

Appendix 1 – Revenue Budget Performance

People - Revenue Budget Summary

Forecast Variance Month 9 £'000	Unit	2012/13 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
(3,461)	Commissioner - Children's Youth & Families	21,828	18,207	(3,621)	-16.6%
(330)	Commissioner - Learning & Partnership	2,811	2,246	(565)	-20.1%
43	Delivery Unit - Children's & Families	35,191	35,220	29	0.1%
(3,748)	Total Children's Services	59,830	55,673	(4,157)	-6.9%
(114)	Commissioner - People	1,088	1,039	(49)	-4.5%
(1,801)	Delivery Unit - Adults Assessment	47,610	45,452	(2,158)	-4.5%
529	Delivery Unit - Adults Provider	14,496	14,914	418	2.9%
(1,386)	Total Adult Services	63,194	61,405	(1,789)	-2.8%
(5,134)	Total Revenue - People	123,024	117,078	(5,946)	-4.8%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Commissioner – Children, Youth & Families			
(3,569)	Corporate Critical - Children's Agency Placements	The final number of residential placements was 23.79 FTE. This is broken down as 20.46 FTE social care residential placements (children's homes), 3.03 FTE schools placements, 0.30 FTE family assessment placements and 0.00 FTE 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 number of placements remains very low compared with historic averages and it is not known whether this level of activity is sustainable. This is 12.71 FTE below the budgeted level creating an	

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		<p>underspend of £1.656m.</p> <p>The numbers of children placed in independent foster agency (IFA) placements, for the first time in several years has began 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). There were 185.78 FTE placements during 2012/13. This is considerably less than anticipated in the budget which is based on 206.50 placements resulting in an underspend of £1.259m.</p> <p>The final number of disability placements was 14.73 FTE with an average unit cost of £2,225. The number of placements was 2.88 FTE below the budgeted level. The average weekly cost of these placements was £83 lower than the budgeted level and the combination of these two factors together with an underspend of £0.044m on respite placements, resulted in an underspend of £0.454m.</p> <p>There were 0.87 FTE secure (welfare) placements and 1.22 FTE secure (justice) placements in 2012/2013. The budget allowed for 1.25 FTE welfare and 0.75 FTE justice placements during the year. There is currently one child in a secure (welfare) placement and two in a secure (criminal) placement resulting in an underspend of £0.200m</p>	
(52)	Other	Minor underspend variances	
Commissioner – Learning & Partnership			
(525)	Home to School Transport	There is an underspend of £0.525m which reflects the continued reduction in the numbers of children being transported as well as the favourable terms of the renegotiated contracts in the summer.	
(40)	Other	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 – Children & Families			
(114)	Social Work Teams	The Social Work Teams underspent by £0.114m in 2012/13.	
91	Management & Administration VfM Savings	There was an overspend resulting from the shortfall in the Management and Admin VfM 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. During 2012/13 savings of £0.059m have been identified reducing the overspend to £0.091m .	This pressure has been managed within the overall approved budget resources for Children & Families in 2013/14 including available service pressure funding.
109	Care Leavers	The numbers of Unaccompanied Asylum Seeking Children leaving care and requiring financial assistance in 2012/13 was less than anticipated resulting in an underspend of £0.155m . This underspend was off-set by an overspend of £0.264m against the mainstream Leaving Care budget.	This pressure has been managed within the overall approved budget resources for Children & Families in 2013/14 including available service pressure funding.
(104)	Legal Fees	The underspend in Legal fees was made up of £0.017m underspend on independently commissioned social work and medical assessments and £0.087m underspend for legal/court fees. The underspend on independent assessments is due to the VfM programme to utilise the Clermont CPU team to undertake these assessments.	
107	Adoption Payments	The final position for adoption payments to out of authority providers shows a projected overspend of £0.167m . This is off-set by other adoption payments to individuals in Brighton and Hove underspending by £0.060m due to a reduction in allowances.	This pressure has been managed within the overall approved budget resources for Children & Families in 2013/14 including available service pressure funding.
103	In House Foster Payments	The overspend of £0.103m predominantly relates to an increase in Special Guardianship orders where 66 placements were budgeted for but by the end of the year there were 91	This pressure has been managed within the overall approved budget resources for Children & Families in

