

Families, Children & Learning - Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
(95)	Director of Families, Children & Learning	344	246	(98)	-28.5%
2,307	Health, SEN & Disability Services	34,350	36,641	2,291	6.7%
89	Education & Skills	5,206	5,249	43	0.8%
1,457	Children's Safeguarding & Care	37,794	39,555	1,761	4.7%
(37)	Quality Assurance & Performance	1,613	1,561	(52)	-3.2%
3,721	Total Families, Children & Learning	79,307	83,252	3,945	5.0%

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

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Director of Families, Children & Learning			
(100)	Stronger Families	Vacant posts being held pending reductions in grant funding for next year.	
Health, SEN & Disability Services			
(104)	Demand-Led - Disability Agency Placements	During 2016/17 there were 11.29 FTE disability agency placements. The budget allows for 14.00 FTE and this has resulted in the projected underspend of £0.104m	
62	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 above.	
2,143	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	Continued review of care packages to ensure provision of services is effective, appropriate and value for money. Making

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Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
		an increase in the average unit costs for Learning Disability Care packages. The overspend mostly relates to Supported Accommodation and Direct Payments which have shown a significant increase in activity since April 2015.	the best use of in-house resources is also critical. Continued exploration of ways to reduce the need for high cost care and admissions into residential homes. Also, talking to NHS colleagues regarding the impact of the transforming care programme.
50	Learning Disability Adults - Assessment	This is due to additional staffing related to Deprivation of Liberty Safeguards and staffing being recruited beyond establishment for project work.	
228	Learning Disability Adults - In-house provision	The income target for Able & Willing has risen significantly in the last few years to £0.490m. The level of sales generated however, is considerably below the required rate and there was a shortfall of £0.198m in 2016/17. This was offset by underspends against staffing costs and non-pay costs.	Review of the Able & Willing service and exploring ways to maximise income revenue streams.
Education & Skills			
310	Home to School Transport	The overspend is due to: <ul style="list-style-type: none"> • Additional costs of the new contract introduced last year following the retendering exercise; • Less impact of Independent Travel Training than anticipated; • Increased costs in 16-19 travel; • Additional recoupment costs. <p>The overspend reflects the latest numbers of children (348) being transported.</p>	Further work is taking place to understand the increased costs of transport and identify mitigations.
(102)	Access to Education	This underspend relates to a reorganisation	

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Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
		and reduction in management costs.	
(73)	Early Years - Nurseries and Children's Centres	<p>Nurseries – The overspend of £0.115m has decreased because of a further increase in income. The nursery restructure will be implemented by January and will match the number of staff to the number of children in each nursery. There will be some savings because of staff leaving on Voluntary Severance and more efficient shift patterns.</p> <p>Children's centres – the underspend of £0.165m is due to additional income from midwifery, gaps in vacancies being filled and further reductions in running costs.</p> <p>In addition there is a £0.017m underspend due to no sufficiency grants being funded for early years providers and other small underspends totalling £0.006m</p>	The restructure of the nurseries is progressing and some savings are expected but at this stage is difficult to quantify the level of the savings due to uncertainties around voluntary severance and protected pay.
Children's Safeguarding & Care			
503	Demand-Led - Residential Agency Placements	The number of residential placements during 2016/17 (33.31 FTE) is broken down as 29.87 FTE social care residential placements (children's homes), 3.41 FTE schools placements and 0.02 FTE family assessment placements. The budget allowed for 27.70 FTE social care residential care placements, 3.90 FTE schools placements and 0.40 FTE family assessment placements. The average unit costs of these placements was also higher than the budgeted level for all placement types. The number of children's placements	Regular reviews of any placement in a residential setting are being undertaken and there are plans for a number of children to move them to alternative placements in the community where this is appropriate.

