

Families, Children & Learning

Revenue Budget Summary

Provisional Variance 2020/21 £'000	Service	2021/22 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Covid Variance Month 2 £'000	Forecast Variance Month 2 %	2021/22 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
(12)	Director of Families, Children & Learning	133	133	0	0	0.0%	0	0	0
1,544	Health, SEN & Disability Services	46,196	46,813	617	281	1.3%	1,110	947	163
735	Education & Skills	9,177	9,436	259	187	2.8%	162	162	0
(2,130)	Children's Safeguarding & Care	40,410	40,183	(227)	0	-0.6%	975	894	81
(59)	Quality Assurance & Performance	1,508	1,546	38	0	2.5%	0	0	0
78	Total Families, Children & Learning	97,424	98,111	687	468	0.7%	2,247	2,003	244
0	Further Financial Recovery Measures (see below)	-	(130)	(130)	0	-	-	-	-
78	Residual Risk After Financial Recovery Measures	97,424	97,981	557	468	0.6%	2,247	2,003	244

The Covid variances shown in the tables above and below are included within the "Forecast Variance" and "Key Variances" columns.

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

Key Variances £'000	Covid Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures			
(130)	0	Home to School Transport	Review of single passenger journeys, multi occupancy routes and post 19 students to SEN.
Health, SEN & Disability Services			
260	201	Children's Disability Placements	The children's disability placement budget has been rebased in 2021/22, but there continues to be a pressure with some existing placements breaking down.

**Appendix 3 – Revenue Budget Performance**

<b>Key Variances</b>	<b>Covid Variances</b>	<b>Service Area</b>	<b>Variance or Financial Recovery Measure Description</b>
<b>£'000</b>	<b>£'000</b>		
101	0	Adults with Learning Disabilities - Community Care	Due to social work staff vacancies and the ongoing impact of Covid-19 it is anticipated that the 2021/22 savings target will not be fully achieved. At this stage, £0.450m of the £0.950m savings target is identified as being at risk.
166	80	Adults with Learning Disabilities - in-house provider services	The forecast overspend mainly relates to pressure in the residential respite budget due to high levels of staff absence (partly linked to Covid-19) and the cost of emergency placements.
63	0	Children's Disabilities - in-house provision	There is a pressure for respite provision for children with disabilities and a high use of agency / sessional staff.
27	0	Other	Minor variances.
<b>Education &amp; Skills</b>			
130	112	Home to School Transport	For 2021/22 the forecast overspend is £0.130m based on the current information from the data held on the transport system. However, a number of recovery plan items will be actioned to bring the budget in on-line. Of the overspend, £0.112m relates to additional costs resulting from Covid-19 until July 2021 and has been partially funded by the ongoing transport grant, assumed at £0.090m for this term. It must be stressed that due to forecasting in the Covid-19 context this is still subject to changes and there will be a review of single passenger and multi occupancy routes. Latest numbers from June are 374 for Hired Transport and 82 for Post 16.
150	75	Council Nurseries and Children's Centres	There is a reduction in children attending council nurseries due to Covid-19. This is both for fee paying and DSG early years funded children and is a continuation of the trend seen in spring term when council nurseries were only open for disadvantaged children. At the same time there has been an increase in the number of SEND children and there are also higher levels of staff sickness and maternity leave that need to be covered to maintain legal ratios.
(21)	0	Other	Minor variances.
<b>Children's Safeguarding &amp; Care</b>			
51	0	Demand-Led - Children's placements	The small overspend is the result of a combination of a number of different factors. There are significant overspends in Residential Home and External Fostering placements due to increasing numbers but this has been off-set by increasing grant funding and underspends in Secure and Semi-independence placements.

**Appendix 3 – Revenue Budget Performance**

<b>Key Variances</b>	<b>Covid Variances</b>	<b>Service Area</b>	<b>Variance or Financial Recovery Measure Description</b>
<b>£'000</b>	<b>£'000</b>		
(81)	0	Preventive/S17	There is a significant underspend projected across the Preventive budgets. It is anticipated that, with continued scrutiny and current controls on spending, a year end underspend will be realised in 2021/22, despite the continuing increasing costs of families with No Recourse to Public Funds (NRPF).
90	0	Legal Fees	There has been a significant increase in demand for child protection legal work in recent months. Cases are taking longer for a number of reasons and new cases need to be allocated. It is, therefore anticipated that there will be additional costs incurred by the in-house legal team resulting in the overspend of £0.090m
(125)	0	Partners in Change Contracts	Contracts with SPFT and other partners have been re-negotiated reducing the cost to the Council.
(162)	0	Other	Minor variances.
<b>Quality Assurance &amp; Performance</b>			
38		Other	Minor variances.

