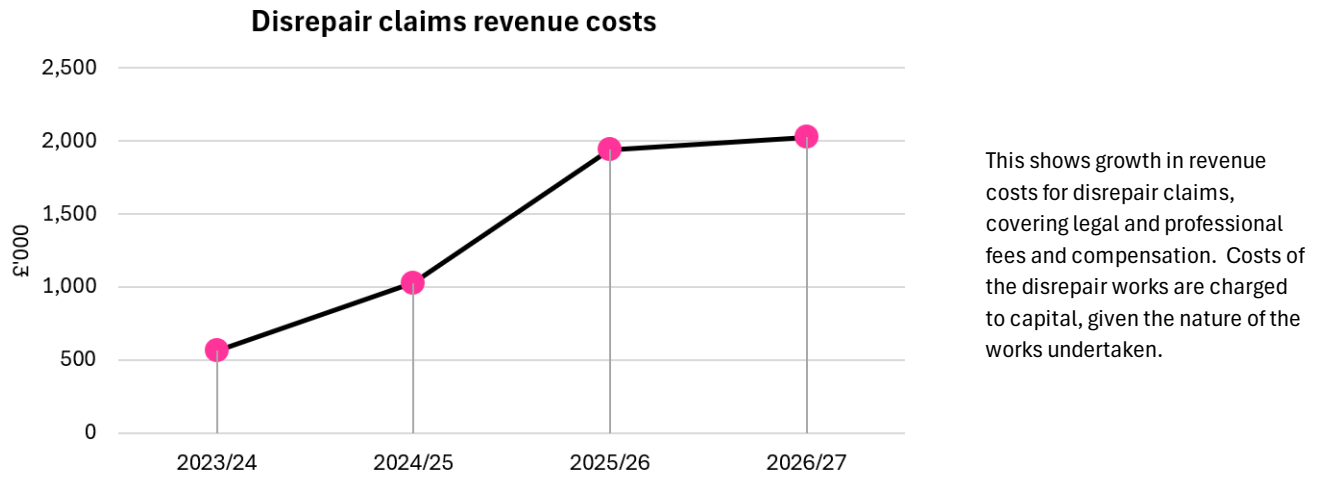
The council continues to invest in the safety, quality and maintenance of council homes, with significant spending on fire and building safety, essential repairs and major improvement programmes.

Disrepair costs are forecast at £1.9m, partly offset by a £1m earmarked reserve - officers from across the council are testing and learning from new approaches to reduce the 'no-win/no-fee' legal interventions by proactive negotiations with tenants to address the issues at the earliest stage possible, consequently disrepair claims remain lower than at the same point last year.. Teams are also addressing the surge in repairs arising from increased reporting linked to damp and mould and the proactive promotion of Awaab's Law.

The forecast also includes major investment in building safety and compliance programmes, including fire safety works, Bristol Estate and other schemes that support the long-term safety and quality of council housing.

Risks & Mitigations

Demand for housing management and tenancy support remains high, reflecting increasingly complex resident needs. Continued investment in preventative and targeted support helps sustain tenancies, support vulnerable households and improve rent collection performance, contributing to the long-term financial sustainability of the Housing Revenue Account.



Revenue Budget Summary	Month 5	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 4
City Infrastructure	47,013	48,223	1,210	2.57%	↑
Culture & Environment	20,918	21,317	399	1.91%	↑
Environmental Services	43,357	44,420	1,063	2.45%	↑
Place	4,896	5,161	265	5.41%	↓
Digital Innovation	10,500	9,513	(987)	-9.40%	↑
Total	126,684	128,634	1,950	1.54%	↑

Key Variances

A key change from the month 4 report is the net improvement of £500k in City Infrastructure following the decision to capitalise £880k of costs which has been offset by an increase £380k in month associated with the risk of a bad winter impacting on the condition of the city's road network. £300k improvement across collection and street cleansing following a review of expenditure with the service, with a minor improvement in Digital Innovation based on the latest spend controls and vacancy management.