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Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
		was 1.31 FTE above the budgeted level and together with the high unit costs results in the overspend of £0.503m.	
780	Demand-Led - Independent Foster Agency (IFA) Placements	The number of children placed in Independent Foster Agency placements has decreased in recent years. During 2015/16 there were 158.06 FTE. The number of placements in 2016/17 was 132.14 FTE, a reduction of 16.4%. The budget for IFA placements included significant levels of savings and was set at 121.00 FTE. The numbers being higher than the budget by 11.14 FTE results in a projected overspend of £0.780m.	This project is working very well and with a reduction in children in Care (CIC) is enabling the service to achieve an improved financial outcome. If both factors continue, it may be possible to achieve greater savings. It is, however, anticipated that the recruitment of new in-house foster carers will reduce the overspend by £0.200m.
246	Demand-Led - Secure Accommodation	During 2016/17 there were 1.75 FTE secure (welfare) placements and 1.49 FTE secure (justice) placements. The budget allowed for 1.00 FTE welfare and 1.00 FTE justice placements during the year. There is currently one child in a secure (welfare) placement and one in a secure (criminal) placement resulting in a projected overspend of £0.246m.	Secure placements are only used as a last resort. They are used when deprivation of a young person's liberty is the only solution which will enable work to start to keep them safe on exit from the unit. The Adolescent Service is being successful in reducing the risk and stepping down needs and it is planned that the service will be able to impact on the number of young people requiring secure placements.
777	Demand-Led - Semi-independent/Supported placements	The number of semi-independent and supported living placements in 2016/17 was 27.26 FTE and this is 8.76 FTE above the budgeted level. In addition, the average unit cost of these placements is £335.44 per week higher than the budget and this results in an overspend of £0.777m.	It will be difficult to achieve any savings in this area due to pressures elsewhere in the system.
(172)	Demand-Led - In-House Fostering	As at the 31st March 2017 there were 154 children placed with 'in-house' foster carers	The project will try to increase the number of in house foster carers by more than

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Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
		and 152.20 FTE for the year. The budget was based on an increasing trend over the last few years and was set at 156.50 FTE placements. This has resulted in the current projected underspend of £0.172m. There is ongoing work to increase the number of in-house foster carers and this should result in a net reduction in costs.	predicted.
(112)	Demand-Led - Family & Friends placements, Child Arrangement Orders and Special Guardianship Orders	The budget allows for 310.00 FTE placements of these types. During 2016/17 there were 295.93 FTE children in these placements and this results in the underspend of £0.112m.	
475	Demand-Led - Care Leavers	The number of care leaver placements in 2016/17 was 83.65 FTE. The budget allowed for 58.10 FTE placements. The increase mainly relates to growing numbers of Staying Put placements (46.85 FTE in 2016/17). In addition, the average unit cost is also higher than the budget resulting in an overall overspend of £0.475m.	The right of 18 year olds to decide to 'Stay Put' with their foster carers is a requirement on the service and one which we are tasked to encourage as in the best interests of young people. We do not anticipate this spend reducing. The current Social Work Bill is likely to lead to increased pressure in this area.
(46)	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 and the grant is in excess of the estimated value by £0.046m	
233	Social Work Teams	The overspend within the social work teams relates predominantly to use of agency staff. This is a result of a large number of vacant posts across the social work teams and a difficulty in retaining experienced staff. Total spend on agency social workers in 2016/17	The new model for social work adopted in Brighton & Hove has attracted a lot of interest from social workers from other areas and those employed as agency staff currently. With the potential agreement to a market supplement payment, it is hoped that

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Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
		was £1.629m. There are currently 22 locum social workers employed within the social work service.	it will be possible to achieve further reductions in agency spend.
(677)	Adoption	Following changes to adoption regulations and a re-basing of the inter-agency budget, there was a significant underspend in 2016/17. The income from other agencies which increased considerably last year remained at the higher levels in 2016/17. In addition, there is also income from the new Inter Agency Adoption Fee Grant.	
(164)	Fostering and Adoption teams	There have been a number of vacant posts across the fostering and adoption teams during this year.	
245	Legal Fees	Significant unforeseen expenditure was registered between January and March on court fees. This was a result of a small number of very complex cases reaching conclusion with unprecedentedly high costs due to the protracted nature of the proceedings.	
(84)	Youth Offending Service	The underspend registered against the YOS reflects in year management decisions to hold vacant posts pending a proposed restructure in 2017-18 to offset the anticipated 5-10% reduction in YJB grant and to fund the proposed additional capacity of the Extended Adolescent Service.	