Health & Adult Social Care (HASC)

Revenue Budget Summary

Provisional Variance 2020/21 £'000	Service	2021/22 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Covid Variance Month 2 £'000	Forecast Variance Month 2 %	2021/22 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
1,725	Adult Social Care	40,242	43,371	3,129	13	7.8%	3,345	1,851	1,494
(989)	S75 Sussex Partnership Foundation Trust (SPFT)	22,546	22,238	(308)	0	-1.4%	860	860	0
3,096	Integrated Commissioning	6,252	6,250	(2)	0	0.0%	310	310	0
0	Public Health	1,464	1,464	0	0	0.0%	0	0	0
3,832	Total Health & Adult Social Care	70,504	73,323	2,819	13	4.0%	4,515	3,021	1,494
0	Further Financial Recovery Measures (see below)	-	(2,607)	(2,607)	0	-	-	-	-
3,832	Residual Risk After Financial Recovery Measures	70,504	70,716	212	13	0.3%	4,515	3,021	1,494

The Covid variances shown in the tables above and below are included within the “Forecast Variance” and “Key Variances” columns.

Explanation of Key Variances

Key Variances £'000	Covid Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(2,607)	0	Further Directorate Financial Recovery Measures projection	The directorate has developed an over-arching Financial Recovery Plan to address the above pressures. The Recovery plan includes the following measures:
			- increasing the discharge to assess options, reducing long term placements, therefore enabling more people to return home with increased independence.
			- enhanced levels of scrutiny for authorising support plans, to ensure consistency and value for money commensurate with outcomes.

Appendix 3 – Revenue Budget Performance

Key Variances £'000	Covid Variances £'000	Service Area	Variance or Financial Recovery Measure Description
<b>Adult Social Care</b>			
2,105	0	Demand-Led Community Care - Physical & Sensory Support	The forecast number of placements/packages is 2,242 WTE, which is below the budgeted level of 2,321 WTE placements. The average unit cost of a placements/package is higher than the budgeted level at £238 per week (£18 per week above budget per client). The combination of the number of adults placed being 79 WTE below the budgeted level and the increased unit costs result in the overspend of £2.105m. Therefore, the overall activity is in-line with the budget however the unit costs are 8% above budget and causing a significant pressure. This is due to increasing numbers of placements (many of which are hospital discharge related) being made at high unit costs.
(44)	0	Demand-Led Community Care - Substance Misuse	There are relatively small numbers of clients within this service and this is below the budgeted demand which is resulting in the projected underspend of £0.044m.
(126)	7	Assessment teams	This is due to a number of temporary vacancies across the Assessment teams.
1,170	6	In house services	There is an underlying budget pressure in in-house provision due to unachieved 2020/21 financial recovery plan targets and staffing costs above budget.
24	0	Other	Minor variances.
<b>S75 Sussex Partnership Foundation Trust (SPFT)</b>			
(294)	0	Demand-Led - Memory Cognition Support	The number of forecast placements is lower than budgeted resulting in the underspend projection of £0.294m. The forecast number of placements/packages is 388 WTE which is above the budgeted level of 425 WTE placements. The average unit cost is below the budgeted level at £423 per week (£4 per week below budget). Therefore, the overall activity is 37 WTE above budget and the unit costs are 1% below budget.
(79)	0	Demand-Led - Mental Health Support	The average unit cost and forecast placements is less than anticipated which results in the underspend projection of £0.079m. There is an increasing need and complexity within this client group and the forecast number of placements/packages is 481 WTE, which is below the budgeted level of 499 WTE placements. The average unit cost of a placements/package is lower than the budgeted level at £361 per week (£14 per week less than the budget per client).
65	0	Staffing Teams	This is due to temporary agency staffing.
<b>Integrated Commissioning</b>			
(44)	0	Contracts	Underspends against budget for ASC block contracts

**Appendix 3 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Covid Variances £'000</b>	<b>Service Area</b>	<b>Variance or Financial Recovery Measure Description</b>
42	0	Commissioning teams	The overspend relates to additional staffing costs within the commissioning, performance and management teams.

