

Appendix 1 – Revenue Budget Performance

People - Revenue Budget Summary

Forecast Variance Month 5 £'000	Unit	2012/13 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
(2,623)	Commissioner - Children's Youth & Families	22,370	19,129	(3,241)	-14.5%
(115)	Commissioner - Learning & Partnership	5,296	5,046	(250)	-4.7%
214	Delivery Unit - Children's & Families	35,385	35,818	433	1.2%
(2,524)	Total Children's Services	63,051	59,993	(3,058)	-4.9%
(32)	Commissioner - People	2,004	1,974	(30)	-1.5%
(1,063)	Delivery Unit - Adults Assessment	49,402	48,129	(1,273)	-2.6%
110	Delivery Unit - Adults Provider	13,786	14,142	356	2.6%
(985)	Total Adult Services	65,192	64,245	(947)	-1.5%
(3,509)	Total Revenue - People	128,243	124,238	(4,005)	-3.1%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
(3,142)	Corporate Critical - Children's Agency Placements	The current projected number of residential placements (24.54FTE) is broken down as 20.73FTE social care residential placements (children's homes), 3.45 FTE schools placements, 0.36 FTE family assessment placements and nil substance misuse rehabilitation placements. The budget allows for 25.40 FTE social care residential care placements, 9.00 FTE schools placements, 1.50 FTE family assessment placements and 0.60 FTE substance misuse rehab placements. The	<ul style="list-style-type: none"> • 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: • implementing a tiered approach to the procurement of placements for looked after

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		<p>number of projected placements are unprecedentedly low and it is not yet clear whether this level of activity is sustainable. It is currently 11.96 FTE below the budgeted level creating an underspend of £1.523m.</p> <p>The numbers of children placed in independent foster agency (IFA) placements, for the first time in several years has begun to fall. During 2011/12 there were 164.52 FTE placements representing a 13.5% increase on the previous year (following a 23% increase from 2009/10). Currently there are 190.87 projected FTE placements. This is considerably less than anticipated in the budget which is based on 206.50 placements resulting in an anticipated underspend of £1.062m.</p> <p>The current projected number of disability placements is 15.46 FTE with an average unit cost of £2,230.89. The number of placements is 2.15 FTE below the budgeted level. The average weekly cost of these placements is £76.90 lower than the budgeted level and the combination of these two factors together with a projected underspend of £0.022m on respite placements, results in an underspend of £0.343m.</p> <p>It is currently anticipated that there will be 0.95 FTE secure (welfare) placements and 0.63 FTE secure (justice) placements in 2012/2013. The budget allows for 1.25 FTE welfare and 0.75 FTE justice placements during the year. There is</p>	<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

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		<p>currently one child in a secure (welfare) placement and none in a secure (criminal) placement resulting in a projected underspend of £0.214m</p> <p>Included within the Month 5 projection was £0.250m relating to potential price rises following the preferred provider retendering exercise. This has now been completed and in general providers have not included significant price increases. For this reason the £0.250m provision has been removed resulting in the significant increase in the underspend compared to the previous forecast.</p> <p>Trends across all budgets are continuing to be monitored to inform and update 2013/14 budget proposals (i.e. VfM targets).</p>	
(99)	Other	Minor underspend variances	
(200)	Home to School Transport	There is an underspend of £0.200m which reflects the continued reduction in the numbers of children being transported as well as the more favourable terms of the recently renegotiated contracts.	
(50)	Other	Minor underspend variances	
Delivery Unit – Children & Families			
(4)	Social Work Teams	The Social Work Teams are currently projected to underspend by £0.004m in 2012/13.	
100	Management	There is also a potential overspend resulting from	Vacancies will be scrutinised carefully to consider

