

## Families, Children &amp; Learning

## Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2017/18 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
(98)	Director of Families, Children & Learning	162	57	(105)	-64.8%	0	0	0
1,012	Health, SEN & Disability Services	36,198	37,248	1,050	2.9%	1,731	1,066	769
104	Education & Skills	7,054	7,128	74	1.0%	1,710	1,919	0
2,154	Children's Safeguarding & Care	38,844	41,066	2,222	5.7%	2,039	527	1,678
(75)	Quality Assurance & Performance	1,508	1,445	(63)	-4.2%	0	0	0
3,097	Total Families, Children & Learning	83,766	86,944	3,178	3.8%	5,480	3,512	2,447
(606)	Further Financial Recovery Measures (see below)	-	(569)	(569)	-	-	-	-
2,491	Residual Risk After Financial Recovery Measures	83,766	86,375	2,609	3.1%	5,480	3,512	2,447

## Explanation of Key Variances (Note: FTE/WTE = Full/Whole Time Equivalent)

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(569)	Further Financial Recovery Measures projection	The directorate has developed an over-arching Financial Recovery Plan to address the pressures detailed below across the various service headings. A number of these measures have already been incorporated in the projections, below but some have yet to fully materialise. The remaining Financial Recovery Plan includes the following measures:
		• Review of high cost placements.
		• Health contributions for complex placements.
		• Directorate recruitment control.
		• Negotiate backdated discounts for long term fostering placements.
		• Use of modernisation funding of £0.250m to support service development initiatives.

**Appendix 3 – Revenue Budget Performance**

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Director of Families, Children & Learning		
(105)	Director	Mainly due to greater achievement of payment by results income for Troubled Families than originally anticipated in the budget.
Health, SEN & Disability Services		
246	In-house residential and respite services	Increasing use of overtime and agency staff providing residential and respite care for disabled children with complex needs. These services are contributing to the reduced spending on Disability Agency Placements.
706	Demand Led - Learning Disability Adults - Community Care	There has been an increase in the level of clients presenting with greater complexity of need in recent months. This has resulted in an increase in the average unit costs for Learning Disability Care packages. The overspend predominantly relates to Supported Accommodation and Day Services which have shown a significant increase in activity since April 2015. Following a CCG review of clients' health needs some have been assessed as no longer being eligible for continuing health care funding.
148	Learning Disability Adults - In house day centre	Unachieved saving of £0.225m from previous years offset by underspends elsewhere in this service.
(50)	Other	
Education & Skills		
(112)	Early Years Youth & Family Support	This is comprised of council nurseries, children's centres, youth provision and the Integrated Team for Families. There is an overspend on the council nurseries budgets caused by pressures as a result of the cost of maternity cover and staff sickness, apprentices not yet working in ratio, costs of agency staff to maintain statutory ratios, protected pay for staff who changed grades during the restructure, and a reduction in numbers attending in some nurseries. However there are significant underspends in the budgets for children's centres and the integrated team for families as a result of vacancies held this year to contribute to managing the overall directorate position. The budget for the youth service is forecast to be slightly underspent.
45	Home To School Transport	The overspend is due to additional recoupment travel costs and increased costs in 16-19 year-old travel.
202	Supported Employment	Due to underachievement of income targets in Able and Willing. The service is currently being reviewed with a view to improving the overall position next financial year