Economy, Environment & Culture

Revenue Budget Summary

Provisional Variance 2020/21 £'000	Service	2021/22 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Covid Variance Month 2 £'000	Forecast Variance Month 2 %	2021/22 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
3,548	Transport	(3,870)	(873)	2,997	3,022	77.4%	1,782	1,127	655
555	City Environmental Management	34,672	35,300	628	474	1.8%	155	155	0
(190)	City Development & Regeneration	3,889	3,897	8	0	0.2%	168	133	35
363	Culture, Tourism & Sport	4,210	4,804	594	672	14.1%	92	15	77
1,660	Property	3,022	3,022	0	0	0.0%	346	106	240
5,936	Total Economy, Environment & Culture	41,923	46,150	4,227	4,168	10.1%	2,543	1,536	1,007

The Covid variances shown in the tables above and below are included within the “Forecast Variance” and “Key Variances” columns.

Explanation of Key Variances

Key Variances £'000	Covid Variances £'000	Service Area	Variance or Financial Recovery Measure Description
3,613	3,457	Parking Services	Parking Services is forecasting a substantial additional loss of income against budget (£3.457m) as a result of the national restrictions and loss of parking spaces. With uncertainty around local attractions reopening during the year and ongoing home working for many offices in the city, the forecast assumption is that parking income will continue at current levels with increases later in the year. The position may improve more quickly as activity in June has increased following the partial reduction in lockdown measures and the good weather. However, the loss of parking due to active transport measures (e.g Madeira Drive, Old Town, A259) does mean a loss of an estimated £0.900m which is contributing to the overall pressure. The overall parking income position is being kept under constant review and may potentially change depending on local and national circumstances. There are also forecast overspends of £0.151m for repairs & maintenance of off street car parks due to essential work to safeguard income.

**Appendix 3 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Covid Variances £'000</b>	<b>Service Area</b>	<b>Variance or Financial Recovery Measure Description</b>
(78)	103	Traffic Management	Hoarding, Scaffold and Skip licence fees are forecast to exceed budget by £0.221m, principally reflecting a number of significant development sites for hoardings. This is partially offset by waived Tables and Chairs licence fees of £0.103m and increased signage costs of £0.040m.
(538)	(538)	Sales, Fees and Charges Grant	This is the estimated value of the grant due to be claimed based on the latest eligible forecast losses of income driven by the Covid-19 outbreak. The grant is only for losses in the first quarter and further work will be completed to ensure all eligible losses relating to the first quarter of the year are captured.
<b>City Environmental Management</b>			
466	208	City Clean	The forecast overspend is waste collection and street cleansing (operational) agency costs anticipated partly due to Covid-19 staffing related shortfalls. Recruitment into vacant posts and managing of attendance should start to see these high agency costs reduce during the year. Commercial income is anticipated to be on budget for 2021/22
0	221	Waste Disposal	The forecast impact of Covid-19 on the waste disposal contract will need to be managed through the Waste PFI Reserve.
21	0	City Parks	Anticipated additional costs for decorating and repairs to The Level Café.
0	0	Fleet & Maintenance	Fleet & Maintenance are forecast to spend on budget for 2021/22.
50	50	Head of City Environmental Management	Additional Covid-19 waste disposal related costs of stewarding at the household waste disposal sites.
111	15	Strategy & Projects	£0.050m overspend related to forecast repairs and maintenance of public conveniences. Other overspends include additional forecast spend for supplies & services and lost shortfall on income.
(20)	(20)	Sales, Fees and Charges Grant	This is the estimated value of the grant due to be claimed based on the latest eligible forecast losses of income driven by the Covid-19 outbreak. The grant is only for losses in the first quarter and further work will be completed to ensure all eligible losses relating to the first quarter of the year are captured.
<b>City Development &amp; Regeneration</b>			
8	0		Slight pressure due to Coast to Capital payment.
<b>Culture, Tourism &amp; Sport</b>			
159	225	Sport and Leisure	Loss of income due to Covid-19, including rent reductions on seafront properties and closure of Volks Railway during the start of the year.
291	291	Venues	This underachievement is wholly as a result of Covid-19 which means that the Venue cannot open until 1st September 2021 resulting in lost income of over



**Appendix 3 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Covid Variances £'000</b>	<b>Service Area</b>	<b>Variance or Financial Recovery Measure Description</b>
			£1.000m. However its use as a Vaccination Centre and savings from vacancies and other budgets has helped to reduce this figure to £0.291m.
238	250	Tourism and Marketing	The deficit is due to a projected under achievement on income, predominantly from a total collapse of conference and hotel commissions due to all events from March – August being cancelled. Every effort will be made to mitigate the loss of income through careful control of non-fixed expenditure.
(94)	(94)	Sales, Fees and Charges Grant	This is the estimated value of the grant due to be claimed based on the latest eligible forecast losses of income driven by the Covid-19 outbreak. The grant is only for losses in the first quarter and further work will be completed to ensure all eligible losses relating to the first quarter of the year are captured.