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
	& Administration Savings	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) had left a shortfall still to be found. Since then savings of £0.050m have been identified reducing the overspend to £0.100m .	further potential opportunities to contribute to this saving as and when they arise.
77	Care Leavers	Currently the Unaccompanied Asylum Seeking Children team are projecting minimal growth in ex asylum seekers being supported resulting in an underspend of £0.149m . This underspend is offset by a projected overspend of £0.226m against the Leaving Care budget.	Costs will be monitored closely over the remaining months and efforts made to reduce costs or identify mitigating savings to bring this budget back in balance where possible. Increased activity in care leavers is linked to reductions in Looked After Children so spend in this area is supporting the VFM savings above.
(28)	Legal Fees	Legal fees are currently projected to be underspent. This is made up of £0.020m underspend on independently commissioned social work and medical assessments and £0.008m underspend for legal/court fees. The underspend on independent assessments is due to the VfM programme initiative to utilise the Clermont CPU team to undertake these assessments.	
194	Adoption Payments	The latest projection on adoption payments to out of authority providers shows a projected overspend of £0.261m based on a detailed estimate provided by the Head of Service.	Costs will be monitored closely over the remaining months and efforts made to reduce costs or identify mitigating savings to bring this budget back in balance where possible. Increased activity in this service, through a spend to save business case

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		Other adoption payments to individuals in Brighton and Hove show an underspend of £0.067m due to a reduction in anticipated allowances.	forms part of the VFM programme so it is anticipated that resources may be switched in future years.
161	In House Foster Payments	Overspend of £0.161m predominantly relates to increase in Special Guardianship orders where 66 placements were budgeted for but current numbers are 81.	Implementing a tiered approach to the procurement of placements reducing the proportion of high cost placements as far as practicable.
(67)	Other	Minor underspend variances	
Commissioner – People			
(30)	Commissioner – People	Minor underspend variances	
Delivery Unit – Adults Assessment			
see below	Assessment Services	Assessment Services are reporting an underspend of £1.273m at Month 7 (representing 2.7% of the net budget), an increase in underspend of £0.210m since Month 5. Significant progress has already been made in meeting the 2012/13 savings target in full, albeit that some alternative savings have been identified to help offset those areas that are proving more difficult to deliver. There is a risk of £0.400m against extra care housing in particular. The underspend is split against client groups as follows:	
(763)	Corporate Critical - Community Care Budget (Older People)	Older People services are reporting an underspend of £0.763m, which is a continuation of the financial trends seen during 2011/12 and builds upon the success of reablement and other initiatives in delivering ongoing efficiencies.	
(948)	Corporate Critical -	Learning Disabilities are showing an underspend of £0.948m due mainly to the full year effect of	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
	Community Care Budget (Learning Disabilities)	management decisions taken during 2011/12 and over-achievement of financial recovery plan targets for the current financial year. The increase in the underspend since Month 5 of £0.422m relates to lower than expected growth, further delivery against the financial recovery plan and one client who has become the responsibility of another local authority, backdated to the start of the financial year, for which a full-year commitment of £0.185m had been assumed previously.	
237	Corporate Critical - Comm. Care Under 65's	Under 65's are currently showing an overspend of £0.237m. This reflects increased complexity (e.g. Acquired Brain Injury) in small numbers of high cost placements	Activity and growth projections being actively monitored. Offset by underspends against other client groups
201	Support & Intervention Teams	It is unlikely that the £0.200m savings target for the re-modelling of staffing arrangements in Assessment Services will be met in full this financial year.	Additional savings are being made against the Community Care budget.
Delivery Unit – Adults Provider			
356	Provider Services	Provider Services are reporting a pressure of £0.356m at Month 7 (representing 2.6% of the net budget). The pressure is mainly from the risks against delivery of budget strategy savings on Learning Disabilities Accommodation (£0.311m) as a result of the deferment of a decision at the June meeting of Adult Care & Health Committee; a further proposal was accepted at the September meeting of the Committee. Also, there has been a delay in developing proposals on day activities.	An implementation plan for Learning Disabilities accommodation is now in place, following agreement at September Adult Care & Health Committee. Some one off gains have been achieved. The cost as a result of the delay in implementing savings in day services has been offset for this year by the Community Care budget.

Appendix 1 – Revenue Budget Performance

Place - Revenue Budget Summary

Forecast Variance Month 5 £'000	Unit	2012/13 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
80	Commissioner - City Regulation & Infrastructure	3,477	3,557	80	2.3%
374	Delivery Unit - City Infrastructure	21,948	22,440	492	2.2%
109	Delivery unit - Planning & Public Protection	5,466	5,479	13	0.2%
563	Total City Regulation & Infrastructure	30,891	31,476	585	1.9%
399	Commissioner - Housing	15,693	15,928	235	1.5%
0	Delivery Unit - Housing & Social Inclusion	512	512	0	0.0%
399	Total Housing	16,205	16,440	235	1.5%
962	Total Revenue - Place	47,096	47,916	820	1.7%