Health & Adult Social Care – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
772	Adult Social Care	29,193	30,329	1,136	3.9%
(183)	Integrated Commissioning	8,677	8,295	(382)	-4.4%
603	S75 Sussex Partnership Foundation Trust (SPFT)	11,677	12,277	600	5.1%
0	Public Health	253	253	0	0.0%
1,192	Total Health & Adult Social Care	49,800	51,154	1,354	2.7%

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

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Adult Social Care			
(2)	Demand-Led Community Care - No Recourse to Public Funds	The average unit cost is slightly lower than the budgeted unit cost resulting in the small underspend of £0.002m.	
1,073	Demand-Led Community Care - Physical & Sensory Support	The number of WTE care packages is significantly greater than the budgeted level. This is partly the result of increasing numbers of 'new' older people being discharged from hospital requiring social care services for the first time, as well as increased community demand. The CCG withdrew funding of £0.423m in March which has contributed to the overspend on this budget. The CCG funding for future years is subject to negotiation.	Numbers of clients requiring social care services have been higher than anticipated and work is ongoing to look at reducing admissions to nursing and residential homes. There is a need to work with all partners both NHS and independent sector to promote well being and reablement.

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Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
12	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 costs however are slightly higher than anticipated and this accounts for the small overspend.	
582	Deprivation of Liberty Safeguarding (DOLS)	The level of new referrals increased significantly in the last half of 2015/16, rising from 122 in October 2015 to 190 in April 2016. It is estimated that referrals will increase by 25% in 2016/17 to just fewer than 3,100 for new and repeat referrals.	This is a key pressure area for which additional resources will be required and in future years will need to be mitigated by either additional resources (e.g. Adult Social Care precepts) or by savings elsewhere.
(142)	Carers Support	More efficient use of Better Care Fund resources will result in an underspend in the carers support budget.	
262	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.	A new building is being identified for the Hostel and the move is expected next financial year.
235	Community Equipment Store	The Community Equipment Store has reported an overspend of £1.341m to the Better Care Board however this is offset by other underspends within Better care. The £0.235m reflects a 50% risk share with the CCG.	
303	Older people resource centres	The overspend relates to use of Care Crew agency staffing pressures across the resource centres. The CCG withdrew funding of £0.127m in March which has contributed to the overspend on this budget. The CCG funding for future years is subject to negotiation.	

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Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(760)	Home Care & Night Home Care Service	The Night Home Care Service has closed and they have also made additional staffing savings. This forms part of the budget proposals for 2017/18.	
(389)	Assessment & SIT	This is due to a number of vacancies across the Assessment teams.	
Integrated Commissioning			
(122)	Carers Support	More efficient use of Better Care Fund resources will result in an underspend in the Carers Support budget.	
(53)	Integrated Commissioning	Due to vacancies within the Commissioning teams	
(197)	Commissioning	There are various underspends against the Better Care funded budgets within Integrated Commissioning which offset the pressure shown against the Community Equipment Store above.	
S75 Sussex Partnership Foundation Trust (SPFT)			
415	Demand-Led - Memory Cognition Support	There are higher numbers of WTE care packages than are funded in the budget; the unit costs are also higher than had been anticipated resulting in the overspend of £0.415m. This is due to a current lack of affordable residential and nursing home placements within the city.	Increased scrutiny of all complex or high cost care packages to ensure value for money against eligible care needs. Where possible, no placements are made above the agreed Local Authority rates. The Clinical Commissioning Group (CCG) have agreed additional funding of £0.850m to offset the risks on the Community Care budget. The Risk Share arrangement with SPFT assumes a 50:50 split of any remaining overspend up to a cap of £0.250m. A Continuing Health Care Taskforce is in place to ensure that all appropriate funding

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Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
479	Demand-Led - Mental Health Support	Numbers of WTE clients are lower than the budget allocation but the average unit costs are significantly higher due to the increasing need and complexity of this client group and it is this that results in the overspend of £0.479m.	sources are identified.
(44)	Demand-Led - Staff teams	Underspends resulting from vacancies and turnover.	
(250)	Demand-Led - SPFT risk share	The risk share arrangements with SPFT have been agreed for two years. The risk will be shared 50/50 with a cap at £0.250m.	