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		placements.	2013/14 including available service pressure funding.
(273)	Early Years	Mainly due to underspending on staffing with holding of vacant posts and increased income in nurseries.	
144	VfM In House Fostering	The overspend against this budget heading relates directly to the additional VfM posts agreed for 2012/13 - 0.6 FTE Practice Managers and 2.8 FTE Social Workers. A business case for this initiative was made and agreed as part of the VfM process.	This is an 'invest-to-save' item that is expected to generate greater VfM savings on the Children's Corporate Critical placement budgets in future. The posts have been provided for in the 2013/14 budget.
(34)	Other	Minor underspend variances	
Commissioner – People			
(49)	Commissioner - People	There is an underspend from savings against contracts.	
Delivery Unit – Adults Assessment			
see below	Assessment Services	Assessment Services are reporting an underspend of £2.158m at outturn (representing 4.4% of the net budget), an improvement of £0.357m from Month 9. The underspend is split against client groups as follows:	
(442)	Corporate Critical - Community Care Budget (Older People)	Older People services are reporting an underspend of £0.442m, 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. The underspend has reduced by £0.763m from Month 9, largely reflecting two one-off adjustments: i) a contribution to the Adult Social Care long term capacity reserve of £0.348m which is earmarked for proposed conversion works at Craven Vale as approved by Policy & Resources Committee on 24 January 2013, and ii) a contribution to capital of £0.250m to fund ASC vehicles, as approved by Policy & Resources Committee on 14 February 2013. There was also an increase in actual homecare costs at	

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		year-end due to an issue with the recording of variations in packages of care which will be reviewed for forecasting purposes in 2013/14.	
(1,647)	Corporate Critical - Community Care Budget (Learning Disabilities)	Learning Disabilities are reporting an underspend of £1.647m due mainly to the full year effect of management decisions taken during 2011/12 and the successful re-negotiation of contracts and the improved identification of appropriate funding streams. The improvement of £0.611m from Month 9 is largely a result of changes in need for 5 placements where funding has transferred to health and which were previously assumed to be a cost against the community care budget (approx. £0.300m). The associated commitments and growth have not yet materialised as expected.	
34	Corporate Critical - Comm. Care Under 65's	Under 65's are showing a small overspend of £0.034m, which is an improvement of £0.152m from Month 9 reflecting a reduction in expected demand and further savings made against the financial recovery plan.	
(103)	Support & Intervention Teams	The underspend is largely from vacancy management savings achieved across the service.	
Delivery Unit – Adults Provider			
418	Provider Services	Provider Services are showing an overspend of £0.418m (representing 2.9% of the net budget) which is an improvement of £0.158m from Month 9. The overspend is mainly from the shortfall in 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, with a further proposal accepted at the September meeting of the Committee and a delay in developing proposals on day activities. The improvement over Month 9 relates to an improved level of non residential client contributions which has helped mitigate the shortfall in delivery of budget strategy savings.	This pressure will be managed in 2013/14 as proposals for Learning Disability Accommodation were approved in September 2012.

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Environment, Development & Housing - Revenue Budget Summary

Forecast Variance Month 9 £'000	Unit	2012/13 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
660	Transport	(5,223)	(4,437)	786	-15.0%
3	City Infrastructure	22,288	22,282	(6)	0.0%
26	City Regeneration	969	1,031	62	6.4%
50	Planning & Public Protection	4,271	4,787	516	12.1%
739	Total Non Housing Services	22,305	23,663	1,358	6.1%
307	Housing	14,022	14,374	352	2.5%
1,046	Total Revenue - Environment, Development & Housing	36,327	38,037	1,710	4.7%

Explanation of Key Variances:

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Transport			
404	Corporate Critical – Parking Operations	There is a shortfall in the level of on street pay and display revenue against projected income leading to an overspend against budget of £0.922m. There was a clear pattern of poor weather which had a particularly negative impact on the on-street parking revenue. In addition, there has been a continued migration away from cars to bus and cycle use. Car users switching from two hour stays to one hour stays may have also contributed to revenue collection. An extension to the period of refurbishment at	The London Road off street car park achieved additional income of £0.214m. Permit income achieved a surplus against budget of £0.213m. There is also a net underspend of £0.021m on Blue Badge permits. Vacancy management savings have contributed a further £0.051m underspend. A reduction in the level of bad debt provision required on Penalty Notices has contributed £0.248m to the overall position. Contributions from NCP for the two leased car