Explanation of Key Variances:

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Commissioner – City Regulation & Infrastructure			
80	Sustainable Transport	There is a pressure on the Highways and Engineering Projects Team and their ability to recharge sufficient time to capital projects to meet budget.	Efforts will continue to be made to legitimately recharge as much staff time as possible, and to try to identify underspends on non essential supplies and services.
Delivery Unit - City Infrastructure			
331	Corporate Critical – Parking Operations	There is a shortfall in the level of on street pay and display income leading to a forecast pressure of £0.700m. There has been a clear pattern of poor weather having a particularly negative impact on the on-street parking revenue. In addition a migration away from cars to bus and cycle use,	The Lanes and London Road off street car parks are forecast to achieve additional income of £0.240m. Trafalgar Street and Regency Square will underspend on their revenue maintenance budgets by £0.047m owing to the capital programme in year. Efficiencies in the removals

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		<p>and car users switching from two hour stays to one hour stays has also contributed to this. Uncertainty over the level of the contribution from NCP for the two leased car parks has lead to a forecast pressure of £0.040m.</p> <p>An extension to the period of refurbishment at Trafalgar Street and Regency Square is likely to reduce the income capacity by £0.150m, and a shortfall in the level of income at the HRA High Street car park will cause a pressure of £0.010m. A reduction in the level of Bus Lane Enforcement notices is also expected to cause a pressure of £0.100m.</p>	<p>service and enforcement contract variations will lead to expenditure savings of £0.150m. The forecast for permit income shows a surplus against budget of £0.180m, and there will be an additional underspend of £0.025m on Blue Badge permits. Vacancy management savings will contribute a further £0.027m underspend. These underspends will partially offset the risks above.</p>
151	Highways	<p>There is a pressure of £0.100m relating to the roads safety maintenance budget as the result of a wet summer. The remaining £0.051m is in respect of specialist support staff relating to North Street, and to the permit scheme for road works and closures.</p>	<p>Efforts have been made to try and identify areas where underspends can be achieved in order to offset the pressures identified.</p>
(46)	City Clean	<p>One-off staffing savings in relation to maternity leave and vacancy management .</p>	
56	City Parks	<p>Shortfall in the level of income from Roedean and Rottingdean mini golf courses (£0.040m) and grounds maintenance (£0.016m).</p>	<p>Underspends in City Clean will mainly offset the pressures in City Parks. Efforts will be made to manage staff time for the remainder of the year, to try and bring back to breakeven.</p>
Delivery Unit – Planning & Public Protection			
13	Economic Development	<p>Minor overspends.</p>	<p>Expenditure forecasts will be reviewed to determine whether there is scope to make savings elsewhere in order to bring the position back to a breakeven one.</p>

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Commissioner – Housing			
304	Corporate Critical Temporary Accommodation & Allocations	We have managed down the anticipated pressure on spot purchase accommodation from homeless households by improved prevention and tighter void management in leased properties.	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 budget. As a mitigating action, we will try to acquire more accommodation through the framework agreement, which is currently being put together.
73	Housing Support Services	As identified at Month 5, the increase in vulnerability of clients in hostels has meant that additional staff have been employed to manage this situation. Some of these overspends have been offset by increased income due to 7 extra rooms across the hostel service. At Month 7, further staff have been employed in Housing Support Services (costing £0.087m), which has been off set by a transfer of £0.087m from the Homelessness prevention budget, to meet the demand due to the increase in vulnerability.	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 budget.
(115)	Lead Commissioner	The underspend identified at Month 2 is due to over-achievement of value for money Management & Admin savings and savings against budgeted pension contributions. This underspend is being used to offset pressure against other services within Housing Commissioning.	
(27)	Other Commissioner - Housing	The pressure identified at Month 5 has been offset by efficiencies in the Housing options budgets.	

