

Appendix 1 – Revenue Budget Performance

People - Revenue Budget Summary

2011/12 Provisional Outturn £'000	Unit	2012/13 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(1,212)	Commissioner - Children's Youth & Families	20,077	19,542	(535)	-2.7%
(494)	Commissioner - Learning & Partnership	5,096	4,986	(110)	-2.2%
(373)	Delivery Unit - Children's & Families	37,082	37,247	165	0.4%
(2,079)	Total Children's Services	62,255	61,775	(480)	-0.8%
(295)	Commissioner - People	1,204	1,163	(41)	-3.4%
(1,909)	Delivery Unit - Adults Assessment	49,597	48,823	(774)	-1.6%
(47)	Delivery Unit - Adults Provider	13,423	13,745	322	2.4%
(2,251)	Total Adult Services	64,224	63,731	(493)	-0.8%
(4,330)	Total Revenue - People	126,479	125,506	(973)	-0.8%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Commissioner – Children, Youth & Families			
(535)	Corporate Critical - Children's Agency Placements	There is an underspend of £1.000m in respect of residential agency placements resulting from lower than budgeted numbers of children placed and average unit costs. There is a projected overspend of £0.065m on secure placements. However, this is an extremely volatile service area with very high unit costs and one or two placements can have a significant impact on the budget position.	Although underspending in total, there are areas of pressure within Children's Agency Placement budgets. In particular, the Children's Services Value for Money (VFM) project is effectively addressing the level of activity and spend in IFAs. The plan focuses on strengthening preventive services and streamlining social care processes including: <ul style="list-style-type: none"> implementing a tiered approach to the procurement of placements for looked after

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		The numbers of children placed in independent foster agency (IFA) placements continues to rise. During 2011/12 there were 164.52 FTE placements representing a 13.5% increase on the previous year (following a 23% increase from 2010/11). Currently there are 218.35 projected FTE placements against a budgeted number of 205.5 placements. This results in an anticipated overspend of £0.400m.	<p>children, reducing the proportion of high cost placements</p> <ul style="list-style-type: none"> • improving the commissioning and procurement of expert assessments in care proceedings, strengthening arrangements for early permanence planning and increasing the numbers of in house foster placements able to provide tier 1 care. • strengthening early intervention and preventive services and commissioning a transformation change programme to support the re-structuring of social work services in the Children's Delivery Unit
n/a	Community Health Services	Information received from the Sussex Community NHS Trust (SCT) indicates a potential overspend risk of £0.162m in 2012/13. In addition, there are £0.353m of historic pressures which need to be resolved. Also the strategic commissioner fed back to the Joint Commissioning Management Group (JCMG) that there is a reduction of £0.083m in the 2012/13 SCT budget.	The projections above assume that the risks described here will not create additional pressures in the Council's budget. These pressures are not accepted by the Commissioner for Children, Youth & Families, are subject to further discussion, and therefore have not been included in the overall projection.
Commissioner – Learning & Partnership			
(110)	Home to School Transport	There is an underspend of £0.150m which reflects the continued reduction in the numbers of children being transported as well as the more favourable terms of the recently renegotiated contracts. This is partially offset by an overspend of £0.040m relating to the identified saving in denominational transport which is not now achievable as the proposal will now commence from September 2013 rather than September 2012.	

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Delivery Unit – Children & Families			
(165)	Corporate Critical - Disability Agency Placements	Although the projected number of children with disabilities placed is in line with the budget, the average unit costs are lower than anticipated resulting in the underspend.	
180	Social Work Teams	Following the reorganisation of the Social Work Teams in 2011/12 it is not anticipated that there will be any budget variance relating to staffing in this service. There is, however considerable pressure on the transport budget which it is anticipated will overspend by £0.100m in 2012/13. In addition there are a number of accommodation changes taking place and it is estimated that these combined with historic premises budget pressures may result in overspends of £0.080m in 2012/13.	Costs will be monitored closely over the next few months and efforts made to reduce costs or identify mitigating savings to bring this budget back in balance where possible.
150	Management & Administration Savings	There is also a potential overspend resulting from the current shortfall in the Management and Admin savings target for this branch. The original target of £0.697m was subsequently reduced to £0.447m but savings identified through the Voluntary Severance Scheme and use where appropriate of the Dedicated Schools Grant (DSG) have left a shortfall still to be found of £0.150m.	Vacancies will be scrutinised carefully to consider further potential opportunities to contribute to this saving as and when they arise.
Commissioner – People			
(41)	Commissioner – People	Minor underspend variances.	