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		<p>Trafalgar Street and Regency Square has reduced the income capacity by £0.396m, and a shortfall in the level of income at the HRA High Street car park caused a pressure of £0.016m.</p> <p>The Lanes car park has underachieved on its income budget by £0.076m. Provision for an unresolved dispute over insurance invoices at the Lanes Car Park has led to an additional overspend against budget of £0.060m.</p> <p>A provision for Pavilion Buildings 'dilapidations' of £0.045m has been made.</p>	<p>parks has lead to surplus income of £0.043m. A review of the complex data upon which the forecast for PCN's is based identified an improved forecast which has identified additional income of £0.077m.</p> <p>Efficiencies in the removals service and enforcement contract variations led to expenditure savings of £0.154m.</p> <p>Trafalgar Street and Regency Square underspent on their revenue maintenance and electricity budgets by £0.080m owing to the capital programme in year. There were other minor underspends of £0.021m.</p> <p>The budget for 2013/14 has been significantly adjusted and service pressure funding of £0.310m to support approved changes to parking tariffs.</p>
396	Highways	<p>Routine repairs and Planned Maintenance are overspent by £0.248m. This was due to the impact of a wetter than anticipated summer and colder winter.</p> <p>Safety Maintenance – Traffic Signals overspent by £0.146m. This is due to a wider range of sites and equipment being maintained and ageing equipment that required priority maintenance.</p>	<p>Efforts have been made to try and identify areas where underspends can be achieved in order to offset the pressures identified. One off funding of £0.100m is included in the 2013/14 budget proposals for the establishment of a road works permit scheme. This should contribute to reducing this pressure through ensuring better quality and more co-ordinated repairs. In addition there is further capital funding for road maintenance which should begin to address the deficit for minor road repairs.</p>
64	Highways Engineering	<p>This is due to the Highways Engineering & Projects Team being unable to recharge certain costs to capital projects. In addition, further staffing cost was incurred to cover priority projects and</p>	<p>Consideration is being given to the implications of advice given on cost recharging to transport capital budgets in 2013/14.</p>

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		workstreams at risk due to a long term absence from work. In total an overspend of £0.112m was incurred. This was partially offset by underspends on Coast Protection, Preventative Highways Maintenance and Bridges and Other Structures totalling £0.049m.	
(78)	Various	Minor underspends across other transport services.	
City Infrastructure			
(22)	City Clean	Minor Underspends	
16	City Parks	Shortfall in the level of income from Roedean and Rottingdean mini golf courses (£0.034m) and grounds maintenance (£0.032m). Underspend of £0.070m on Park Rangers.	
City Regeneration			
61	Economic Development	Various small overspends.	The position will be managed in 2013/14 now that this new team has an established cost base.
Planning & Public Protection			
425	Development Planning	This mainly relates to an overspend of £0.456m in Development Control. Of this, £0.342m has been caused by a shortfall in planning fees which is largely explained by the absence of three major planning applications that did not materialise by the end of 2012/13 which had reasonably been expected to come forward. At the beginning of the year, a planning application for the redevelopment of City College had been expected and it was anticipated that at least two other significant, major planning applications would be submitted and validated prior to end of March 2013. The remaining variance was largely due to a higher proportion than anticipated of low value applications which generate significant workload	The lessons from 2012/13 have been considered in relation to forecasting for the 2013/14 budget, particularly in relation to income.