Appendix 1 – Revenue Budget Performance

Communities - Revenue Budget Summary

Forecast Variance Month 5 £'000	Unit	2012/13 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
50	Commissioner - Communities & Equalities	3,428	3,478	50	1.5%
185	Community Safety	2,241	2,426	185	8.3%
0	Commissioner - Sports & Leisure	1,453	1,453	0	0.0%
30	Commissioner - Culture	2,020	2,050	30	1.5%
548	Delivery Unit - Tourism & Leisure	3,140	3,635	495	15.8%
813	Total Revenue - Communities	12,282	13,042	760	6.2%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Commissioner – Communities & Equalities			
50	Community Development	The forecast overspend is regarding match-funding for a Community and Voluntary Sector Forum led project "Transforming the Local Infrastructure"	May be offset by underspends on other commissions by year end.
Delivery Unit – Community Safety			
185	Community Safety	The forecast overspend across Community Safety is due to the unachievable savings target of £0.079m in respect of the drugs and alcohol services and other budgetary pressures for which options are being explored. The financial impact regarding the establishment of the Police and Crime Commissioners has yet to be reflected in the forecast.	Action continues to be undertaken to reduce the level of overspend including possible additional grant funding which could be applied to current projects. Any ongoing pressures will need to be reviewed and addressed as part of the overall allocation of service pressure funding and risk provisions in the 2013/14 budget.

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Commissioner – Sports & Leisure			
0	Sport and Leisure	The forecast across Sport and Leisure commissioning budgets is currently break-even. Essential health and safety works have been carried out at Saltdean Lido under Urgency Powers funded from the General Fund risk provision as reported in Month 5. Options are being developed for the future of the Lido.	
Commissioner - Culture			
30	Brighton Dome Client Costs	IAs previously reported, it was anticipated that a reduction in the contractual payment to the Dome for 2012/13 could be negotiated but this has not proved possible in its entirety.	Negotiations are ongoing to review the inflationary clause within the contract for future years
Delivery Unit – Tourism & Leisure			
387	Venues	The Venues forecast overspend is mainly as a result of the immediate short term issue of the loss of 'Holiday On Ice' for January 2013 (£0.180m), realisation of the impact of low levels of bookings made prior to the refurbishment of the venue for exhibitions and conference bookers (£0.049m), reduced bookings for entertainments (£0.075m) and a pressure of £0.014m due to the loss of rooms no longer available for functions at the Hove Centre. The position has improved by £0.161m since Month 5.	Action is being taken to secure further bookings and maximise future business opportunities, this includes the one week Holiday on Ice Show in November 2012 and the three week run of Starlight Express. Conference bookings since January of this year, following completion of the refurbishment works to the Brighton Centre, currently have a future predicted economic impact of £180m far exceeding any previous booking levels. This is for bookings stretching to 2025 and is an indication of an ability to meet future targets.
58	Royal Pavilion and Museums	The overspend includes £0.070m due to delays in the development of new security staffing arrangements to achieve savings for 2012/13 and a reduced pressure of £0.097m	Work on new security staffing arrangements with staff and unions is underway. Action is being taken to

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		<p>across retail, based on the current figures. These overspends have been reduced by vacancy management savings of £0.060m, a net surplus of £0.027 income and other minor underspends of £0.022m. The development of The Keep is progressing well with completion expected by May 2013. The transfer of the archives will then take place in June 2013 and it is proposed to use the Museum Objects Acquisition Reserve to fund the associated costs of the transfer and to describe the use of this Reserve as “For the purchase of objects for the Royal Pavilion and Museums collections and for the transfer of museum objects and records to the Keep”.</p>	<p>reduce the pressure across retail. In previous years, by this point in the year the major exhibition has taken place. This year it opened in September and whilst it is hoped that the product developed for Biba will sell well, it is not possible to predict with certainty what the income levels on secondary spend will be. The previously reported energy pressure has been excluded from the forecast pending further information and clarification of usage.</p>
50	Seafront Services, Tourism & Marketing	<p>The forecast overspend has increased by £0.035m since Month 5 which is mainly due to pressures on Volks Railway regarding reduced sales of £0.030m and professional fees/development costs of £0.023m in respect of a recent bid for external funding. There is also an overspend of £0.023m for marketing and management of the seafront properties which has been offset by additional income of £0.026m from the Race Course and campsite. Income pressures across Visit Brighton are being offset by vacancy management</p>	<p>In all areas actual and forecast income and expenditure is closely reviewed and action is being taken to maximise any future business opportunities as well as reduce costs. If successful, the bid for Volks Railway will attract capital funding of £1.5m which would secure the future of the railway and provide the basis for a sustainable business operation. Income receipts for Visit Brighton are expected to increase next year when the impact of the commission based arrangements takes effect.</p>

