

Families, Children & Learning

Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2022/23 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2022/23 Net Savings Proposed £'000	Net Savings Achieved/Anticipated £'000	Net Savings At Risk £'000
(5)	Director of Families, Children & Learning	246	241	(5)	-2.0%	0	0	0
1,270	Health, SEN & Disability Services	49,472	50,432	960	1.9%	1,046	185	861
814	Education & Skills	10,025	11,230	1,205	12.0%	13	13	0
1,405	Children's Safeguarding & Care	42,321	43,475	1,154	2.7%	1,529	295	1,234
35	Quality Assurance & Performance	1,564	1,596	32	2.0%	86	59	27
3,519	Total Families, Children & Learning	103,628	106,974	3,346	3.2%	2,674	552	2,122
(284)	Further Financial Recovery Measures (see below)	-	(173)	(173)	-	-	-	-
3,235	Residual Risk After Financial Recovery Measures	103,628	106,801	3,173	3.1%	2,674	552	2,122

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		
(45)	Home to School Transport	Encouraging use of parental transport and reviewing single occupancy routes.
(108)	Children's Placements	Increasing the proportion of Children in Care in Foster Care.
(20)	Disability Section 17 Budget	Potential Health contribution to emergency in-home nursing support.
Director of Families, Children & Learning		
(5)	Other	Minor variances.
Health, SEN & Disability Services		
791	Adults with Learning Disabilities - Community Care	The Adults LD community care budget forecast includes an assumption that an additional fee uplift will be made to some providers in recognition of cost of living increase and minimum wage requirements. At this stage it is uncertain to what extent this will be required as representations are still being received and negotiated with individual providers.

**Appendix 4 – Revenue Budget Performance**

<b>Key Variances</b>		
<b>£'000</b>	<b>Service Area</b>	<b>Variance or Financial Recovery Measure Description</b>
(221)	Children's Disability Placements	The Children's Disability Placement Budget was further rebased in 2022-23 to accommodate growth in the number and cost of placements.
223	Adults with Learning Disabilities - in-house provider services	The overspend mainly relates to pressure in the residential respite budget due to ongoing levels of staff absence and the cost of emergency placements at Beach House.
(6)	Children's Disabilities - in-house provision	There is an underlying pressure for respite provision for children with disabilities and a high use of agency / sessional staff but this been offset by one-off contributions from Health in 2022-23
92	Commissioning and Brokerage	Corporate funding of team expires in 2022-23. Delays in recruitment has meant this function has not yet achieved savings anticipated and consequently a financial risk is being identified.
191	Disability Section 17 Budget	Emergency high cost in-home support provided during August to October from Children's Disability Section 17 budget.
(110)	Other	Other variances relate to overspends on children's disability contracts and underspends against the Brighton and Hove Inclusion Support Service and the SEN team budget due to delay in implementation of new team structure.
<b>Education &amp; Skills</b>		
1,213	Home to School Transport	Based on the current data held on Mobisoft the updated forecast overspend for Home to School Transport is £1.213m. This forecast takes account of the effect of the current contracted routes which assumes 452 5-16 pupils and 117 post 16 pupils for the remainder of the academic year. The overspend includes an overspend of £0.265m relating to increasing costs of 19-25 year olds previously charged to the DSG. The variance also includes an anticipated overspend of £0.078m relating to increasing numbers of bus passes being issued with the majority relating to allocated school places beyond the statutory distance. Costs have increased considerably from September and are related to a combination of the factors which include, demand, single occupancy journeys, out of city placements, inflation and returned routes.
9	Early Years, Children's Centres, Nurseries and Childcare	Council nurseries are showing a predicted overspend of £0.079m which is partially offset by a forecast underspend in children's centres. The overspend in the nurseries is mainly linked to high agency costs as a result of staff absence.
(17)	Other	Minor variances.
<b>Children's Safeguarding &amp; Care</b>		
1,539	Demand-Led - Children's placements	The overspend is the result of a combination of a number of different factors. There are significant overspends in Residential Home and semi-Independent placements

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		due to increasing difficulty in finding suitable foster carers due to sufficiency problems. This is partially off-set by underspends in the External Fostering budget. There are also significant overspends for Care Leaver costs as rising numbers of care leavers require financial support for accommodation.
(251)	Social Work and Adolescent Teams	There are a number of vacant posts across the services resulting in significant underspends. This is now being partially off-set by the use of agency social workers.
(109)	Fostering & Adoption	The underspend is due to problems recruiting to vacant posts across the service.
(25)	Other	Minor variances.
<b>Quality Assurance &amp; Performance</b>		
32	Other	Minor variances.