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		but less income. There was also an overspend on agency staff (reported at Month 9) of £0.050m and supplies and services of £0.032m.	
91	Public Protection	The main cause of the deficit was unachieved income of approximately £0.060m arising from pest control and £0.030m across other licensing services. Pressures on income budgets, particularly pest control became apparent as a result of the wet Summer and were planned to be mitigated with savings in other budget areas such as staffing and supplies and services in Trading Standards. However the level of income shortfall was even higher than anticipated, particularly in Pest Control and Taxi Licensing where the shortfalls increased by £0.042m and £0.038m respectively.	The situation will be closely monitored from the start of 2013/14 and earlier mitigation action taken if last year's trends continue.
Housing			
2	Corporate Critical Temporary Accommodation & Allocations	Temporary Accommodation has improved by £0.080m over Month 9 which is mainly due to improved rent collection on leased properties, management of spot purchase accommodation through prevention and tighter void management in leased properties and vacancy management.	
106	Corporate Critical Local Delivery Vehicle (LDV)	The Local Delivery Vehicle position has increased by £0.056m from Month 9. The pressure from the increase of 3.2% on the contract price and Local Housing Allowance (LHA) identified at Month 9 has been managed within the agreed tolerances in the contract due to rent collection rates. The overspend of £0.106m is due to provisions for bad debt on Insurance Invoices and Rent Guarantees for 2013/14 which in accounting terms needed to be provided for in 2012/13.	For 2013/14 a provision for the Rent Guarantee of £0.083m has been provided but is chargeable to the 2012/13 accounts. Every effort will also be made to minimise bad debts and bad debt provisions to further improve the position next year.

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
96	Housing & Social Inclusion	The pressure of £0.223m as identified at Month 9 was due to trespassers moving on to the Horsdean Transit site with expected increased costs for facilities, security and remedial work. The pressure has reduced due to quicker than anticipated eviction of trespassers resulting in lower costs of clearance and legal work. Project works for security and fire precautions have not yet commenced due to unforeseen complications for contractors.	Service pressure funding has been provided within the approved 2013/14 budget to mitigate increased costs.
184	Housing Support Services	Housing Support Services are showing an overspend of £0.184m (representing 6.80% of the gross budget) which is an increase of £0.142m from Month 9. This is mainly due to the increase in vulnerability of clients in hostels, which has meant that more staff have been employed to ensure the services are running safely to meet clients needs. Also there has been an increase in rent costs in one of the hostels due to a delay on completion of major refurbishment works undertaken by the landlord as part of a reconfiguration of the service.	This pressure will be managed within the service pressure funding of £1.000m approved by the Council for 2013/14 to accommodate a range of increased demands relating to homelessness.
(143)	Lead Commissioner	The underspend of £0.143m is due to over-achievement of VfM Management & Admin savings and savings against budgeted pension contributions. The improvement of £0.025m from Month 9 relates to funding that was identified for projects now being used to offset pressure against other services within Housing.	
107	Other Housing	There is an overspend of £0.107m across Homelessness, Housing Strategy and Development, Private Sector Housing and Supporting People which is an increase of £0.078m over Month 9. The main changes are within Homelessness where the provision of	As above, this pressure will be managed within the service pressure funding of £1.000m approved by the Council for 2013/14 to accommodate a range of increased demands relating to homelessness.

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		additional funding for existing commissioned services has enabled us to build capacity and enhance services for rough sleepers and street drinkers to meet current service pressures. This has been partially offset by over-achieved Occupational Therapy fees in Private Sector Housing owing to a high volume of grants completed at year end.	

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Communities - Revenue Budget Summary

Forecast Variance Month 9 £'000	Unit	2012/13 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
50	Commissioner - Communities & Equalities	3,019	2,947	(72)	-2.4%
155	Community Safety	2,231	2,388	157	7.0%
0	Commissioner - Sports & Leisure	1,368	1,217	(151)	-11.0%
30	Commissioner - Culture	1,947	1,946	(1)	-0.1%
437	Delivery Unit - Tourism & Leisure	3,065	3,450	385	12.5%
672	Total Revenue - Communities	11,630	11,948	318	2.7%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Commissioner – Communities & Equalities			
(72)	Community Development	The previously reported overspend has been offset by underspends across other initiatives whilst not impacting on the delivery of outcomes.	
Delivery Unit – Community Safety			
157	Community Safety	The overspend across Community Safety was due to an unachievable savings target of £79k in respect of the drugs and alcohol services and other budgetary pressures.	Actions are being successful in reducing allocations for 2013/14 in order to avoid future budget deficits. Confirmation is however still awaited of the transfer of funds from the PCC.
Commissioner – Sports & Leisure			
(151)	Sport and Leisure	The outturn position includes £0.155m in respect of a back-dated rates refund received in March 2013 relating to the King Alfred.	
Commissioner - Culture			