Resources & Finance - Revenue Budget Summary

Forecast Variance Month 5 £'000	Unit	2012/13 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
60	Delivery Unit - City Services	13,366	13,504	138	1.0%
0	Housing Benefit Subsidy	(752)	(1,104)	(352)	46.8%
213	Resources	20,455	20,511	56	0.3%
(30)	Finance	5,964	5,934	(30)	-0.5%
243	Total Revenue - Resources & Finance	39,033	38,845	(188)	-0.5%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Delivery Unit – City Services			
138	City Services	This primarily relates to Libraries Services following due process and engagement of staff and stakeholders in consultation which led to a later than planned implementation and additional costs relating to one community library location.	Pressures are being actively managed to minimise or reduce costs where possible.
Housing Benefit Subsidy			
(352)	Corporate Critical - Housing Benefit Subsidy	The Housing Benefit budget is expected to generate an additional £0.352m in subsidy. This is because local authority errors are now predicted to be held below the government threshold and therefore attract additional subsidy. This is a large and complex budget area and the forecast will be kept under review as new data becomes available from the Housing benefit system over the remainder of the year.	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Resources			
95	Communications	Communications are forecasting an overspend of £0.095m in 2012/13. The increase of £0.027m from Month 5 is mainly from a reduction in projected income. 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 prioritising communications activities across the whole organisation. Additional revenue generation opportunities are being explored. Any revised estimates of income from the advertising & sponsorship contract (elsewhere on this agenda) will need to be reviewed and addressed as part of the overall allocation of service pressure funding and risk provisions in the 2013/14 budget.
(6)	Human Resources	Human Resources are forecasting an underspend of £0.006m as a result of continued cost monitoring and income generation. The Human Resources Systems Thinking review is in progress; the Transformation Fund will partly resource this pilot review which is being used to develop a standard methodology for wider deployment across the council. This is alongside 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.	
50	ICT	ICT have reduced their expected overspend from £0.115m declared at Month 5 to £0.050m. This has been achieved by continuing in-year vacancy management (9 posts currently unfilled - £0.030m), improved income collection (£0.015m) and the improved tariffs on the revised mobile phone contract which should	Costs will be closely monitored and opportunities for cost reduction and other savings will be kept under review to help balance the budget.

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		deliver better savings (£0.020m). The main risk relates 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.	
(76)	Legal & Democratic Services	A combination of improved income forecasts and holding some posts vacant has increased the projected under spend, across the service, by £0.060m to £0.076m.	
(7)	Policy, Performance & Analysis	Minor underspend	
Finance			
(30)	Finance	A small number of vacancies and lower than expected temporary cover costs have resulted in an underspend on the staffing budget.	

Appendix 1 – Revenue Budget Performance

Corporate Budgets - Revenue Budget Summary

Forecast Variance Month 5 £'000	Unit	2012/13 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
(335)	Bulk Insurance Premia	3,419	3,091	(328)	-9.6%
50	Concessionary Fares	9,696	9,760	64	0.7%
350	Capital Financing Costs	8,862	9,487	625	7.1%
0	Levies & Precepts	167	167	0	0.0%
205	Corporate VfM Savings	(531)	(531)	0	0.0%
(216)	Risk Provisions	2,745	1,479	(1,266)	-46.1%
(16)	Other Corporate Items	(29,529)	(29,545)	(16)	-0.1%
38	Total Revenue - Corporate Budgets	(5,171)	(6,092)	(921)	-17.8%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Bulk Insurance Premia			
(328)	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. This underspend has been partially offset by £0.050m relating to the settlement of two trip / slip claims and £0.040m due to the increasing costs of litigated claims, particularly legal fees. It is anticipated that the	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		council will experience increasing numbers of litigated claims from “no win no fee” lawyers in the period up to April 2013 when the law is due to change. The change will mean that lawyers will no longer be able to claim success fees from the losing side and should instead receive a share of the damages awarded. The Government hopes the change will act as a disincentive to anyone bringing spurious cases.	
Concessionary Fares			
64	Concessionary Fares	A small overspend is forecast for 2012/13 in relation to the net position of increased journeys and contracted services compared to the budgeted fixed price contract. This has increased by £0.014m since Month 5 due to new routes into the city from Crawley and East Grinstead being operated since 1st September.	
Capital Financing Costs			
625	Capital Financing Costs	At Month 5 there was an anticipated £0.350m 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 had resulted in a greater element of the financing costs of the authority impacting on the General Fund than anticipated. Since then the forecast overspend has increased by £0.275m. The main reason (£0.306m) for this is that the income from services paying for the costs of unsupported borrowing is less than budgeted due to schemes being reprofiled and this is only partly offset by additional investment income generated until the scheme goes ahead.	Where possible, underspends on other corporate budgets will be used to mitigate this pressure, notably Bulk Insurance Premia.
Corporate VFM Projects			
0	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	Full details of VFM Programme performance and variances are given in Appendix 4.