Risks & Mitigations

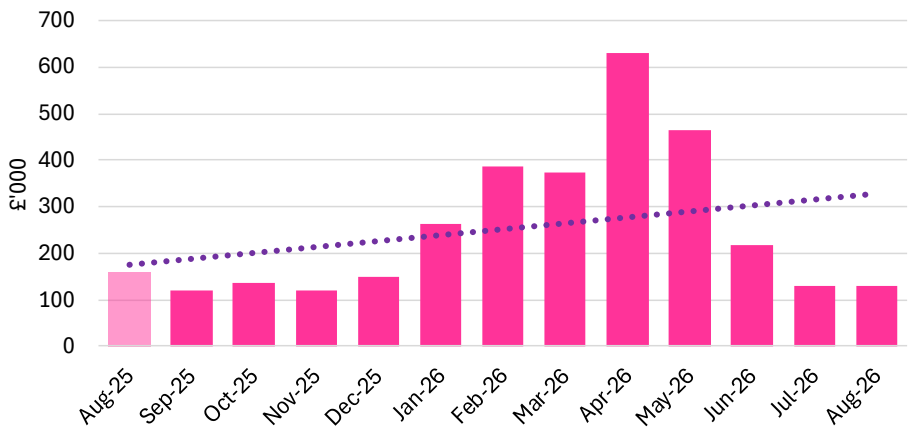
Previous risks reported have been reviewed and are still identified as risks. These include Concessionary Fares, with Compass moving to a claims basis and the forecast rising from £0.257m to £0.365m. Further risks include additional arboriculture disease work, extra collection resources, high agency 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 August 25 has been included but not part of the forecast calculation.

Revenue Budget Summary	Month 5	Forecast			
	Budget	Outturn	Variance	Variance	DoT
	£'000	£'000	£'000	%	To Month 4
City Infrastructure	(53,347)	(53,124)	223	0.42%	↓
Culture & Environment	(11,813)	(13,730)	(1,917)	-16.23%	↓
Environmental Services	(10,277)	(9,131)	1,146	11.15%	↓
Place	(2,562)	(2,373)	189	7.38%	↑
Digital Innovation	(180)	300	480	266.67%	↓
Total	(78,179)	(78,058)	121	0.15%	↓

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

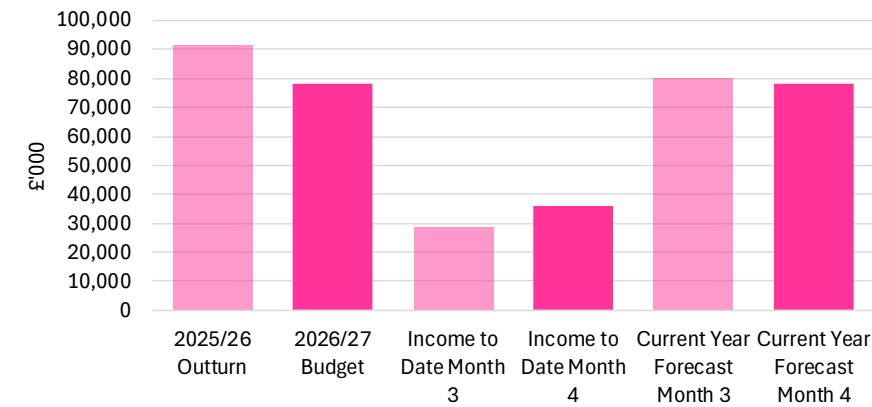
Risks & Mitigations

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	2,784	8	3,788
Total	220	433	343	2,905	8	3,909

City Operations Income



City Operations is showing £35.874m (£28.371m TBM4) income received to date with an outturn forecast of £78.058m (£80.145m TBM4) against an income target of £78.179m. Achieved to date is 45% (35% TBM 3) of the forecast income. 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.

Revenue Budget Summary	Month 5	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 4
Cabinet Office	1,189	1,290	101	8.49%	↓
Corporate Leadership Office	1,107	1,107	-	0.00%	=
Finance & WRBS	11,264	11,748	484	4.30%	↓
Property Estates	(4,873)	(3,874)	999	20.50%	↑
Property Other	9,670	9,137	(533)	-5.51%	↓
Governance & Law	5,008	4,628	(380)	-7.59%	↑
People & Innovation	6,160	6,399	239	3.88%	↓
Contribution to Orbis	1,122	1,122	-	0.00%	=
Total	30,647	31,557	910	2.97%	↓

Key Variances

The Directorate's position worsened by £0.276m at TBM5, mainly due to pressures in Strategic Communications and Engagement (£0.238m), driven by an unachievable income target (£0.044m contribution from PH), staffing costs (£0.113m), and licence costs (£0.040m). There is also an income pressure in the Cabinet Office linked to a savings target that was originally allocated elsewhere (£0.164m).

Property Services continues to report a £0.999m pressure, largely due to lost rental income and costs associated with vacant properties. This is partly offset by a £0.281m income overachievement in the Surveying Team from increased SEND and direct commission projects. Planned recruitment is expected to reduce this overachievement by £0.120m. Elsewhere, changes are minimal, ELLC improved forecast by £0.201m from overachievement of income in registration and Local Land Charges services.