**Appendix 3 – Revenue Budget Performance**

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(61)	Other	
<b>Children's Safeguarding &amp; Care</b>		
1,612	Demand-Led - Residential Agency Placements	The projected number of residential placements (38.58 FTE) is broken down as 35.00 FTE social care residential placements (children's homes), 3.58 FTE schools placements and 0.00 FTE family assessment placements. The budget allowed for 25.60 FTE social care residential care placements, 3.50 FTE schools placements and 0.30 FTE family assessment placements. The average unit cost of these placements is lower than the budgeted level for both residential and boarding school placements. However, the number of children placed is 9.18 FTE above the budgeted level resulting in the overspend of £1.612m.
708	Demand-Led - Independent Foster Agency (IFA) Placements	The number of children placed in Independent Foster Agency placements has decreased in recent years. During 2016/17 there were 132.14 FTE (compared with 158.06 FTE for 2015/16). The current projected number of placements in 2017/18 is 118.62 FTE, a reduction of 10.2%. The budget for IFA placements included significant levels of savings and was set at 101.00 FTE. The numbers being higher than the budget by 17.62 FTE results in a projected overspend of £0.708m.
(160)	Demand-Led - Secure Accommodation	It is estimated that during 2017/18 there will be 1.10 FTE secure (welfare) placements and 0.53 FTE secure (justice) placements. The budget allowed for 1.45 FTE welfare and 1.15 FTE justice placements during the year. There are currently no children in a secure (welfare) placement and one in a secure (criminal) placement resulting in a projected underspend of £0.160m.
672	Demand-Led - Semi-independent/Supported placements	The number of semi-independent and supported living placements is projected to be 33.35 FTE and this is 4.35 FTE above the budgeted level. However, the average unit cost of these placements has increased considerably recently and is now £248.74 per week higher than the budget and this results in an overspend of £0.672m.
(829)	Demand-Led - In-House Fostering	As at the 31st December 2017 there were 150 children placed with 'in-house' foster carers and 151.81 FTE for the year. The budget, based on an increasing trend over the last few years and the drive to increase recruitment of in-house carers, was set at 180.00 FTE placements. This has resulted in the current projected underspend of £0.829m.

### Appendix 3 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
150	Demand-Led - Family & Friends placements, Child Arrangement Orders and Special Guardianship Orders	The budget allows for 282.00 FTE placements of these types. It is currently anticipated that there will be 306.37 FTE children in these placements during 2017/18 and this results in the overspend of £0.150m.
(8)	Demand-Led - Care Leavers	The projected number of care leaver placements in 2017/18 is 105.31 FTE. The budget allows for 93.90 FTE placements. The increase in numbers of unaccompanied asylum seeking children in recent years has resulted in a rise in the number of ex-asylum seeking care leavers. This has now passed the threshold to be eligible for the grant and it is anticipated that £0.107m grant funding will be received in 2017/18. This together with lower than anticipated unit costs has off-set the increasing numbers and results in the underspend of £0.008m.
164	Demand-Led Unaccompanied Asylum Seeking Children (UASC) Grant	The numbers of unaccompanied asylum seeking children has increased considerably in the last 12 months. The costs of looking after these children is funded by a grant from the Home Office, however a number of asylum seekers have now left care (see above) and there has been an increase in other, non accommodation costs resulting in the overspend of £0.164m.
(141)	Social Work teams	Use of agency social workers continued into 2017/18 but at a significantly lower level than 2016/17. Spend to date is £0.414m. The Social Work agency budget is £0.136m and was reduced by £0.092m as one-off funding in 2016/17 is not available in 2017/18. Currently there are no agency social workers employed and it is anticipated that this position will be maintained to the year end. This will result in a full year spend of £0.425m and a projected overspend against the agency budget of £0.289m. The underspend currently projected against permanent staffing budgets is £0.401m and non staff costs are anticipated to underspend by £0.025m. It should be noted that a contributory factor to the overall underspend in social work cost is the notification as to the full level of Teaching Practice income (£0.065m) and (£0.040m) Trailblazer funding and the allocation of some Care Leaver staff to the UASC budget. There is an additional underspend of £0.004m against the Emergency Duty Service contract.

Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
323	Legal Fees	<p>High levels of legal costs continue throughout 2017/18. At Month 9 an overspend in the region of £0.323m is anticipated. The number of care proceedings has increased significantly in recent years. The overspend relates predominantly to the high costs of court and counsel fees attributable to these cases. The following measures are being initiated with the aim of better controlling spend against these areas:</p> <ul style="list-style-type: none"> <li>• Review of all budget codes to identify any areas for savings in short and long term and establish oversight of large budget commitments and monitoring;</li> <li>• Establish policy of approval levels for expenditure;</li> <li>• Increasing staff hours to provide more in house advocacy capacity;</li> <li>• Streamlining work processes with the expectation that lawyers undertake own advocacy on a minimum of 10 hearings each per year;</li> <li>• Review of level of Counsel instructed when outsourcing is required;</li> <li>• Case supervision of lawyers prior to hearings to ensure that evidence is scheduled on time and level of evidence required for care plans is met;</li> <li>• Training for Pod Managers re evidential threshold and filing process to support social workers in meeting evidential and court timescales;</li> <li>• Expert reports – Head of Service to agree all expert reports commissioned;</li> <li>• Legal services to push back other party requests for expert assessments;</li> <li>• Any expert assessment requested that is not supported as evidentially required by legal services to be raised with Assistant Director for decision.</li> </ul> <p>It should be noted that spend in 2017/18 is relatively consistent with levels experienced in 2016/17 equating roughly to 100 cases with an average of five court hearings per case.</p>
133	Adoption Payments	<p>A number of additional inter-agency adoption placements are due to be agreed in January and February. There is a one-off cost when children are placed with adoptive families that have been recruited by other agencies, however, long term savings are accrued to the fostering budget in subsequent years.</p>
(118)	Fostering and Adoption Teams	<p>Following the restructure of the Fostering and Family &amp; Friends teams an underspend of £0.118m has accrued from vacant posts being held in the interim.</p>

### Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(126)	Youth Offending Service	A number of vacant posts are being held by the Head of Service pending the forthcoming review and restructure of the YOS and Extended Adolescent Service. Additionally, there has been turnover against the Operational Manager post and further underspend is projected against a number of non-staffing budgets in 2017-18.
(111)	Specialist Assessment & Domestic Violence	Staff turnover, maternity leave and a permanent reduction in the number of Psychiatric assessments chargeable to this budget have generated a projected underspend of £0.111m.
(47)	Other	
Quality Assurance & Performance		
(63)	Independent Reviewing Officer Team	Early achievement of 2018/19 budget savings and staff turnover.

## Health &amp; Adult Social Care (HASC)

## Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2017/18 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
127	Adult Social Care	32,436	32,603	167	0.5%	2,285	1,467	818
(52)	Integrated Commissioning	3,645	3,549	(96)	-2.6%	147	147	0
190	S75 Sussex Partnership Foundation Trust (SPFT)	12,757	12,990	233	1.8%	293	173	120
0	Public Health	1,110	1,110	0	0.0%	2,148	2,148	0
265	Total Health & Adult Social Care	49,948	50,252	304	0.6%	4,873	3,935	938
(120)	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
145	Residual Risk After Financial Recovery Measures	49,948	50,252	304	0.6%	4,873	3,935	938

## Explanation of Key Variances (Note: FTE/WTE = Full/Whole Time Equivalent)

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Adult Social Care		
(26)	Demand-Led Community Care - No Recourse to Public Funds	The average unit cost is slightly lower than the budgeted unit cost and the number of clients being supported is less than budgeted resulting in the underspend of £0.026m.
745	Demand-Led Community Care - Physical & Sensory Support	There are increasing numbers of 'new' older people being discharged from hospital requiring social care services for the first time, as well as increased community demand. This additional financial pressure is being partly met by the Improved Better Care fund for 2017/18.
148	Demand-Led Community Care - Substance Misuse	There are relatively small numbers of clients within this service and this is in line with the expected demand. The average unit cost is higher than the budgeted unit cost resulting in the overspend of £0.148m.