Environment, Economy & Culture – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
(957)	Transport	(6,906)	(8,202)	(1,296)	-18.8%
(141)	City Environmental Management	20,857	20,899	42	0.2%
199	City Development & Regeneration	2,414	2,405	(9)	-0.4%
(321)	Culture	4,260	3,882	(378)	-8.9%
(98)	Property	2,049	1,805	(244)	-11.9%
(1,318)	Total Economy, Environment & Culture	22,674	20,789	(1,885)	-8.3%

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

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Transport			
(280)	Asset & Network Management	There has been an over achievement of income from highways licensing (£0.134m) and Inspection Fees and Fines (£0.095m). Underspend of salaries due to recharging to the permit scheme (£0.089m) and other minor net variances. These are partially offset by an overspend on routine repairs and maintenance of £0.085m.	

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Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
92	Head of Transport	The aggregate savings target for the Transport Service Redesign of (£0.235) is reported in this Service Area and as a consequence of delayed implementation the savings have not been realised in 2016-17. However across the whole Transport department, vacancies held pending the service redesign have resulted in an underspend of (£0.233m) of Salary costs.	
(920)	Parking & Network Operations	Over-achievement of permit fee income of (£0.746m) due to continued uptake in traders and visitors permits, as well as suspension permit parking due to a number of developments in the city. An underspend for contractor and cash collection charges for On-Street parking of (£0.235m). Over-achievement of parking income of (£0.073m) as a result of over caution on forecasted impact of machine replacement works and double the normal advance purchasing of permits prior to the April price increase. In addition there was an underspend for borrowing and repairs & maintenance costs of (£0.159m) for Off-Street Parking. A net underspend of (£0.053m) for Parking Infrastructure costs. The overall underspend has been offset by a repayment of borrowing costs of £0.350m for On-Street parking equipment.	
(61)	Transport Policy and Strategy	Underspend in salary costs as a result of recruitment delays related to the Transport Service Redesign.	

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Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(127)	Transport Projects	Various underspend variances including reduced borrowing, a legal delay in the contract relating to bus shelters which delayed spend in the public transport budget (£0.053m). Reduced contribution to the Sussex Safer Roads Partnership following a change to funding agreement (£0.052m) along with other minor variances including underspend in staff costs due to recruitment delays related to the Redesign.	
City Environmental Management			
389	City Clean Operations	Underspend on salary costs of (£0.101m) relating to vacant posts offset by an overspend of £0.220m on agency staff. An overspend of £0.225m on repairs & maintenance costs and £0.039m for fuel costs for Cityclean vehicles.	
(115)	Sport and Leisure	Underspend of utilities (£0.049m) and responsive repairs (£0.031m) costs within Sports facilities, in addition to an underspend of costs relating to Outdoor Events (£0.042m).	
(151)	Strategy & Projects	Underspends largely relate to vacant posts held during a service redesign and following increased recruitment controls.	
(71)	Head of City Environmental Management	Salary underspend due to vacancies being held during a service redesign	
City Development & Regeneration			

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Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
321	Applications	Net salary overspend of £0.364m to meet government set timescales to respond to planning applications and regrading of posts following appeal. Reduction in advertising costs by changing supplier resulting in a (£0.041m) underspend	
(76)	Major Projects	Underspends in net salary costs of project manager staff funded from Brighton Centre reserve.	
(180)	Planning Policy and Major Projects	Underspends in salary costs of (£0.098m) due to vacancies being held during a service restructure following increased recruitment controls. Underspend in supplies and services of (£0.064m) alongside other minor net variances.	
(58)	Customer Services	Underspends in salary costs due to vacancies being held during a service restructure.	
(74)	Economic Development	Underspends in salary costs due to vacancies being held following increased recruitment controls.	
54	Head of City Development & Regeneration	Interim management services provided by external agency to support service modernisation and transformation.	
Culture			
44	Royal Pavilion and Museums	Net variance under £0.050m. An income under achievement at museums and the Royal Pavilion where visitor numbers and catering income has been slightly less than anticipated.	