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Delivery Unit – Adults Assessment			
See below	Assessment Services	An underspend of £0.774m is reported at Month 2 (representing 1.6% of the net budget). The service managed to both deliver a challenging savings target during 2011/12 and finish the year with an underspend of approximately £2m. Early indications are that significant progress is being made in meeting the 2012/13 savings target, albeit that some alternative savings have been identified to help offset those areas that are proving more difficult. There is a risk of £0.400m against extra care housing in particular. The underspend of £0.774m is split against client groups as follows:	
(519)	Corporate Critical - Community Care Budget (Older People)	Older People services are showing an underspend of £0.519m which is a continuation of the financial trends seen during 2011/12 and builds upon the success of re-ablement and other initiatives in delivering ongoing efficiencies.	
(237)	Corporate Critical - Community Care (Learning Disability)	Learning Disabilities are showing an underspend of £0.237m due mainly to the full year effect of management decisions taken during 2011/12 and over-achievement of financial recovery plan targets for the current financial year.	
(18)	Corporate Critical – Comm. Care Physical Disabilities and No Recourse to Public Funds (NRPF)	Minor underspend variances.	

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Delivery Unit – Adults Provider			
322		Provider Services are reporting a pressure of £0.322m at Month 2 due to the risks against delivery of budget strategy savings on Learning Disabilities Accommodation as a result of the deferment of a decision at Adult Care & Health Committee.	The position will be closely monitored and reviewed over the next couple of months. Updated proposals for the Learning Disabilities Accommodation Strategy will be taken to a future meeting of Adult Care & Health Committee.

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2011/12 Provisional Outturn £'000	Unit	2012/13 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
193	Commissioner - City Regulation & Infrastructure	3,032	3,032	0	0.0%
(445)	Delivery Unit - City Infrastructure	21,106	21,445	339	1.6%
(17)	Delivery unit - Planning & Public Protection	4,704	4,704	0	0.0%
(38)	Major Projects	228	228	0	0.0%
(307)	Total City Regulation & Infrastructure	29,070	29,409	339	1.2%
(506)	Commissioner - Housing	15,318	15,614	296	1.9%
205	Delivery Unit - Housing & Social Inclusion	502	502	0	0.0%
(301)	Total Housing	15,820	16,116	296	1.9%
(608)	Total Revenue - Place	44,890	45,525	635	1.4%

Explanation of Key Variances:

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Delivery Unit - City Infrastructure			
319	Corporate Critical - Parking Operations	There is a shortfall in the level of on-street pay and display income which has lead to a shortfall against budget of £0.400m. There is a clear pattern of poor weather having a particularly negative impact on the on-street parking revenue. Uncertainty over the level of the contribution from NCP for the two leased car parks has lead to a forecast overspend of £0.100m.	The off-street car parks are forecast to underspend against budget by £0.031m. Efficiencies in the removals service and enforcement contract variations will lead to expenditure savings of £0.150m. These will partially offset the risks described opposite.