## Appendix 3 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
82	In house residential provision - Older people	This is due to increased agency spend within the in house residential units.
2	Hostel Accommodation	There has been a delay in the transfer of a Hostel to a new building which has resulted in pressures on rent costs and Housing Benefit income.
(610)	Assessment teams	This is due to a number of vacancies across the Assessment teams.
(255)	In house home care provision	The homecare service has experienced severe difficulty with recruiting to vacant posts. Due to this, the service has been in a position where it has had to close some care runs while recruitment takes place. A new redesigned recruitment advertising process is imminent and will assist with recruitment.
<b>Integrated Commissioning</b>		
(127)	Commissioning Support Team	Due to temporary vacancies within the Commissioning teams
70	Night Shelter	As a result of the extension of the opening of a Night Shelter between February and March 2018, this has resulted in an overspend of £0.070m.
<b>S75 Sussex Partnership Foundation Trust (SPFT)</b>		
178	Demand-Led - Memory Cognition Support	There are higher numbers of care packages than are funded in the budget; the unit costs are also higher than had been anticipated resulting in the overspend of £0.180m. This is due to a current lack of affordable residential and nursing home placements within the city.
69	Demand-Led - Mental Health Support	There is an increasing need and complexity within this client group and this results in the overspend of £0.042m.
(14)	Demand-Led - Staff teams	

## Economy, Environment &amp; Culture

## Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2017/18 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
(749)	Transport	(7,084)	(8,725)	(1,641)	-23.2%	1,238	1,238	0
182	City Environmental Management	27,977	28,354	377	1.3%	1,025	875	150
156	City Development & Regeneration	2,807	2,829	22	0.8%	420	420	0
(91)	Culture	4,422	4,278	(144)	-3.3%	335	335	0
182	Property	973	1,149	176	18.1%	1,668	1,668	0
(320)	Total Economy, Environment & Culture	29,095	27,885	(1,210)	-4.2%	4,686	4,536	150
0	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
(320)	Residual Risk After Financial Recovery Measures	29,095	27,885	(1,210)	-4.2%	4,686	4,536	150

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(1,563)	Parking Services	<p>Although a significant forecast underspend this reflects the volatility of related activity data and the difficulty of accurately estimating trends, particularly for new parking schemes and for changes such as the switch from coin machines to card and phone app payments. The main reasons for the variation are as follows:</p> <ul style="list-style-type: none"> <li>Forecast over-achievement of permit fee income of £0.884m and pay &amp; display fee income of £0.164m based on latest data for 5 new parking schemes starting in October 2017 and one new scheme starting in March 2018 which was recently brought forward at committee. Additional income has also been received from Areas M &amp; N by changing under-utilised shared bays. Area C (Queens Park) and the seafront in particular have</li> </ul>

## Appendix 3 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		<p>also been continuing to exceed income expectations. The former may be due to a number of residents purchasing resident and visitor permits following the introduction of the larger schemes around the Hanover area (less unrestricted roads).</p> <ul style="list-style-type: none"> <li>• Extra income of £0.347m has been received from contractors for 'parking suspensions' due to a number of major developments in the city.</li> <li>• An underspend on bank charges and contract costs of £0.456m due to reduced card processing transaction fees as the result of a new contract which started during the 2017/18 financial year. Data for the various transactions processed under this contract has only recently been collated and the average cost per transaction has reduced significantly under the new contract.</li> <li>• An underspend of £0.275m on unsupported borrowing costs due to lower costs of the delayed Pay &amp; Display machine replacement programme and repayment of borrowing in 2016/17. The cost per transaction has reduced significantly under the new contract. Proposed direct revenue funding of the capital costs of the 5 new parking schemes of £0.560m will produce a further saving on unsupported borrowing costs in 2018/19 of approximately £0.125m.</li> <li>• Other net variances totalling an overspend of £0.086m.</li> </ul> <p>Parking income is monitored on a monthly basis as there are a number of variable factors that can impact on parking activity. Minor variations in demand can result in significant financial implications.</p>
(158)	Traffic Management	<ul style="list-style-type: none"> <li>• An overachievement of income from skips &amp; scaffold, tables and chairs, hoardings and A boards of £0.203m. The hoarding income (£0.173m) reflecting increased development activity in the City.</li> <li>• An overachievement of income of £0.048m from Section 74 fines from street-works and £0.019m from Trench Inspection Fees.</li> <li>• These are offset by Safety Maintenance - Traffic Signals costs forecast to exceed budget by £0.119m but will be mitigated with reduced use of contractors and recharging costs.</li> </ul>
80	Other Variances	