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

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2022/23 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2022/23 Savings Proposed £'000	Net Savings Achieved/ Anticipated £'000	Net Savings At Risk £'000
1,164	Adult Social Care	46,041	47,120	1,079	2.3%	1,465	632	833
88	S75 Sussex Partnership Foundation Trust (SPFT)	22,411	22,203	(208)	-0.9%	689	343	346
(266)	Integrated Commissioning	3,985	3,652	(333)	-8.4%	70	70	0
72	Life Events	(88)	65	153	173.9%	129	52	77
0	Public Health	2,846	2,846	0	0.0%	0	0	0
1,058	Total Health & Adult Social Care	75,195	75,886	691	0.9%	2,353	1,097	1,256
(239)	Further Financial Recovery Measures (see below)	-	(104)	(104)	-	-	-	-
819	Residual Risk After Financial Recovery Measures	75,195	75,782	587	0.8%	2,353	1,097	1,256

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(104)	Further 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: - Health funding incl. Continuing Health Care and joint funding
Adult Social Care		
1,132	Demand-Led Community Care - Physical & Sensory Support	The forecast number of placements/packages is 2,007 WTE, which is below the budgeted level of 2,080 WTE placements. The average unit cost of a placements/package is higher than the budgeted level at £285 per week (£20 per week above budget per client). The combination of the number of adults placed being 73 WTE below the budgeted level and the increased unit costs result in the overspend of £1.132m. Therefore, the unit costs are 8% above budget however the overall activity is below budget. This is due to areas where

**Appendix 4 – Revenue Budget Performance**

<b>Key Variances</b>		
<b>£'000</b>	<b>Service Area</b>	<b>Variance or Financial Recovery Measure Description</b>
		suitable provision is not currently accessible to meet identified need as a result of workforce pressures.
(273)	Demand-Led Community Care - Substance Misuse	There are relatively small numbers of clients within this service and the average unit cost is below the budgeted unit cost which is resulting in the projected underspend of £0.273m.
(272)	Assessment teams	This is due to a number of temporary vacancies across the Assessment teams.
451	Community Equipment service	Forecast overspend due to increased unit costs of equipment.
17	In-house provision	Due to repair costs being above budget.
24	Other	
<b>S75 Sussex Partnership Foundation Trust (SPFT)</b>		
22	Demand-Led - Memory Cognition Support	The unit cost is higher than budgeted which results in the overspend projection of £0.022m. The forecast number of placements/packages is 369 WTE which is below the budgeted level of 442 WTE placements. The average unit cost is above the budgeted level at £494 per week (£81 per week above budget). Therefore, the overall activity is 73 WTE below budget and the unit costs are 19% above budget. This is due to areas where suitable provision is not currently accessible to meet identified need as a result of workforce pressures and market conditions.
(399)	Demand-Led - Mental Health Support	The client number are below budget resulting in the underspend projection of £0.399m. There is an increasing need and complexity within this client group and the forecast number of placements/packages is 491 WTE, which is below the budgeted level of 554 WTE placements. The average unit cost of a placement/package is above the budgeted level at £359 per week (£26 per week above budget per client). This is due to an additional contribution to Section 117 from Health Partners and areas where suitable provision is not currently accessible to meet identified need as a result of workforce pressures.
169	Staffing teams	Due to savings at risk
<b>Integrated Commissioning</b>		
(329)	Commissioning	Projected Better Care fund risk share 2022/23 and temporary vacancies
(4)	Other	Minor variances.
<b>Life Events</b>		
153	Life Events	The forecast of £0.153m pressure is an increase of £0.081m from Month 5. The revised income pressure is now £0.147m and there are also pressures totalling £0.045m due to additional grounds maintenance work.