## Housing, Neighbourhoods &amp; Communities

## Revenue Budget Summary

Provisional Variance 2020/21 £'000	Service	2021/22 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Covid Variance Month 2 £'000	Forecast Variance Month 2 %	2021/22 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
1,999	Housing General Fund	14,281	15,027	746	807	5.2%	318	50	268
(39)	Libraries	4,807	4,952	145	138	3.0%	98	98	0
193	Communities, Equalities & Third Sector	3,208	3,208	0	0	0.0%	72	72	0
(84)	Safer Communities	2,690	2,690	0	0	0.0%	47	47	0
2,069	Housing, Neighbourhoods & Communities	24,986	25,877	891	945	8.2%	535	267	268

The Covid variances shown in the tables above and below are included within the “Forecast Variance” and “Key Variances” columns.

## Explanation of Key Variances

Key Variances £'000	Covid Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Housing General Fund			
0	0	Temporary Accommodation	The budget for Temporary Accommodation is currently forecast to break even. This assumes use of all of the 2021/22 Homelessness Prevention Grant of £6.200m in year. This forecast assumes that for 2021/22 the numbers in Emergency Accommodation (EA) increase slightly and then remain largely static (an average of 619 units of EA). Move-ons from EA will be challenging while the service prioritises moving on those housed in hotels under the 'Everyone In' initiative. There is a risk that if those moved on from hotels are moved into EA, this will result in further overspends on TA budgets. There is also a risk that costs of TA will increase further if households become homeless as a result of the ending of the moratorium on private landlord evictions. The effects of this have yet to be factored into this forecast due to the high levels of uncertainty.
746	807	Temporary accommodation - 'Everybody in' hotels	There is a forecast overspend on the cost of 'Everyone In' hotels. The forecast assumes that some hotels will be needed beyond 30th September as the number of move-ons required in the next three months will be very challenging to achieve.

Appendix 3 – Revenue Budget Performance

Key Variances £'000	Covid Variances £'000	Service Area	Variance or Financial Recovery Measure Description
			The forecast also includes lower than expected Housing Benefit (HB) collection rates and higher damages/repairs costs and security costs than originally forecast. Some HB income is included in the forecast for TA above as the hotels are also being utilised for single emergency accommodation clients as well as those housed under 'Everyone In'. This forecast assumes the use of £2.043m Containment Outbreak Management Fund (COMF) Grant as agreed at P&R (Recovery) Sub-Committee 28 April 2021 and the use of £0.500m grant from MHCLG for continued housing of rough sleepers as included in the original budget assumptions.
<b>Libraries</b>			
120	120	Loss of library income	There is an estimated loss of income due to Covid-19 from shop sales, meeting space bookings, fines and charges of £0.120m, after assumed Sales, Fees and Charges Grant in respect of Quarter 1 losses.
18	18	Premises	Covid-19 related changes to air conditioning units.
7		Other	Minor variances.

## Appendix 3 – Revenue Budget Performance

### Finance & Resources

#### Revenue Budget Summary

Provisional Variance 2020/21 £'000	Service	2021/22 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Covid Variance Month 2 £'000	Forecast Variance Month 2 %	2021/22 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
(83)	Finance (Mobo)	322	287	(35)	0	-10.9%	0	0	0
117	HR & Organisational Development (Mobo)	1,039	1,039	0	0	0.0%	0	0	0
0	IT&D (Mobo)	3,521	3,521	0	1	0.0%	0	0	0
36	Procurement (Mobo)	(165)	(165)	0	0	0.0%	0	0	0
155	Business Operations (Mobo)	(85)	(85)	0	0	0.0%	0	0	0
280	Revenues & Benefits (Mobo)	5,715	5,715	0	0	0.0%	250	250	0
259	Housing Benefit Subsidy	(751)	(751)	0	0	0.0%	0	0	0
(42)	Contribution to Orbis	10,945	11,445	500	0	4.6%	240	0	240
722	<b>Total Finance &amp; Resources</b>	<b>20,541</b>	<b>21,006</b>	<b>465</b>	<b>1</b>	<b>2.3%</b>	<b>490</b>	<b>250</b>	<b>240</b>

**Mobo** = Specific budget items held by Orbis but **Managed on behalf of** the relevant partner i.e. they are sovereign, non-partnership budgets. Under or overspends on Mobo budgets fall directly to the relevant partner whereas Orbis Operational budget variances are shared in accordance with the Inter-Authority Agreement (IAA).