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Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(176)	Tourism	Vacancy management underspend of (£0.087m) to allow for business planning and service delivery review, increased conference commission income of (£0.080m) and other minor net underspends.	
(239)	Venues	Income from events, ticket commissions and catering commissions in 2016-17 and one-off effect of under accrual from 2015-16.	
Property			
155	Estates	The commercial portfolio income continues to improve and extra NNDR rebates were received but a year end insurance recharge for NEH took the pressure up to £0.155m overall.	Rent income forecasts are monitored and reported on a monthly basis as part of the TBM process. The managing agents acting on behalf of the council seek to maximise the level of rental income from the commercial portfolio.
(399)	Property Services	The underspend in the Corporate Landlord areas has increased to £0.399m due to a mild winter which has improved the energy management and utilities spend in all buildings plus a number of vacancies in the Facilities & Business services re-structure have not currently been filled.	

Neighbourhoods, Communities & Housing – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
680	Housing General Fund	2,159	2,962	803	37.2%
(0)	Libraries	3,402	3,363	(39)	-1.1%
87	Communities, Equalities & Third Sector	2,973	2,974	1	0.0%
(4)	Regulatory Services	1,185	1,175	(10)	-0.8%
(0)	Community Safety	1,247	1,216	(31)	-2.5%
763	Total Neighbourhood, Communities & Housing	10,966	11,690	724	6.6%

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

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Housing General Fund			
1,061	Temporary Accommodation and Allocations	The overspend in 2016/17 is due to the lack of accommodation to move people on to because of the short supply of affordable alternative accommodation. This has led to growth in the numbers of households requiring TA and has also increased the unit costs of each placement. This has been made worse by the need to handback 150 properties through the ending of a key provider relationship leading to the use of more expensive spot purchase accommodation.	The service implemented a new housing allocation policy in December 2016 which allows more social housing to be allocated to homeless households. This should assist in reducing the cost pressure in 2017/18 and beyond, once fully established. The service has also been successful in bidding for DCLG funding of £1.300m over 2 years to pump prime prevention and incentivise landlords in the private rented sector. The aim is to significantly reduce the current numbers of households in TA by the end of 2018/19. Service pressure funding for this service has been agreed as part of the 2017/18 budget setting process.

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Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(54)	Private Sector Housing	This part of the service was originally forecast to overspend at month 9 due to the need to fund the Disabled Facilities Grant capital work, for which there was insufficient capital funding. However, other capital underspends means that only a small revenue contribution of £0.012m is required. This small overspend is offset by forecast underspends (£0.066m) as a result of vacancies within the private sector housing team and an increase in the recharge of salaries to capital for the adaptations service.	
(59)	Housing Strategy	This relates to the service redesign taking pace earlier than originally planned leading to reduced employee costs in 2016/17 as well as further minor underspends throughout Housing Strategy and Development.	
(145)	Travellers	This relates to 2 staff vacancies as well as a reduction in the costs of rubbish removal and legal costs associated with unauthorised encampments, as there has been a significant reduction in the number of these since the opening of the transit and permanent site at Horsdean.	

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Finance & Resources – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
(218)	Finance	10,800	10,520	(280)	-2.6%
(325)	Housing Benefit Subsidy	(676)	(1,484)	(808)	-119.5%
(74)	HR & Organisational Development	3,129	3,078	(51)	-1.6%
0	ICT	7,380	7,640	260	3.5%
(617)	Total Finance & Resources	20,633	19,754	(879)	-4.3%

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

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Finance			
(254)	Finance	Continued vacancy management in Finance & Procurement (£0.206m), reimbursement of audit investigation costs and reduced professional fee costs for the Internal Audit section (£0.048m).	
(26)	Revenues & Benefits	Staffing underspends have offset overspends within supplies and services budgets leaving a residual net underspend of (£0.026m).	
Housing Benefit Subsidy			
(808)	Housing Benefit Subsidy	£0.214m relates to the recovery of former Council Tax Benefit overpayments and this is broadly in line with the Month 9 forecast of £0.210m. The main subsidy budgets achieved an overall surplus of £0.594m which is £0.479m higher than predicted at Month 9 due primarily to better than	