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		and achieved in 2012/13, the Corporate VFM Projects savings target above will reduce to zero. Currently, it is anticipated that this will be the case.	
Risk Provisions			
(1266)	Risk Provisions & contingency	<p>There is a one-off risk provision of £1.000m and it is forecast that £0.216m of this can be released to support the overall position. This is after providing £0.784m for the following:</p> <ul style="list-style-type: none"> • maintenance work at Saltdean Lido undertaken under urgency powers. This totals £0.130m of which £0.030m relates to capital expenditure and is included in Appendix 3; • implementation of Information Commissioner’s Office (ICO) recommendations; • additional legal costs for intellectual property rights; • support for school bus routes; • other one-off pressures that might arise during the year. <p>There is a permanent (recurrent) risk provision of £1.000m which is now being released to provide one-off resources to support the overall position together with £0.050m of unspent contingency budget. The level of the recurrent risk provision will be reviewed for 2013/14 as part of the February budget report.</p> <p>There is also a permanent risk provision of £0.785m for pay related matters. Subject to approval, some of this will be allocated for Living Wage requirements (elsewhere on this agenda) and the balance will be transferred to the Single Status provision.</p>	
Other Corporate Items			
(16)	Corporate Unringfenced Grants	Additional income relating to the Learning Disabilities & Health Reform Grant.	

Appendix 1 – Revenue Budget Performance

Housing Revenue Account - Revenue Budget Summary

Forecast Variance Month 5 £'000		2012/13 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
	Housing Revenue Account				
(230)	Employees	8,518	8,121	(397)	-4.7%
(299)	Premises – Repair	10,645	10,280	(365)	-3.4%
(77)	Premises – Other	3,442	3,296	(146)	-4.2%
(26)	Transport & Supplies	2,073	1,907	(166)	-8.0%
(32)	Support Services	1,981	1,927	(54)	-2.7%
3	Third Party Payments	55	66	11	20.0%
-	Revenue contribution to capital	18,642	19,042	400	2.1%
-	Capital Financing Costs	7,219	7,219	-	0.0%
(661)	Net Expenditure	52,575	51,858	(717)	-1.4%
(24)	Dwelling Rents (net)	(46,702)	(46,860)	(158)	-0.3%
38	Other rent	(1,246)	(1,256)	(10)	-0.8%
(92)	Service Charges	(4,152)	(4,342)	(190)	-4.6%
(19)	Supporting People	(465)	(484)	(19)	-4.1%
38	Other recharges & interest	(410)	(361)	49	12.0%
(59)	Net Income	(52,975)	(53,303)	(328)	-0.6%
(720)	Total	(400)	(1,445)	(1,045)	