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
(1)	Culture	The previously reported overspend in respect of the contractual payment to the Dome for 2012/13 has been managed by underspends elsewhere.	Negotiations have been concluded regarding the inflationary clause for the next 3 year period which is in line with that used in the Medium Term Financial Strategy.
Delivery Unit – Tourism & Leisure			
382	Venues	The Venues overspend was mainly due to reduced bookings for entertainments of £0.352m, realisation of the impact of low levels of bookings made prior to the refurbishment of the venue for exhibitions and conference bookers of £0.050m, and the consequential reductions in the catering commissions of £0.050m. In addition, there were unavoidable costs incurred in respect of the venues internet services of £0.032m. These overspends have been reduced by vacancy management savings. The overspend has increased by £0.019m from month 9.	Action continues to be taken to secure further bookings and maximise future business opportunities. Conference bookings since January 2012, 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.
157	Royal Pavilion and Museums	This overspend is mainly made up of £0.138m due to the delay in the implementation of the security review and £0.209m underachievement across retail income targets and catering. These overspends have been reduced by increased admissions/functions income of £0.127m and vacancy management savings. The overspend has increased by £0.024m since month 9.	Consultation on the security review has been completed and was implemented in April. The new catering contractors have been in place since 4th March 2013. The retail function will be reviewed during the year.
(173)	Seafront Services, Tourism & Marketing	The outturn position is due mainly to an overachievement of seafront rental income of £0.117m as well as net additional rental income of £0.058m from seafront properties arising from back payment of a rent review.	
19	Other	Other minor variances	

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Resources & Finance - Revenue Budget Summary

Forecast Variance Month 9 £'000	Unit	2012/13 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
130	Delivery Unit - City Services	11,728	11,826	98	0.8%
(352)	Housing Benefit Subsidy	(752)	(1,165)	(413)	54.9%
8	Resources	19,537	19,540	3	0.0%
(30)	Finance	5,154	4,912	(242)	-4.7%
(244)	Total Revenue - Resources & Finance	35,667	35,113	(554)	-1.6%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Delivery Unit – City Services			
98	City Services	A budget contribution of £0.110m was made at the end of the financial year to increase the land charges claims provision, following a review of the latest position on expected claims and legal advice. Before this contribution, City Services underspent by £0.012m reflecting active management of the budget to help minimise emerging pressures.	
Housing Benefit Subsidy			
(413)	Corporate Critical - Housing Benefit Subsidy	The Housing Benefit budget has generated an additional £0.413m in subsidy. This is because local authority errors were held below the government threshold and therefore attracted additional subsidy.	
Resources			
231	Communications	Communications overspent by £0.231m, which was the result of lower than expected income from external revenue sources and staffing budget pressures.	The pressures in 2012/13 have been addressed as part of the budget setting process for 2013/14.
(28)	Human Resources	Human Resources finished the year with underspend of £0.028m	

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		as a result of continued cost monitoring and income generation. The Human Resources Systems Thinking review is in the implementation phase; Transformation Funds are supporting the review, which is a lead review for developing an approach that can be deployed flexibly across the council, along with specific direct investment required to improve service efficiency.	
112	ICT	ICT had an income budget pressure income of £90k, which has been addressed as part of the budget for 2013/14. There was also an overspend of approximately £0.020m resulting from delays in the implementation of a new telephony system impacting on realising our VFM target in this area.	Service pressure funding was approved by the Council to meet the identified income pressure in 2013/14.
(155)	Legal & Democratic Services	A combination of improved income generation, one off receipts from court costs and project specific income from external sources have helped to contribute to the provisional outturn of £0.155m underspend.	
12	Policy, Performance & Analysis	Minor overspend	
(169)	Property & Design	The commercial rent forecasts were maintained despite the difficult economic climate for rental properties on the high street. This, together with fortuitous income has resulted in an underspend of £0.169m for Property & Design.	
Finance			
(242)	Finance	A small number of vacancies and lower than expected temporary cover costs have resulted in an underspend on the staffing budget. Audit Fees for the second half of the year have also been confirmed at a lower cost by the new external auditors, Ernst & Young. This has been reflected in savings proposals for 2013/14.	