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Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
		anticipated error rates and a small number of other estimates being more favourable.	
HR & Organisational Development			
(51)	HR & Organisational Development	Management of vacancies as well as small underspends in Occupational Health and Health & Safety	
ICT			
260	ICT	Various items of ICT expenditure are chargeable to the ICT Reserve which is made up of funds provided by client directorates in advance of implementation. The year-end review of expenditure allocations has highlighted that a number of costs are not appropriate to be charged to the reserve, resulting in an outturn overspend.	

Strategy, Governance & Law – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
(30)	Corporate Policy	626	537	(89)	-14.2%
(3)	Legal Services	1,497	1,471	(26)	-1.7%
(19)	Democratic & Civic Office Services	1,772	1,721	(51)	-2.9%
127	Life Events	(183)	(209)	(26)	-14.2%
(30)	Performance, Improvement & Programmes	1,460	1,430	(30)	-2.1%
(130)	Communications	739	661	(78)	-10.6%
(85)	Total Strategy, Governance & Law	5,911	5,611	(300)	-5.1%

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

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Corporate Policy			
(89)	Corporate Policy	Vacancy management and delays in initiating partnership projects. This is compounded by the departure of a senior staff member for the last quarter of 2016-17.	
Legal Services			
(26)	Legal Services	Mostly due to increased income and a saving on staff due to being unable to recruit locum lawyers in Month 12.	
Democratic & Civic Office Services			
(51)	Democratic & Civic Office Services	Vacancy management savings, unrealised expenditure anticipated for IT improvements and reduced expenditure on Members Training and Allowances.	

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Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Life Events			
(21)	Registrars	The year-end position is a combination of improved income compared to Month 9 forecasts along with some vacancy management savings pending a service redesign.	
43	Elections	This overspend mainly relates to consultancy expenses for the Police and Crime Commissioner Election and EU Referendum in 2016. Underspends on supplies and services have been offset against these costs.	
(85)	Bereavement Services	Increased income, mainly related to more burials than anticipated, as well as some small vacancy management savings pending a service redesign.	
37	Local Land Charges	The year-end variance is due to less property searches being carried out than budgeted which is likely to be related to the uncertain property market.	
Communications			
(78)	Communications	Vacancy management saving of £0.138m partially offset by overspends on supplies and services and premises costs of £0.039m and an income shortfall of £0.021m.	

Corporate Services – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
(250)	Bulk Insurance Premia	0	(320)	(320)	0.0%
(30)	Concessionary Fares	10,933	10,893	(40)	-0.4%
(465)	Capital Financing Costs	5,540	5,062	(478)	-8.6%
(1)	Levies & Precepts	172	171	(1)	-0.6%
(493)	Unallocated Contingency & Risk Provisions	2,950	0	(2,950)	-100.0%
(160)	Unringfenced Grants	(15,557)	(15,708)	(151)	-1.0%
(395)	Other Corporate Items	5,008	4,639	(369)	-7.4%
(1,794)	Total Corporate Budgets	9,046	4,737	(4,309)	-47.6%

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

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Bulk Insurance Premia			
(320)	Bulk Insurance Premia	Expenditure on the settlement of claims is lower than budgeted.	
Concessionary Fares			
(39)	Concessionary Bus Fares	Lower than anticipated reimbursements for concessionary trips.	
Capital Financing Costs			
171	Capital Financing Costs	Additional net borrowing costs of £0.147m will be incurred as a result of bringing forward borrowing to take advantage of historically low borrowing rates. This is expected to make permanent savings of £0.086m per year.	Overspending is offset by an increase in forecast investment income (see below).