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Housing Revenue Account			
(397)	Employees	This relates to vacancies throughout the service while recruitment to the new Housing and Social Inclusion structure was being finalised. It also includes underspends on pension costs as fewer staff than budgeted are members of the pension scheme.	
(365)	Premises Repairs	This underspend is made up from the following major variances: Responsive repairs are forecast to underspend by £0.200m due to the continuation of the policy implemented last year to review responsive repairs within the context of the replacement programme, resulting in lower than expected values and numbers of responsive repairs. There is also a further underspend on the costs of gas servicing of £0.104m as a result of re-basing of the open book contract after the budget was set. Works to empty properties is also underspent by £0.138m as a result of fewer properties than budgeted becoming empty. These underspends are partly off-set by an overspend on asbestos works of £0.080m.	
(146)	Premises - other	There is a £0.054m underspend on premises costs relating to the housing centre due to uncertainties of the operating costs at budget setting time; a further underspend of £0.050m on electricity costs and £0.020m on council tax payments due to fewer empty properties than expected. The forecast also includes an anticipated £0.027m underspend for decorating vouchers.	
(166)	Transport and Supplies	This underspend is made up of a number of major variances, namely: £0.050m for professional fees no longer required in this financial year due to the changing or delay of projects and more utilisation of in-house staff. There are also forecast underspends on computer hardware; legal fees for leaseholder tribunals as well as vehicle costs as a result of the new vehicles being purchased. There are many other small underspends on transport and supplies throughout the service. These underspends are off-set by £0.078m additional expenditure on the financial inclusion	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		project which aims to procure a money advice service for residents. This expenditure was approved as part of the 2012/13 budget process to be funded out of earmarked reserves but has now been funded by these underspends.	
400	Revenue Contribution to Capital Outlay	This relates to an additional contribution to capital investment using revenue underspends to fund further investment in disabled adaptations for Council tenants.	This overspend is being funded by other underspends within the HRA.
(158)	Dwellings Rents	Rental income is forecast to over recover by £0.158m due to a reduction in the number of long term empty properties now that many have been transferred to Seaside Community Homes.	
(190)	Service Charge Income	Service Charge income from leaseholders is forecast to over-recover by £0.280m due in the main to an unexpected increase in the 2011/12 repairs service charge for leaseholders (billed in 12/13) due to more repairs works being carried out to leaseholders' properties during the last financial year. This is off-set by small amounts of under-recovery from various service charges totalling £0.097m caused in part by the transfer of properties to Seaside Homes which was difficult to predict at budget setting time.	

Dedicated Schools Grant - Revenue Budget Summary

2012/13 Variance Month 6 £'000	Dedicated Schools Grant (DSG)	2012/13 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Individual School Budgets (ISB) <i>(This does not include the £6.380m school carry forwards from 2011/12)</i>	126,753	126,753	0	0%
0	Private, Voluntary & Independent (PVI) <i>(Early Years 3 & 4 year old funding for the 15 hours free entitlement)</i>	7,001	7,031	30	0.4%
(143)	Central Schools Budget <i>(This includes £1.168m central carry forward from 2011/12)</i>	16,416	16,251	(165)	1.0%
0	Grant income	(149,002)	(149,002)	0	0%
(143)	Total DSG	1,168	1,033	(135)	-11.6%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Central Schools Budget			
(120)	Educational Agency Placements	At budget setting time it was estimated that there would be 61 FTE placements. The current number of placements is 62 but due to favourable changes in placement costs there is an underspend.	
(48)	Education of Looked After Children	Costs being lower than anticipated.	
(40)	Recoupment	Costs being lower than anticipated.	
73	Various	Other minor overspends including payments for Early Years Free Entitlement funding for 3 & 4 Year Olds of £0.030m.	

NHS Trust Managed S75 Budgets - Revenue Budget Summary

Forecast Variance Month 5 £'000	Unit	2012/13 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
(121)	Sussex Partnership Foundation NHS Trust (SPFT)	11,485	11,074	(411)	-3.6%
47	Sussex Community NHS Trust (SCT)	2,436	2,459	23	0.9%
(74)	Total Revenue - S75	13,921	13,533	(388)	-2.8%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note WTE = Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Sussex Partnership Foundation NHS Trust			
(411)	SPFT	Sussex Partnership Foundation NHS Trust (SPFT) are reporting an underspend of £0.411m at Month 7. The budget strategy savings target of £0.326m has already been achieved. On top of this, savings of £0.202m have been achieved against the mainstream budget from robust vacancy management and tight budgetary control and a further £0.154m from the community care budget as a result of increased funding through the assessment process and robust review of all placements. There continue to be pressures against the Adult Mental Health Community Care budget from a lack of suitable accommodation, which has been highlighted as part of the budget process for 2013/14. In line with the agreed risk-share arrangements for 2012/13 any overspend or underspend will be shared 50/50 between SPFT and BHCC.	
Sussex Community NHS Trust			
23	SCT	Sussex Community NHS Trust (SCT) are reporting an overspend of £0.023m. The HIV budget is underspent and is a continuation of the position from 2011/12. There are significant staffing pressures against Intermediate Care services where a process has been put in place to manage this position.	The position will be closely monitored and reviewed over the remainder of the financial year.