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Corporate Budgets - Revenue Budget Summary

Forecast Variance Month 9 £'000	Unit	2012/13 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
(428)	Bulk Insurance Premia	3,323	2,854	(469)	-14.1%
64	Concessionary Fares	9,696	9,776	80	0.8%
625	Capital Financing Costs	6,646	7,319	673	10.1%
0	Levies & Precepts	167	166	(1)	-0.6%
228	Corporate VfM Savings	(228)	0	228	100.0%
(1,026)	Risk Provisions	1,206	0	(1,206)	-100.0%
(16)	Other Corporate Items	(30,216)	(29,250)	966	3.2%
(553)	Total Revenue - Corporate Budgets	(9,406)	(9,135)	271	2.9%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Bulk Insurance Premia			
(469)	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. In addition, the underspend has increased due to a lower number of claims and a higher number of repudiations but has	

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		been partially offset by a £0.158m contribution to the Insurance Fund. This was in respect of potential additional payments mainly relating to asbestos claims relating to the period prior to 1993 under the council's previous insurer.	
Concessionary Fares			
80	Concessionary Fares	A small overspend in relation to the net position of increased journeys and contracted services compared to the budgeted fixed price contract.	This is expected to be manageable within the overall budget resources in 2013/14.
Capital Financing Costs			
673	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 became 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 £0.323m. The main reason (approximately £0.350m) for this is that the income from services paying for the costs of unsupported borrowing is less than budgeted due to capital schemes being reprofiled and this is only partly offset by additional investment income generated until the schemes go ahead. There are however corresponding savings within service budgets.	The 2013/14 budget includes approved commitment funding of £0.559m to accommodate the pressures identified on the Capital Financing Costs budget.
Corporate VFM Projects			
228	Corporate VFM Projects	A number of VFM projects relate to council-wide projects which deliver savings across many, if not all, service areas. The associated savings targets were shown under Corporate Budgets awaiting allocation to individual service budgets as and when savings were identified and/or confirmed. At the year end, there is an	Full details of VFM Programme performance and variances are given in Appendix 3. Service pressure funding has been provided within the approved 2013/14 budget to remove centrally held VFM targets where savings have already been reflected

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		underachievement of £0.251m against the central procurement VFM target, partly offset by an improvement of £0.023m against the Management & Admin VFM target. The underachievement is more than offset by savings on procurement activity achieved across services and retained within service budgets.	in service budgets.
Risk Provisions			
(1,026)	Risk Provisions & contingency	<p>There was a one-off risk provision of £1.000m and £0.266m of this was released to support the overall position. This is after providing £0.734m 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; • implementation of Information Commissioner's Office (ICO) recommendations; • additional legal costs for intellectual property rights; • support for school bus routes. <p>There was a permanent (recurrent) risk provision of £1.000m of which £0.760m has been released to provide one-off resources to support the overall position. The remaining £0.240m of this was allocated to the Communications budget to cover the shortfall in the advertising and sponsorship contract. From 2013/14 onwards £0.215m has been built into the budget for this.</p> <p>There was also a permanent risk provision of £0.863m for pay related matters, of which £0.078m has been allocated for Living wage requirements. The balance of £0.785m has been transferred to the Single Status</p>	Risk provisions and contingencies for 2013/14 are set out in the Revenue Budget report to Full Council on 28 February 2013.

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		<p>provision.</p> <p>An underspend of £0.180m has been achieved on the financing costs for the new Historic Records Centre. The budget projections assumed that capital funding would be assumed in 2012/13 and as this expenditure is funded from borrowing, the financing costs were set aside in contingency. It has now been confirmed that capital payments will not be made this year and no financing costs will be incurred.</p>	
Other Corporate Items			
720	Accounting Provision	<p>Increase in the accounting provision for bad debt. The 'Bad Debt Provision' is calculated using a standard methodology which has been accepted by the external auditor. The provision is based on a percentage of the value of debts outstanding at the balance sheet date (31 March). The percentages applied increase according to how old the debts are. The profile of the council's outstanding debts can change significantly from year-to-year for a wide variety of reasons but whilst this can therefore substantially increase or decrease the Bad Debt Provision each year, it does not follow that the council's debt collection performance is impacted. For 2012/13, the provision has increased due to a small number of high value invoices having been outstanding for over 5 months. It is unlikely that these will ultimately become bad debts but our methodology requires that a proportion of the value is regarded as such for accounting purposes. There has however been a trend of reducing 'property charges' in relation to Adult Social Care debts. These are where charges for Adult Social Care services are held against the value of a client's property until it is sold. These are normally</p>	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		discounted against the value of outstanding debts and their reducing value has therefore changed the profile of debt outstanding (i.e. increased it) and results in an increase of the Bad Debt Provision.	
256	Control Account Write off	Write off of unreconciled items on the payroll control account. This year-end write off is in accordance with the recommendations of the external auditor following the completion of the audit of the 2011/12 accounts, as reported in the auditor's Annual Governance Report (AGR) to the Audit & Standards Committee on 25 September 2012.	
(10)	Corporate Unringfenced Grants	Minor variances on corporate unringfenced grants.	