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(287)	Capital Financing Costs	Increase in forecast investment income as a result of higher forecast investment balances than previously expected.	
(80)	Capital Financing Costs	Budget for contribution to Trusts not required - already accounted for in another budget line.	
(269)	Capital Financing Costs	One-off saving due to the conclusion of the MRP review.	
Unallocated Contingency & Risk Provisions			
(75)	Contingency	Reduced requirement from general contingency.	
(68)	Contingency	Reduced requirement from the amount set aside for legal costs relating to temporary accommodation.	
(350)	Risk Provision	Release of risk provision relating to Community Equipment Store.	
(2,400)	Risk Provision	Releasing the corporate risk provision	
Unringfenced Grants			
(78)	Unringfenced Grants	Council Tax Support Admin Subsidy Grant announced in March 2016 is higher than forecast.	
(68)	Unringfenced Grants	Local Reform & Community Voices grant announced in April 2016 is higher than forecast.	
(14)	Unringfenced Grants	Receipt of CLG Transparency Code Set up (£0.013m) and Lead Local Flood Authority (£0.001m) grants	
Other Corporate Items			

Appendix 2 – Revenue Budget Performance

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(217)	Unfunded Pension Payments	There is a £0.123m underspend relating to overpayments identified in respect of previous years and £0.094m in respect of an in year reduction.	
(178)	Centrally Managed Budget	Unidentified income relating to financial years 2014/15 and earlier financial years has been written back.	
(167)	Centrally Managed Budget	Reduced bad debt provision requirement as at 31/03/2017.	
(46)	Centrally Managed Budget	Out of date cheques written back.	
249	Centrally Managed Budget	Contribution to modernisation reserve.	

Appendix 2 – Revenue Budget Performance

Housing Revenue Account – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
(125)	Capital Financing	31,262	32,027	765	2.4%
27	Head of Housing HRA	3,197	3,163	(34)	-1.1%
(29)	Head of City Development & Regeneration	453	390	(63)	-13.9%
(13)	Housing Strategy	664	533	(131)	-19.7%
(566)	Income Involvement Improvement	(46,310)	(47,106)	(796)	-1.7%
(1,422)	Property & Investment	8,833	7,260	(1,573)	-17.8%
(108)	Tenancy Services	1,901	1,527	(374)	-19.7%
(2,236)	Total Housing Revenue Account	0	(2,206)	(2,206)	0.0%

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Capital Financing			
765	Capital Financing	As the level of underspends in the HRA increased after month 9, £0.664m has been used to fund the capital programme in order to reduce the level of borrowing at the end of the year. There has also been an increase in interest paid during the year as a decision was made to borrow earlier in the financial year to take advantage of very low interest rates on offer. This means that interest paid on borrowing was higher in 2016/17 than previously forecast. However, over the term of the borrowing, costs will be reduced for the HRA.	The 2017/18 budget for financing costs takes account of the new profile of borrowing required for the on-going capital programme.

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Head of City Development & Regeneration			
(63)		Increase in capitalisation of salaries compared to budget as well as an underspend on salaries as a result of a vacant post not being filled until January.	
Housing Strategy			
(99)	Transfer Incentive Scheme	This scheme aims to incentivise tenants to move in order to free up high demand accommodation and to incentivise those who are subject to the under-occupancy charge to downsize. This process can take many months and for 2016/17, this budget has underspent by £0.084m, with a further underspend of £0.015m on staffing within this service.	
(24)	Temporary Accommodation income	Properties were refurbished in-year to be used as temporary accommodation leading to more income in the last few months of the year than budgeted.	
Income Involvement Improvement			
(369)	Income Management - provisions for debt and DHP fund	The contribution to the HRA bad debt provision is underspent by £0.294m. The budget allowed for an increase in bad debt due to welfare reform changes. However, the level of rent arrears has remained stable and therefore the extra contribution has not been necessary. The HRA budget also included £0.075m for a contribution to the Discretionary Housing Payments (DHP) fund. This contribution is not required to be called upon this financial year.	