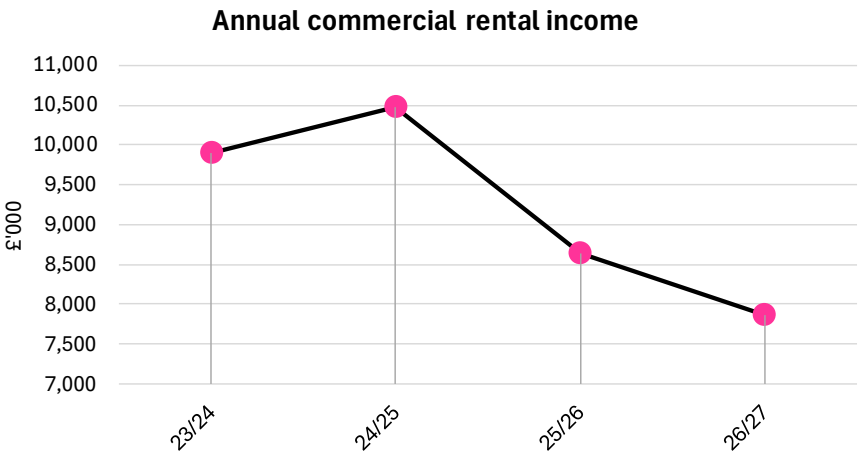
Risks & Mitigations

There has not been significant changes to underlying risks within the directorate. Key risks remain within the Central Hub, particularly across Property, WRBS and enabling services. Property budgets face ongoing pressure from rising maintenance and landlord costs linked to vacant properties and unexpected repair works. The biggest financial risks are continued shortfalls in rental income and the reliance on additional Surveying income and new projects to offset budget pressures.

Legal, Finance, HR and Procurement services also remain stretched, with extra capacity needed to support council wide transformation programmes.

Savings, Mitigations & Transformation

£'000	●	●	●	●	●	Total
Savings	-	-	404	1,008	213	1,625
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	300	300	175	260	10	1,045
Total	300	300	579	1,268	223	2,670



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 5	Forecast	Variance	Variance	DoT
	Budget	Outturn			
	£'000	£'000	£'000	%	To Month 4
Bulk Insurance Premia	4,565	4,665	100	2.19%	=
Capital Financing Costs	13,453	13,960	507	3.77%	↓
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	6,896	10,149	3,253	47.17%	↓
Total	16,806	21,087	4,281	25.47%	↓

Key Variances

There has been a £1.729m increase in the overspend within centrally-held budgets. The primary change is the non-delivery of savings attached to the Organisational Transformation programme held centrally (£1.125m). Whilst headway has been made in delivering organisational change, this has been in areas that were already identified by services. There has been some delay in delivery of the cross-cutting programme.

In addition, costs associated with schools reorganisation (£0.550m) has been included in the forecast. These costs are one-off and is expected to contribute to a more financially sustainable schools provision moving forwards.

Risks & Mitigations

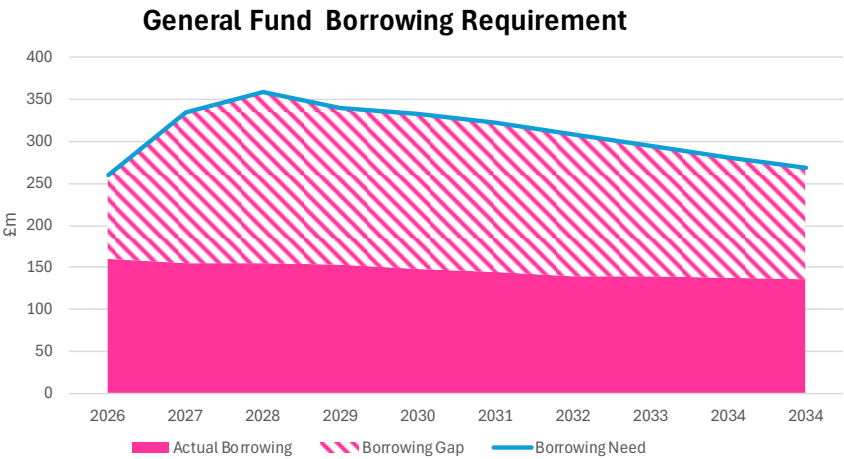
Organisation diagnostics work is due to start imminently which will provide insight and identify clear workstreams for the Organisational Transformation programme going into 2027/28.

The latest guidance regarding Dedicated Schools Grant has resulted in an emerging risk of not being able to fully recover corporate costs from the DSG, the full value of which is included in the financial risks appendix. Work will be undertaken to review this risk and quantify the council's exposure further.

The risk around an increase in Housing Benefit Subsidy losses is still being investigated and an increase in pressure is likely to arise once the work is concluded.

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



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.