Appendix 1 – Revenue Budget Performance

Housing Revenue Account - Revenue Budget Summary

Forecast Variance Month 9 £'000	Housing Revenue Account	2012/13 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
(313)	Employees	8,630	8,557	(73)	-0.8%
(605)	Premises – Repair	10,745	9,963	(782)	-7.3%
(223)	Premises – Other	3,711	3,356	(355)	-9.6%
(214)	Transport & Supplies	2,071	1,523	(548)	-26.5%
(51)	Support Services	1,981	1,873	(108)	-5.5%
6	Third Party Payments	105	106	1	1.0%
400	Revenue contribution to capital	20,030	20,430	400	2.0%
-	Capital Financing Costs	5,321	5,327	6	0.1%
	Subsidy	0	(62)	(62)	0.0%
(1,000)	Net Expenditure	52,594	51,073	(1,521)	-2.9%
(158)	Dwelling Rents (net)	(46,703)	(46,830)	(127)	-0.3%
(10)	Other rent	(1,246)	(1,370)	(124)	-10.0%
(176)	Service Charges	(4,152)	(4,340)	(188)	-4.5%
(19)	Supporting People	(465)	(482)	(17)	-3.7%
59	Other recharges & interest	(428)	(414)	14	3.3%
(304)	Net Income	(52,994)	(53,436)	(442)	-0.8%
(1,304)	Total	(400)	(2,363)	(1,963)	

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Housing Revenue Account			
(73)	Employees	The service had reported a forecast underspend of £0.313m on employees at Month 9 due to management of vacancies while recruitment to the new Housing and Social Inclusion structure was being finalised. However, £0.247m of this underspend has been used to create a provision for payments to staff leaving as a result of the Voluntary Severance Scheme. This has resulted in a reduced underspend for the year of £0.073m.	
(782)	Premises Repairs	This underspend includes the following major variances: Responsive repairs have underspent by £0.408m due to the continuation of the policy to review responsive repairs within the context of the replacement programme. This has resulted in lower than expected values and numbers of repairs. There is a further underspend on the costs of gas servicing of £0.187m as a result of re- basing of the open book contract after the budget was set. Work to empty properties is also underspent by £0.245m as a result of fewer properties than budgeted becoming empty and the transfer of properties to Seaside Community Homes. There is also a £0.094m underspend relating to works to the Housing Centre and a further £0.064m underspend on fire risk works. These underspends are partly off-set by overspends on lift works £0.076m; door entry systems £0.089m and asbestos works £0.077m.	
(355)	Premises – other	Utility costs are underspent by £0.187m. This is due to budgets being based on a large proportion of estimated reads and actual consumption proved to be lower than these estimates. There are further underspends of £0.060m on decorating vouchers due to less properties being re-let in 2012/13 than anticipated; £0.045m on grounds maintenance and £0.058m on property insurance costs.	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
(548)	Transport and Supplies	The major underspends relating to transport and supplies are: £0.094m on the Transfer Incentive Scheme to tenants due to a reduced level of take-up; £0.104m on the contribution to bad debt provision which is based on the level of arrears at 31/3/2013; £0.179m on professional fees due to more utilisation of in-house staff; £0.084m on general office expenses.	
(108)	Support Services	This underspend relates to various support services from the General Fund that were budgeted for over and above the standard support service charges. The consolidation of some of these services into the standard support service charge as well as the restructure of Housing during the year has meant that these extra levels of service were not required during 2012/13.	
400	Revenue Contribution to Capital Outlay	This relates to an additional contribution to capital investment using revenue underspends to fund further investment in adaptations for Council tenants as reported to P&R Committee on 29 th November 2012.	This overspend is being funded by other underspends within the HRA.
(62)	Subsidy	This underspend relates to a recently notified refund of subsidy paid to the Council during 2012/13 as a result of the final audited claim in July 2012.	
(127)	Dwellings Rents	Rental income for 2012/13 is £0.127m (0.27%) more than budgeted due to a reduction in the number of long term empty properties now that many have been transferred to Seaside Community Homes.	
(124)	Rents - Other	The income received from non-dwelling rents for 2012/13 has exceeded the budget by £0.124m of which the majority is in relation to agreed charges for commercial properties for previous years.	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
(188)	Service Charge Income	Service Charge income from leaseholders has exceeded the budget by £0.296m largely as a consequence of more repairs works being carried out to leaseholders' properties during the last financial year thereby increasing the 2011/12 repairs service charge for leaseholders (billed in 2012/13). This is off-set by small amounts of under-recovery from various service charges totalling £0.108m caused in part by a reduction in the number of chargeable properties as they have transferred to Seaside Community Homes.	