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
(257)	Income Improvement - Involvement employment costs	This relates to an underspend on employee costs across Rent Accounting, Housing Customer Services, Housing ICT and Income management teams, in part due to a major restructure in-year and also due to difficulties in recruiting to some roles.	
(138)	Tenancy Management office Costs	Underspends of £0.138m relating to a reduction in office costs across the service.	
Property & Investment			
(754)	Responsive Repairs and Empty Property works	This underspend relates to a reduction in responsive repairs and empty property works expenditure due to the increased capital investment in council dwellings over recent years as well as reducing stock numbers from Right to Buy sales and stock transfer to Seaside Homes.	
(626)	Gas servicing and maintenance	Contract efficiency savings relating to new gas contract which commenced on 1 April 2016.	
(126)	Other service contracts	Underspends on various service contracts including repairs and maintenance of fire alarms (£0.043m); water tanks (£0.034m); ventilation (£0.020m) and lift maintenance (£0.019m).	
(116)	Right to Buy and Leaseholder Team	Overachievement of income from service charges to leaseholders by £0.059m and a further underspend of £0.050m on accommodation management fees..	

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
98	Property & Investment salary forecast	An increase in staff costs including an increase in agency staff covering vacancies and an additional post to monitor the gas servicing & maintenance contract.	Reviewed as part of the 2017/18 budget.
Tenancy Services			
(309)	Utility costs	An underspend of £0.309m for gas and electricity costs due to the milder weather this year, new contract prices for utilities and reflecting the investment into energy efficiency measures across the stock such as cladding, low energy lighting and new efficient communal boilers which has reduced energy consumption.	
(50)	Decorating packs for tenants	An underspend on decorating vouchers of £0.050m by moving to decorating packs which are cheaper.	
(29)	Bed and breakfast costs	An underspend on the budget for housing council tenants in short term temporary accommodation.	

Dedicated Schools Grant – Revenue Budget Summary

2016/17 Month 9 Variance £'000	Service	2016/17 Budget Month 12 £'000	Actual Outturn Month 12 £'000	Actual Variance Month 12 £'000	Actual Variance Month 12 %
0	Individual Schools Budget (ISB)	123,332	123,332	0	0.0%
(425)	Early Years Block (including delegated to Schools) <i>(This includes Private Voluntary & Independent (PVI) Early Years 3 & 4 year old funding for the 15 hours free entitlement to early years education)</i>	10,660	9,985	(675)	-6.3%
278	High Needs Block (excluding delegated to Schools)	18,409	18,597	188	1.0%
(65)	Exceptions and Growth Fund	5,295	5,197	(98)	-1.9%
0	Grant Income	(157,263)	(157,263)	0	0.0%
(212)	Total Dedicated Schools Grant (DSG)	433	(152)	(585)	-135.1%

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Early Years Block (including delegated to Schools)			
(612)	3 & 4 year old funding	3 & 4 year old payments for EYFE based on Spring 2017	
(50)	2 year old funding	2 year old payments for EYFE based on Spring 2017	
(19)	Early Years Pupil Premium	Payments for early years pupil premium	
6	Early Years Additional Support & Inclusion Funding	Payments for early years additional support & inclusion funding	

Appendix 2 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
High Needs Block (excluding delegated to Schools)			
241	Maintained schools top up funding	High Needs top up to maintained schools (mainstream and special) is higher than budgeted.	A review of top up funding to primary and secondary schools will take place and a report will be prepared for DMT incorporating a number of proposals to address the ongoing pressure.
126	Post 16 placements	Post 16 pupils SEN placements in educational provision	
50	DSG contributions	Unanticipated DSG contribution to meet General Fund pressures.	
(6)	New Learning Support Service	Savings from Learning Support Service review	
(37)	Other	Other miscellaneous underspends	
(32)	Virtual School	Exceptional circumstances allocation not spent	
(49)	Other	Unallocated 2015/16 budget brought forward.	
(105)	One to One support	Budget now not allocated to support schools	
Exceptions and Growth Fund			
(35)	Exception 1	School Meals Service	
(28)	Exception 1	Mainly school reimbursement for union duties, jury service and suspension.	
(16)	Exception 1	Additional charges to schools for Newly Qualified Teacher service	
(19)	Other	Miscellaneous minor overspends	