The Covid variances shown in the tables above and below are included within the “Forecast Variance” and “Key Variances” columns.

Explanation of Key Variances

Key Variances £'000	Covid Variances £'000	Service Area	Variance or Financial Recovery Measure Description
<b>Finance (Mobo)</b>			
(35)	0	Finance	There is an underspend of £0.156m due to the vacant Executive Director post (net of acting up costs), but this is partly offset by other costs including a contribution towards the senior management restructure saving.
<b>HR &amp; Organisational Development (Mobo)</b>			
0	0	HR&OD	The service is reporting an on-target position for its sovereign budgets. HR&OD will be part of disaggregation from Orbis in this financial year, which may affect the forecast when final allocated budgets are known. Going forward the service will be tracking the longer term impact on income from Covid-19 and may need to submit a further pressure request to cover this as well as the £0.120m pay team funding.
<b>IT&amp;D (Mobo)</b>			
0	1	IT&D	At Month 2 IT&D is expecting be on target however, to achieve this, it expects to draw down the remaining £0.300m of modernisation funding. There are ongoing budget pressures in IT&D maintenance contracts which have been partially mitigated by increased funding. The service is working to reduce contract spend but is expecting other new pressures this year; standby and overtime costs previously funded by Orbis are now to be funded from the Sovereign budget (estimated at approx. £0.100m) and the service is also contributing funding of £0.011m to a new Orbis Accessibility post. There is also the possibility of increased telephony costs due to the ending of the Virgin Media Centrex contract but IT&D is working on alternative solutions to mitigate the increased costs and should have a better indication at Month 3.
<b>Revenues &amp; Benefits (Mobo)</b>			
0	0	Revenues & Benefits	The ongoing impacts of Covid-19 continue to be managed within the service and it is currently forecasting a break even position. Within this position there is an ongoing pressure on court costs income that is anticipated will be offset on a one-off basis through a combination of government Sales, Fees & Charges compensation grant for April to June and a higher level of Council Tax Administration grant that included a backdated award.

**Appendix 3 – Revenue Budget Performance**

Key Variances £'000	Covid Variances £'000	Service Area	Variance or Financial Recovery Measure Description
F&R Contribution to ORBIS			
500	0	Contribution to Orbis	<p>The recent changes to the partnership following notice given by ESCC regarding withdrawal of their HROD service and further changes following a review of the Orbis Business Plan will lead to disaggregation of the HROD and Business Operations service. This will not only mean non-achievement of BHCC's share of planned Business Plan savings but will also lead to some reversal of savings, particularly in HROD, as the economies of integrated services will be lost in re-creating sovereign teams. There are some potential offsetting savings as it is also intended to reduce Orbis overheads, particularly regarding the Partnership Change Management team (Project and Programme staffing) and other central partnership costs. A provision of £0.500m has been included but detailed financial impacts will only become clear as services are disaggregated.</p>

## Strategy, Governance &amp; Law

## Revenue Budget Summary

Provisional Variance 2020/21 £'000	Service	2021/22 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Covid Variance Month 2 £'000	Forecast Variance Month 2 %	2021/22 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
1	Corporate Policy	679	679	0	0	0.0%	27	27	0
(167)	Legal Services	1,666	1,666	0	0	0.0%	65	65	0
(156)	Democratic & Civic Office Services	1,814	1,814	0	0	0.0%	33	33	0
(163)	Life Events	261	261	0	9	0.0%	40	40	0
(6)	Performance, Improvement & Programmes	1,089	1,089	0	0	0.0%	37	37	0
33	Communications	675	675	0	0	0.0%	35	35	0
(458)	Total Strategy, Governance & Law	6,184	6,184	0	9	0.0%	237	237	0

The Covid variances shown in the tables above and below are included within the “Forecast Variance” and “Key Variances” columns.