## Appendix 3 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
<b>City Environmental Management</b>		
485	Cityclean Operations	A forecast overspend of £0.302m on vehicle costs and an overspend on staff costs of £0.352m due to an additional bank holiday during the year, high summer demand including special events and agency staff cover due to high sickness levels. This is partially offset by an over-achievement of income from bin sales, additional income from the seafront contract and an underspend on supplies and services.
(67)	Fleet & Maintenance	<ul style="list-style-type: none"> <li>• A forecast over-achievement of income from vehicles repairs and maintenance (£0.143m) offsets a corresponding pressure in Cityclean Operations.</li> <li>• An overspend on materials of £0.172m.</li> <li>• Delays in generating income from external work of £0.347m.</li> <li>• Lower staff costs (£0.113m).</li> <li>• Reduced unsupported borrowing costs (£0.364m).</li> </ul>
(41)	Other variances	
<b>City Development &amp; Regeneration</b>		
127	Applications	<ul style="list-style-type: none"> <li>• A forecast underachievement of Building Control income of £0.055m.</li> <li>• An overspend of £0.040m due to legal advice and anticipated Public Inquiry costs in particular from appeals.</li> <li>• Other minor variances of £0.032m.</li> </ul>
(68)	Customer Services	<ul style="list-style-type: none"> <li>• Reduced spend on agency staff.</li> <li>• Increased underspend on payroll.</li> </ul>
(37)	Other Variances	
<b>Culture</b>		
(97)	Venues	<ul style="list-style-type: none"> <li>• A forecast underspend on staff costs of £0.014m.</li> <li>• An overachievement of income of £0.083m.</li> </ul>
(68)	Tourism	<ul style="list-style-type: none"> <li>• A forecast over-achievement of income from conferences and advertising of £0.068m.</li> </ul>

## Appendix 3 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
21	Other Variances	
<b>Property</b>		
330	Rents	<ul style="list-style-type: none"> <li>• There is still a much reduced forecast shortfall in expected rental income mainly associated with the Contracted Property Portfolio (CPP), New England House and although there are some improvements for rental income at Hove Town Hall the building has just been revalued, resulting in a much increased National Non Domestic Rates (NNDR) bill.</li> <li>• Also included within this variance is the £0.050m saving applied to the CPP budget. The CPP budget pressure is the variance between the year-on-year inflated rental income figure compared to the forecast provided by the council's property advisors Cluttons. The rent forecast is subject to close monthly monitoring and will be adjusted as new information is received through the year.</li> </ul>
(154)	Property Services	<ul style="list-style-type: none"> <li>• Property Services has identified pressures of £0.070m following the loss of a security contract and additional security provision at some sites.</li> <li>• These are currently offset against various predicted underspends including Corporate Landlord utilities and responsive repairs (£0.224m).</li> </ul>

## Neighbourhood, Communities &amp; Housing

## Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2017/18 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
200	Housing General Fund	5,275	5,475	200	3.8%	1,689	1,466	223
0	Libraries	4,899	4,899	0	0.0%	142	142	0
0	Communities, Equalities & Third Sector	2,721	2,721	0	0.0%	480	420	60
(80)	Regulatory Services	1,516	1,436	(80)	-5.3%	220	220	0
0	Community Safety	1,290	1,290	(0)	0.0%	71	71	0
0	Digital First	1	1	0	0.0%	0	0	0
120	Total Neighbourhood, Communities & Housing	15,702	15,822	120	-1.5%	2,602	2,319	283
(200)	Further Financial Recovery Measures (see below)	-	(200)	(200)	-	-	-	-
(80)	Residual Risk After Financial Recovery Measures	15,702	15,622	(80)	-0.5%	2,602	2,319	283

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(200)	Further Financial Recovery Measures projection	The directorate has developed a Financial Recovery Plan to address the pressure. There are a range of pressures including the higher than budgeted repairs and voids costs and higher than forecast spot purchasing levels. Spot purchasing is expected to reduce as the Trailblazer project becomes fully operational and, for example, new build dwellings become available in January. The higher levels of void and repairs costs should reduce as a result of new processes being implemented. If these measures are unsuccessful, the Flexible Homelessness Support Grant (which has a built in contingency) can be used as a last resort to mitigate this in-year overspend.

### Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Housing General Fund		
200	Temporary Accommodation	There is a forecast net overspend due to a range of pressures. This is driven by higher than forecast volumes of spot purchasing in the last few months and the ongoing pressure of voids and repairs costs (the result of more households moving into permanent accommodation via the new allocations policy). Since month 5, Universal Credit has been partly introduced for working age housing benefits claimants in Brighton and Hove. It is too early to quantify the financial impact on temporary accommodation but new processes are being implemented in order to monitor this.
(110)	Housing Options	There is a forecast underspend due to high staff turnover and difficulty in filling vacancies.
110	Seaside Community Homes	There is a forecast overspend driven substantially by the insurance costs which have in the past been covered by underspends on voids and maintenance budgets.
Regulatory Services		
(80)	Environmental Health and Licensing	This forecast underspend is the result of posts which have been held vacant ahead of a directorate restructure/service reconfiguration. There are further potential underspends which members are recommended to invest in other services.

Finance & Resources

Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2017/18 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
(82)	Finance	9,888	9,853	(35)	-0.4%	1,102	1,102	0
(514)	Housing Benefit Subsidy	(835)	(1,129)	(294)	-35.2%	120	120	0
(76)	HR & Organisational Development	2,908	2,866	(42)	-1.4%	354	304	50
100	ICT	6,429	6,499	70	1.1%	657	319	338
(572)	Total Finance & Resources	18,390	18,089	(301)	-1.6%	2,233	1,845	388
0	Further Financial Recovery Measures (see below)	-		0	-	-	-	-
(572)	Residual Risk After Financial Recovery Measures	18,390	18,089	(301)	-1.6%	2,233	1,845	388

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Finance		
60	Revenues & Benefits - shortfall in court costs income	There is a forecast shortfall in court costs income of £0.215m arising from Enforcement Officer vacancies. Additional grant income offsets this by £0.110m, and further staff vacancies account for another £0.060m. There are overspends on non-staffing budgets of £0.015m.
(95)	Finance Services	Management of vacancies £0.080m,; minor underspends within Audit of £0.015m.

**Appendix 3 – Revenue Budget Performance**

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
<b>Housing Benefit Subsidy</b>		
(294)		There is an expected surplus of £0.225m in the recovery of overpaid council tax benefits, based on receipts to date. On the main subsidy budgets there is currently a forecast surplus of £0.059m which is a reduction of £0.241m from the previous forecast due to lower recovery of overpayments (especially of rent rebates) and increased costs relating to a specific type of benefit payment to vulnerable tenants which is not subsidised at 100%.
<b>HR &amp; Organisational Development</b>		
(42)		The service is forecasting an underspend of £0.042m at Month 9 due to an expected overachievement of income from internal recharges for recruitment. However, the underspend has reduced from last month due to a significant reduction in recruitment activity. There is an on-going pressure from union facilities time, but this is expected to be covered through vacancies.
<b>ICT</b>		
70		There are budget pressures in some areas particularly around ICT contracts, the Microsoft Enterprise contract and an increased schools ICT income target. A detailed review of costs and potential mitigations has been carried out and has identified funding to minimise this pressure, including appropriate use of the ICT reserve, and capitalisation of appropriate costs.

## Strategy, Governance &amp; Law

## Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2017/18 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
(10)	Corporate Policy	742	732	(10)	-1.3%	60	60	0
(59)	Legal Services	1,314	1,244	(70)	-5.3%	120	120	0
(15)	Democratic & Civic Office Services	1,720	1,706	(14)	-0.8%	87	87	0
111	Life Events	(219)	(248)	(29)	-13.2%	251	237	14
(15)	Performance, Improvement & Programmes	697	682	(15)	-2.2%	113	113	0
(12)	Communications	712	700	(12)	-1.7%	76	76	0
0	<b>Total Strategy, Governance &amp; Law</b>	<b>4,966</b>	<b>4,816</b>	<b>(150)</b>	<b>-3.0%</b>	<b>707</b>	<b>693</b>	<b>14</b>
0	Further Financial Recovery Measures (see below)	-		0	-	-	-	-
0	<b>Residual Risk After Financial Recovery Measures</b>	<b>4,966</b>	<b>4,816</b>	<b>(150)</b>	<b>-3.0%</b>	<b>707</b>	<b>693</b>	<b>14</b>