Dedicated Schools Grant - Revenue Budget Summary

Forecast Variance Month 9 £'000		2012/13 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
	Dedicated Schools Grant (DSG)				
0	Individual Schools Budget (ISB) <i>(This does not include the £6.380m school balances brought forward from 2011/12)</i>	126,197	126,197	0	0.0%
0	Private Voluntary & Independent (PVI) <i>(Early Years 3 & 4 year old funding for the 15 hours free entitlement to early years education)</i>	6,979	6,979	0	0.0%
(367)	Central Schools Budget <i>(This includes £1.168m central underspend brought forward from 2011/12)</i>	17,000	15,911	(1,089)	-6.4%
0	Grant Income	(149,008)	(149,008)	0	0.0%
(367)	Net DSG Budget	1,168	79	(1,089)	-93.2%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Central Schools Budget			
(309)	Educational Agency Placements / SEN Inclusion & Prevention	At budget setting it was estimated that there would be 61 placements. The final number of children in an educational agency placement was 58 which resulted in an underspend of £0.534m; this was offset by additional costs of £0.225m relating to SEN inclusion and prevention.	
(96)	Home to School Transport	The DSG element of Home to School has not been required as the overall General Fund position on Home/School transport is currently underspent.	
(139)	Carbon Reduction Commitment	Underspend resulting from initial budget being over estimated.	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
(112)	Admissions & Transport	Underspend on staffing costs (£0.064m) and non-staffing costs (£0.048m).	
(113)	School Improvement	This will be used by the Secondary Schools Partnership (SSP) over the rest of the 2012/13 academic year and will be a first call on the 2013/14 carry forward.	
(63)	Behaviour & Attendance	Underspend on staffing budget.	
(257)	Various	Other underspend variances	

Appendix 1 – Revenue Budget Performance

NHS Trust Managed S75 Budgets - Revenue Budget Summary

Forecast Variance Month 9 £'000	S75 Partnership	2012/13 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
(601)	Sussex Partnership Foundation NHS Trust (SPFT)	11,485	11,169	(316)	-2.8%
(126)	Sussex Community NHS Trust (SCT)	2,436	2,343	(93)	-3.8%
(727)	Total Revenue - S75	13,921	13,512	(409)	-2.9%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note WTE = Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Sussex Partnership Foundation NHS Trust			
(316)	SPFT	Sussex Partnership Foundation NHS Trust (SPFT) finished the year with an underspend of £0.632m, which was a slight improvement from Month 9. The budget strategy savings target of £0.326m was fully achieved. On top of this, savings of £0.308m were achieved against the mainstream budget from robust vacancy management and tight budgetary control and a further £0.329m from the community care budget as a result of increased funding through the assessment process and a thorough 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 the underspend has been shared 50/50 between SPFT and BHCC.	
Sussex Community NHS Trust			
(93)	SCT	Sussex Community NHS Trust (SCT) are showing an overspend of £0.146m against two services-ICES (£0.070m) from increased demand for equipment and Intermediate Care services (£0.076m) from staffing pressures. This is offset by the underspend against the HIV budget of £0.239m which is a continuation of the position from 2011/12 for services now managed by Assessment services. The net underspend is attributable to the council under the S75 arrangements.	