## Explanation of Key Variances

Key Variances £'000	Covid Variances £'000	Service Area	Variance or Financial Recovery Measure Description
0	9	Bereavement Services	A small pressure is expected in relation to accrued holiday backpay (£0.004m) and some ad-hoc Covid-19 costs (£0.009m), which are expected to be managed within the Life Events budget. Other pressures previously flagged relating to Covid-19 impacts on income and the PCC election were covered by funding during the budget setting process and therefore not reported here.

## Corporately-held Budgets

## Revenue Budget Summary

Provisional Variance 2020/21 £'000	Service	2021/22 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Covid Variance Month 2 £'000	Forecast Variance Month 2 %	2021/22 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
0	Bulk Insurance Premia	3,127	3,127	0	0	0.0%	0	0	0
(1,272)	Capital Financing Costs	9,536	9,536	0	0	0.0%	0	0	0
0	Levies & Precepts	215	215	0	0	0.0%	0	0	0
(262)	Unallocated Contingency & Risk Provisions	865	865	0	0	0.0%	0	0	0
(23,297)	Unringfenced Grants	(41,579)	(41,579)	0	0	0.0%	0	0	0
2,919	Other Corporate Items	(39,924)	(40,071)	(147)	0	-0.4%	120	120	0
(21,912)	Total Corporately-held Budgets	(67,760)	(67,907)	(147)	0	-0.2%	120	120	0

The Covid variances shown in the tables above and below are included within the “Forecast Variance” and “Key Variances” columns.

## Explanation of Key Variances

Key Variances £'000	Covid Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(147)	0	Pensions	Overpayment from 2019/20 of £0.050m and an in year variance of £0.097m.



## Housing Revenue Account (HRA)

## Revenue Budget Summary

Provisional Variance 2020/21 £'000	Service	2021/22 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Covid Variance Month 2 £'000	Forecast Variance Month 2 %	2021/22 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
(469)	Capital Financing	27,547	27,377	(170)	0	-0.6%	0	0	0
155	Housing Management & Support	4,078	4,128	50	0	1.2%	0	0	0
(132)	New Housing Supply	638	638	0	0	0.0%	0	0	0
(369)	Income, Involvement & Improvement	(48,082)	(47,932)	150	300	0.3%	0	0	0
(226)	Repairs & Maintenance	10,778	11,002	224	0	2.1%	0	0	0
2	Property & Investment	2,488	2,337	(150)	0	-6.0%	0	0	0
603	Tenancy Services	2,554	2,485	(70)	0	-2.7%	0	0	0
(436)	Total Housing Revenue Account	0	34	34	300	0.0%	0	0	0

The Covid variances shown in the tables above and below are included within the “Forecast Variance” and “Key Variances” columns.

## Explanation of Key Variances

Key Variances £'000	Covid Variances £'000	Service Area	Variance Description
<b>Capital Financing</b>			
(170)	0	Financing costs	Significant reprofiling of HRA capital expenditure from 2020/21 into 2021/22 impacts on the timing of when borrowing is required to be undertaken to fund the expenditure. This has resulted in lower interest charges being incurred during 2021/22, compared to the original budget forecast.
<b>Housing Management &amp; Support</b>			
(50)	0	Transfer Incentive Scheme	Projected underspend against this budget.
100	0	Temporary Accommodation (TA)	Less rental income of an estimated £0.070m due to later completion of HRA schemes to provide council owned TA than expected at budget setting time. Also forecast overspends on council tax and repairs costs £0.030m..