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
20	Other Sustainable Transport	There is a forecast overspend of £0.011m relating to staff overtime costs and £0.009m for transport costs.	Costs will be monitored closely and efforts made to bring the budget back in line.
Commissioner – Housing			
359	Corporate Critical - Temporary Accommodation & Allocations	The main pressure on Temporary Accommodation is from an expected increase in Bed and Breakfast spot purchase accommodation based on an average of 20 additional clients. The forecast also includes additional staffing costs which are required to manage the expected increase in clients & homeless applications. Collection rates of Housing Benefits in Bed and Breakfast are higher than forecasted and this excess is needed for shortfall provisions in Housing Benefits and subsidy loss which combine to an estimated total of £0.300m. The forecast includes an allowance for the more expensive renewal of landlord rents and for additional properties being more expensive.	This is a known service pressure area that needs to be managed in the context of the whole council budget position and considered in setting the 2013/14 and 2014/15 budget.
47	Housing Strategy & Development	The main pressure is from staffing within the Housing Strategy team based on spend to date.	Costs will be monitored closely and efforts made to bring the budget back in line.
(107)	Lead Commissioner	There is an under-spend against this service from over-achievement of value for money Management & Admin savings and savings against budgeted pension contributions which is being used to offset pressure against other services within Commissioner - Housing described above.	

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
(3)	Other Commissioner - Housing	<p>In Housing Support Services there are internal pressures from loss of Supporting People funding (£0.161m), Landlord rent increases above 2% (£0.025m) and an inflationary increase on income budgets, agreed by Cabinet on 14th July 2011 on Housing Benefits and Client Contributions (£0.020m).</p> <p>In Private Sector Housing proposed HMO licence fees (subject to Housing Committee decision) have been set at a level that is reasonably expected to cover the costs of providing the service over the 5 year period. We are anticipating capitalising directly attributable costs against estates regeneration/ building new council homes of our own employees arising in the construction of any asset; this is to be confirmed.</p>	<p>These Housing Support Services pressures are largely offset by a reconfiguration of the service, a new lease agreement and an increase in Housing Benefit income through the use of additional rooms in all 3 hostels. There is a potential risk that additional staffing will be required to manage the units from an increase in numbers and vulnerability to cover the backlog.</p>

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Communities - Revenue Budget Summary

2011/12 Provisional Outturn £'000	Unit	2012/13 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
11	Commissioner - Communities & Equalities	2,924	2,924	0	0.0%
(21)	Community Safety	2,132	2,132	0	0.0%
(5)	Commissioner - Sports & Leisure	1,157	1,157	0	0.0%
(21)	Commissioner - Culture	1,888	1,888	0	0.0%
(3)	Delivery Unit - Tourism & Leisure	3,051	3,597	546	17.9%
(39)	Total Revenue - Communities	11,152	11,698	546	4.9%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Commissioner – Sport & Leisure			
0	Sport and Leisure	The forecast across Sport and Leisure commissioning budgets is currently break-even. However, the revenue implications of the recent surrender at short notice by the previous tenant of the Saltdean Lido lease are yet to be reflected. This is because a full assessment of the facility can only now take place with the Lido returned to the council and options developed for the future of the facility.	
Delivery Unit – Tourism & Leisure			
446	Venues	The Venues forecast overspend is due to the loss of the 2013 Holiday On Ice Show at £0.180m, reduced bookings for conferences and exhibitions at £0.144m and reduced bookings for entertainments at £0.122m.	In all areas actual and forecast income is closely reviewed and action is being taken to maximise any future business opportunities.

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
100	Royal Pavilion and Museums	The Royal Pavilion and Museums forecast overspend is due mainly to security costs of £0.040m and an energy pressure of £0.060m resulting from a review of usage of shared facilities with the Dome.	In all areas actual and forecast income is closely reviewed and action is being taken to maximise any future business opportunities.

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Resources & Finance - Revenue Budget Summary

2011/12 Provisional Outturn £'000	Unit	2012/13 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(497)	Delivery Unit - City Services	13,013	13,041	28	0.2%
(551)	Housing Benefit Subsidy	(752)	(752)	0	0.0%
(32)	Resources	17,798	17,970	172	1.0%
(248)	Finance	6,322	6,322	0	0.0%
(42)	Strategic Leadership Team	1,168	1,168	0	0.0%
(1,370)	Total Revenue - Resources & Finance	37,549	37,749	200	0.5%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Delivery Unit – City Services			
28	City Services	There are pressures on postage budgets within Revenues & Benefits of £0.018m and a pressure of £0.010m across Life Events.	Pressures are being actively managed to minimise or reduce costs. The risks against delivery of savings are also being reviewed and will be reported on over the next couple of months.
Resources			
0	Human Resources	The Human Resources Systems Thinking review is in progress; the transformation fund will fund the review along with specific direct investment required to improve service efficiency. The review is expected to inform the future resourcing requirements of the service and determine any potential savings or underlying budget pressure.	It is expected that any efficiencies delivered in the year will be used to maintain a breakeven position.