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Corporate Policy		
(10)	Policy & Partnerships	Underspends due to vacancies.
Legal Services		
(70)	Legal Services	Overachievement of income for services provided to other bodies.
Democratic & Civic Office Services		
(14)		Various small underspends.

## Appendix 3 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
<b>Life Events</b>		
112	Bereavement Services	<p>£0.247m income shortfall due to falling numbers of burials and cremations, and also a drop in business undertaken for the ESCC Coroner so far this financial year. This is partially offset by vacancy management savings of £0.072m and various other underspends of £0.063m.</p> <p>The Life Events Budget Review Group (attended by Service Management and Finance and HR Business Partners) has already implemented a training programme for Bereavement managers and staff to deal with issues raised by an internal review and will continue to discuss the on-going service redesign which is hoped amongst other things to improve marketing of the service and increase customer numbers.</p>
(40)	Local Land Charges	Expected over-achievement of Land charges fees.
(101)	Elections	Caused by surplus of Individual Electoral Registration (IER) funding and expected underspend in casual staff costs.
<b>Performance, Improvement &amp; Programmes</b>		
(15)	Performance Team	Minor underspends.
<b>Communications</b>		
(12)	Communications	Vacancy savings of £0.060m offset by supplies and services overspends of £0.048m.

## Corporately-held Budgets

## Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2017/18 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
0	Bulk Insurance Premia	0	0	0	0.0%	0	0	0
(140)	Concessionary Fares	10,947	10,807	(140)	-1.3%	250	250	0
(146)	Capital Financing Costs	6,700	6,478	(222)	-3.3%	0	0	0
0	Levies & Precepts	205	205	0	0.0%	0	0	0
0	Unallocated Contingency & Risk Provisions	2,603	2,603	0	0.0%	0	0	0
(20)	Unringfenced Grants	(15,648)	(16,040)	(392)	-2.5%	0	0	0
(88)	Other Corporate Items	5,385	5,395	10	0.2%	195	123	100
(394)	Total Corporately-held Budgets	10,192	9,448	(744)	-7.3%	445	373	100

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Concessionary Fares		
(140)	Concessionary Fares	Forecast trip numbers and reimbursements are lower than previously anticipated.
Capital Financing Costs		
(222)	Investment Income	A combination of increases in cash balances and increases in short term investment rates as a result of an increase in the Bank Base Rate.
Unringfenced Grants		
(372)	Section 31 grant for Small Business Rate Relief	The basis of allocation for Section 31 grant on small business rates relief threshold changes was announced in December and this results in an additional allocation to that allowed for at the time the budget was set.
Other Corporate Items		

**Appendix 3 – Revenue Budget Performance**

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
128	Vacancy management savings	There is a £0.128m overspend due to underachievement of vacancy management savings across administrative and personal assistant services. As this is not service specific it is shown under corporately-held budgets.
(30)	Business rates levy payment	A reduction in the tariff payment for business rates has resulted in the levy rate reducing.

## Housing Revenue Account (HRA)

## Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2017/18 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
(50)	Capital Financing	32,267	32,217	(50)	-0.2%	0	0	0
0	Head of Housing HRA	3,541	3,541	0	0.0%	106	106	0
(35)	Head of City Development & Regeneration	349	299	(50)	-14.3%	0	0	0
0	Housing Strategy	751	671	(80)	-10.7%	0	0	0
(340)	Income Involvement Improvement	(46,204)	(46,454)	(250)	-0.5%	181	181	0
0	Property & Investment	7,615	7,615	0	0.0%	570	570	0
0	Tenancy Services	1,681	1,681	(0)	0.0%	75	75	0
(425)	Total Housing Revenue Account	0	(430)	(430)	0.0%	932	932	0

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Capital Financing		
(50)	Right to Buy Administration	Estimated administration costs income from Right to Buy sales.
Head of City Development & Regeneration		
(50)	Staffing and supplies and services costs	Reduced employee costs due to a staff secondment.
Housing Strategy		
(80)	Transfer Incentive Scheme	Lower than budgeted spending on this scheme.