**Appendix 3 – Revenue Budget Performance**

Key Variances £'000	Covid Variances £'000	Service Area	Variance Description
<b>Income, Involvement &amp; Improvement</b>			
300	300	Rents and service charges	Forecast overspend relating to rent loss due to a backlog of empty properties caused by the pandemic when lettings were put on hold and also challenges of a shortage of contractors available to undertake the backlog of works. The service is working to increase both the contractor and direct labour capacity.
(150)	0	Contribution to Bad Debt Provision	Forecast underspend based on debt outstanding to date. This budget was increased for 2020-21 on the basis that debts would increase in light of welfare reforms. However, although arrears have increased they have not reached the levels expected at that time and therefore this budget will be reviewed as part of the budget setting process for 2022/23.
<b>Repairs &amp; Maintenance (R&amp;M)</b>			
224	0	Empty Properties and Responsive Repairs	There was an underspend of approximately £1.500m across the R&M service in 20/21, largely due to reduced activity as a result of Covid restrictions. For 2021/22, there is a projected overspend of £1.040m against subcontractor costs forecast at Month 2, largely due to catch-up works from last financial year, of which £0.816m is forecast to be funded from reserves set aside for this purpose. This will continue to be closely monitored during the year.
0	0	Employees	There is a forecast overspend of £0.500m as a result of harmonisation costs for current staff in post. This will be funded from HRA reserves, as set out in the HRA Budget 2021/22 report to Budget Council in February 2021 and therefore overall shows a break-even position compared to budget. The full impact of harmonisation on the total Employees budget will be reflected in budget setting for 2022/23.
<b>Property &amp; Investment</b>			
(320)	0	Employees	An underspend is forecast due to changes in the timescales for recruiting additional staff to support the new arrangements for planned and major works.
170	0	Disrepair Claims	There is a forecast overspend against the £0.100m compensation budget provision, based on current spend to date projected forward. Disrepair claims by their nature are not possible to

**Appendix 3 – Revenue Budget Performance**

Key Variances £'000	Covid Variances £'000	Service Area	Variance Description
			forecast easily. Instances and costs associated with each instance will be recorded separately within the HRA and the variance against budget will be regularly reviewed during the year.
<b>Tenancy Services</b>			
(25)	0	Employees	Forecast underspend due to less use of agency employees and vacancies to date.
(32)	0	Security costs	Projected underspend against Sheltered Housing security costs budget.
(13)	0	Other	Other minor underspends across the service.

## Appendix 3 – Revenue Budget Performance

### Dedicated Schools Grant (DSG)

#### Revenue Budget Summary

Provisional Variance 2020/21 £'000	Service	2021/22 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Covid Variance Month 2 £'000	Forecast Variance Month 2 %
0	Individual Schools Budget (ISB)	132,459	132,459	0	0	0.0%
(619)	Early Years Block (excluding 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>	15,632	15,350	(282)	0	-1.8%
(138)	High Needs Block (excluding delegated to Special Schools)	30,764	31,126	362	127	1.2%
11	Exceptions and Growth Fund	3,089	3,147	58	50	1.9%
0	Grant Income	(181,198)	(181,198)	0	0	0.0%
(746)	<b>Total Dedicated Schools Grant (DSG)</b>	<b>746</b>	<b>884</b>	<b>138</b>	<b>177</b>	<b>18.5%</b>

The Covid variances shown in the tables above and below are included within the “Forecast Variance” and “Key Variances” columns.

#### Explanation of Key Variances

Key Variances £'000	Covid Variances £'000	Service Area	Variance Description
Early Years Block (including delegated to Schools)			
70	0	Early Years Free Entitlement for 2, 3 and 4-year olds	DSG early years grant funding allocated based on census points early in summer and autumn terms but payments to providers increase throughout terms as provision levels increase.
30	0	Early Years Additional Support Funding for 2, 3 and 4-year olds	Increase in the number of early years children being assessed for additional support funding.
(382)	0	Unallocated DSG	Unallocated DSG to offset 2021/22 overspends.

**Appendix 3 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Covid Variances £'000</b>	<b>Service Area</b>	<b>Variance Description</b>
<b>High Needs Block (excluding delegated to Schools)</b>			
326	127	Education agency placements	There has been an increase in the cost of some bespoke tuition packages, some of which relates to Covid-19. The agency budget has also been impacted due to a lack of local provision for cognitively able children with Autism and Anxiety/Social Emotional Mental Health (SEMH) needs who have not been able to manage in local mainstream schools despite intervention from external agencies. Furthermore, there is an increasing cost of the education packages linked to external residential disability placements.
72	0	Special school provision	Due to an upward pressure from mainstream, special schools within the city are anticipated to be over commissioned in terms of pupil numbers for the whole of 2021/22.
50	0	Brighton and Hove Inclusion Support Service (BHISS)	Staff absences in key areas that require agency cover to ensure statutory duties are met and buyback commitments to schools are delivered.
(107)	0	Mainstream Specialist Provision	Delay in establishing in-house specialist provision for primary and secondary autism and social emotional mental health needs.
21	50	Other	Minor variances.
<b>Exceptions and Growth Fund</b>			
38	0	School Premature Retirement Costs	Ongoing pressure linked to historic commitments.
20	0	Other	Minor variances.