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
30	Communications	Communications are forecasting an overspend of £0.030m in 2012/13. This is mainly from staffing pressures resulting from increased demand and delivery of the communications strategy. This assumes the delivery of agreed savings of £0.039m made from ceasing the publication of City News and a further £0.040m against staffing. Revenue income of £0.150m is currently forecast from advertising and sponsorship contracts which are due to be awarded in July 2012. Additional revenue of £0.025m has been generated from external clients. Further revenue of £0.080m is expected to be generated but there are significant risks attached to this forecast. These include competitive tenders, completion of contracts before the end of the financial year and market instability in terms of the size of contracts awarded.	Savings continue to be made on communications across the council as a result of consolidating budgets. The overall spend on council-wide communications was reported at £2.900m for 2011/12 and work is ongoing to deliver greater efficiencies as part of the overall value-for-money programme. Additional revenue income opportunities will be explored wherever possible.
142	ICT	The main risks relate to delivery of the savings target for upgrading of telephony services (£0.060m) an element of which relates to the VFM programme as described in Appendix 4. Other risks include an operating cost pressure associated with equipment replacement, increased security compliance (£0.068m) and income pressures (£0.014m).	This is an early forecast which indicates that the ICT budget is under pressure. However, costs will be closely monitored and opportunities for cost reduction and other savings will be kept under review to balance the budget.

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Corporate Budgets - Revenue Budget Summary

2011/12 Provisional Outturn £'000	Unit	2012/13 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
242	Bulk Insurance Premia	3,419	2,994	(425)	-12.4%
(408)	Concessionary Fares	9,696	9,696	0	0.0%
205	Capital Financing Costs	8,862	9,212	350	3.9%
1	Levies & Precepts	167	167	0	0.0%
2,463	Corporate VfM Projects	(448)	(243)	205	45.8%
(1,125)	Risk Provisions	3,506	3,506	0	0.0%
1,138	Other Corporate Items	(33,475)	(33,491)	(16)	0.0%
2,516	Total Revenue - Corporate Budgets	(8,273)	(8,159)	114	1.4%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Bulk Insurance Premia			
(425)	Bulk Insurance Premia	The budget for 2012/13 was increased by £0.410m to reflect the forecast increase in premium rates following an anticipated retendering exercise of some of the portfolio from 1 April 2012. In order to maximise value for money it was decided to defer the retendering so that all the council's insurance cover could be retendered at the same time from 1 April 2013. Negotiations to extend agreements with existing insurers were concluded with minimal changes in existing rates therefore the increased budget provision for this year will not be required. There is also a small forecast underspend on insurance claims expected to be paid during this year.	

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Capital Financing Costs			
350	Capital Financing Costs	There is an anticipated £0.375m pressure on financing costs due to reduced HRA borrowing as at 31 st March 2012 compared to that anticipated at budget setting time. With effect from 1 st April 2012 HRA borrowing is separate from other council borrowing. This has resulted in a greater element of the financing costs of the authority impacting on the General Fund than anticipated.	Where possible, underspends on other corporate budgets will be used to mitigate this pressure, notably Bulk Insurance Premia.
Corporate VFM Projects			
205	Corporate VFM Projects	A number of VFM projects relate to council-wide projects which will deliver savings across many, if not all, service areas. The associated savings targets are shown under Corporate Budgets awaiting allocation to individual service budgets as and when savings are identified and/or confirmed. If all savings are identified and achieved in 2012/13, the Corporate VFM Projects savings target above will reduce to zero by the end of the financial year.	Details of VFM Programme performance and variances are given in Appendix 4.
Risk Provisions			
0	Risk Provisions	There is a one-off risk provision of £1.000m and permanent risk provisions of £1.000m (general) and £0.863m (pay related matters). In addition, there are contingency budgets totalling £0.643m which consist of £0.392m for Historic Records Centre financing costs, £0.160m for carbon reduction commitments and £0.091m of general contingency. At this early stage in the year the forecast assumes that these budgets will be fully committed. This will be kept under review as the year progresses and, if appropriate, amounts may be released to support the overall position.	
Other Corporate Items			
(16)	Corporate	Additional income relating to the Learning Disabilities & Health	

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
	Unringfenced Grants	Reform Grant.	