### Appendix 3 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
<b>Income Involvement Improvement</b>		
(175)	Contribution to bad debt provision	Later than planned implementation of Universal Credit means that this budget is forecast to be underspent in 2017/18.
(175)	Employees costs	The forecast underspend is due to staffing vacancies, mainly within the income management and customer services teams Recruitment is on-going and posts are forecast to be filled before the end of the financial year.
100	Rents & Service Charges	Projected income is slightly less than budget assumptions. This is offset by other underspends.
<b>Property &amp; Investment</b>		
300	Responsive Repairs and Empty Property works	At Month 2, budget of £0.600m was transferred to provide increased investment in the HRA capital programme. This was in recognition of the spend on responsive repairs being consistently lower than budgeted. Whilst spend is still lower than the original budget allocated, the forecast costs for both responsive repairs and empty property works have increased. The average job value is unchanged. The permanent reduction in budget for 2018/19 has been reviewed and amended to reflect this.
(185)	Supplies and Services	Lower than budgeted spending on service contracts (for example, the gas servicing contract).
(115)	Employees costs	Forecast underspend, pending agreement of options around the timing of the re-procurement of the repairs contract.

## Appendix 3 – Revenue Budget Performance

### Dedicated Schools Grant (DSG)

#### Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2017/18 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Individual Schools Budget (ISB)	124,633	124,633	0	0.0%
(430)	Early Years Block (including delegated to Schools) <i>(This includes Private Voluntary &amp; Independent (PVI) Early Years 3 &amp; 4 year old funding for the 15 hours free entitlement to early years education)</i>	12,500	11,969	(531)	-4.2%
313	High Needs Block (excluding delegated to Schools)	19,367	19,669	302	1.6%
(37)	Exceptions and Growth Fund	3,849	3,817	(32)	-0.8%
0	Grant Income	(159,764)	(159,764)	0	0.0%
(154)	<b>Total Dedicated Schools Grant (DSG)</b>	<b>585</b>	<b>324</b>	<b>(261)</b>	<b>-44.6%</b>

#### Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
<b>Early Years Block (including delegated to Schools)</b>		
(650)	Payments for 2,3 & 4 year olds	Underspend is based on the Autumn Term census. All of the underspend will need to be carried forward to 2018/19 as the DfE will recoup the funding based on the January 2018 census.

**Appendix 3 – Revenue Budget Performance**

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
110	Additional Support Funding for 2,3 & 4 year olds	Significant increase in the number of children receiving additional support funding in the Summer term and impact of increased free entitlement available to working parents from September 2017. Continuing to review the assessment process for additional support funding and subsequent impact on top up funding in mainstream schools.
9	Other	Balance of variances on other cost centres.
<b>High Needs Block (excluding delegated to Schools)</b>		
160	High Needs top-up for Special Schools	Additional support packages for several pupils to avoid more expensive agency placements.
130	High Needs top-up for mainstream Schools	Additional costs for Primary of £0.123m and Secondary of £0.008m. Continuing to review assessment process for additional support funding and subsequent impact on top up funding in mainstream schools.
123	Inclusion Support Service	Loss of exception funding previously received for the Behaviour & Inclusive Learning Team (BILT). Vacancy control measures are in place to attempt to mitigate this risk.
(64)	FE Colleges High Needs payments	Changes in legislation leading to increased costs.
(47)	Other	Balance of variances on other cost centres.
<b>Exceptions and Growth Fund</b>		
31	Historic pension costs	Historic pension liabilities.
(13)	Other	Balance of variances on other cost centres.
(50)	Access to Education	Increase in fines income.