Housing Revenue Account - Revenue Budget Summary

2011/12 Provisional Outturn £'000	Housing Revenue Account	2012/13 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(572)	Employees	8,981	8,807	(174)	-1.9%
(538)	Premises – Repair	10,645	10,615	(30)	-0.3%
(20)	Premises – Other	3,442	3,442	0	0.0%
(469)	Transport & Supplies	2,042	2,042	0	0.0%
(67)	Support Services	1,981	1,981	0	0.0%
23	Third Party Payments	55	55	0	0.0%
-	Revenue contribution to capital	18,084	18,642	558	3.1%
(229)	Capital Financing Costs	7,777	7,219	(558)	-7.2%
(280)	Subsidy Payable	0	0	0	0.0%
(2,152)	Net Expenditure	53,007	52,803	(204)	-0.4%
83	Dwelling Rents (net)	(46,702)	(46,702)	0	0.0%
32	Other rent	(1,246)	(1,246)	0	0.0%
1	Service Charges	(4,152)	(4,152)	0	0.0%
(18)	Supporting People	(465)	(465)	0	0.0%
35	Other recharges & interest	(842)	(842)	0	0.0%
133	Net Income	(53,407)	(53,407)	0	0.0%
(2,019)	Total	(400)	(604)	(204)	-51.0%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Housing Revenue Account			
(174)	Employees	This relates to vacancies throughout the service during the first few months of the year while recruitment to the new Housing and Social Inclusion structure is being finalised.	
558	Revenue Contribution to Capital	It is proposed to use the savings on Capital Financing costs (see below) to increase the revenue contribution to the capital programme in 2012/13 by the same amount, thereby reducing the need to borrow in future years which further reduces financing costs for the HRA. A transfer (virement) of budget between these two areas is therefore requested.	It is proposed to meet this expenditure by a transfer of funds requested from the Capital Financing budget (see below).
(558)	Capital Financing Costs	Capital financing costs are forecast to underspend by an estimated £0.558m due to a lower than anticipated borrowing requirement by the HRA for last financial year and the reduction in the self financing settlement payment due to the Government.	

NHS Trust Managed S75 Budgets - Revenue Budget Summary

2011/12 Provisional Outturn £'000	S75 Partnership	2012/13 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(290)	Sussex Partnership Foundation NHS Trust (SPFT)	12,147	12,155	8	0.1%
(249)	Sussex Community NHS Trust (SCT)	2,437	2,273	(164)	-6.7%
(539)	Total Revenue - S75	14,584	14,428	(156)	-1.1%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note WTE = Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Sussex Partnership Foundation NHS Trust			
8	SPFT	Sussex Partnership Foundation NHS Trust (SPFT) are reporting an overspend of £0.008m at Month 2. The forecast shows that almost half of the £0.326m budget strategy savings target has already been achieved. However, there continue to be pressures against the Adult Mental Health Community Care budget from a lack of suitable accommodation, for which there is a specific savings target in the Financial Recovery Plan. In line with the agreed risk-share arrangements for 2012/13 any overspend will be shared 50/50 between SPFT and BHCC.	
Sussex Community NHS Trust			
(164)	SCT	Sussex Community NHS Trust (SCT) are reporting an underspend of £0.164m, mainly as a result of savings against the HIV budget. This is a continuation of the position from 2011/12 and the savings are broken down between Community Care (£0.081m), commissioning budgets (£0.063m) and mainstream staffing savings (£0.027m). There is a small pressure of £0.007m against the Integrated Community Equipment Store (ICES) budget.	