## Economy, Environment &amp; Culture

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2022/23 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2022/23 Savings Proposed £'000	Net Savings Achieved/ Anticipated £'000	Net Savings At Risk £'000
135	Transport	(6,022)	(4,492)	1,530	25.4%	1,777	466	1,311
919	City Environmental Management	37,548	38,265	717	1.9%	229	159	70
297	City Development & Regeneration	4,366	4,487	121	2.8%	182	83	99
113	Culture, Tourism & Sport	4,448	4,548	100	2.2%	200	190	10
339	Property	2,402	2,657	255	10.6%	342	232	110
1,803	Total Economy, Environment & Culture	42,742	45,465	2,723	6.4%	2,730	1,130	1,600
(279)	Further Financial Recovery Measures (see below)	-	(276)	(276)	-	-	-	-
1,524	Residual Risk After Financial Recovery Measures	42,742	45,189	2,447	5.7%	2,730	1,130	1,600

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(202)	Parking Services	<p>All significant parking income and expenditure will continue to be forecast alongside finance officers to ensure ongoing robust forecasts are presented as part of the budget monitoring process. Minor variations in demand can result in significant financial implications. £1.528m represents 3.53% of the parking income budget.</p> <p>Over the last month the service has seen further underachievement in on street parking and resident permit income, which has been reflected in the Parking Services Forecast. Improvements in expenditure have also been reflected, though there is still a significant budget overspend position. Parking Services and Finance are continually looking at further analysis of other income and costs which may mitigate these underachievement's further.</p>
(74)	Venues	Review of expenditure budgets and additional income potential within Venues to address the current overspend.

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Transport		
1,528	Parking Services	<p>Overall Parking Services is forecasting an overspend of £1.528m (-3.53% of income targets) at Month 7 against a £27.363m net income budget. The service is forecasting an underachievement of income of £1.741m (-14.02%) on parking permits compared to a budget of £12.4m, most of which is due to the reduced demand in residents and visitor permits across zones and the loss of parking capacity due to active travel measures over the last two years. The number of permits themselves (36,000 resident permits, 15,000 other permits and 360,000 visitor permits per year) are not declining overall due to all the new parking schemes introduced, but there are harder to attain income targets from increased prices. On-Street parking income is forecast to be £1.500m (-10.78%) underachieved compared to a £13.900m budget and off-Street Parking is forecast to be £0.045m (-0.47%) underachieved compared to a £8.700m Budget.</p> <p>The underachievement of resident permits and reduced forecasts within on-street parking are likely to be as a result of the significant estimated loss of income against budget of £0.979m as a result of reduced permit and paid parking spaces due to active travel measures (e.g. Madeira Drive, Old Town, A259 – eastern section) introduced over the last two years. This will be exacerbated with the upcoming reductions in parking spaces for the A259 (western section), A23, Low traffic neighbourhood scheme, school streets, Valley Gardens Phase 3, work on Madeira Terraces and the cycle hangers programme which will be discussed in future TBM review meetings and Transport Management Team meetings. This underachievement is offset by forecast surplus income for Parking Suspensions of £0.376m (+46.21%) against a £0.813 budget as well as PCN income, net of bad debt provision, of £1.545m (+23.09%) against a £6.700m budget.</p> <p>The budget does contain a pressure relating to the Traffic Control Centre Restructure of £0.522m which is being funded by additional enforcement activities started in 2022/23 within figure above (Wider bus stop enforcement, Cycle lane enforcement etc) as well in the future from further schemes from 2023/24 onwards. The pressure from parking income shortfalls are partly offset against underspends (some related to less paid parking income) in transactional and contract costs, unsupported borrowings and other costs of (£0.400m).</p>
(21)	Traffic Management	Income over achievement forecast for Hoarding Fees, Traffic Regulation Orders, Events and Sample Inspection Fees. These are partly offset by waived fee income and other highways costs greater than budget.

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
23	Transport Projects and Engineering	Bus Shelter Electricity costs are forecast to exceed budget by £0.056m as a result of a more accurate inventory and time cost allocation as well as increased utility charges. Supplies and services costs are forecast to be less than budget, in particular for Computer Software costs (£0.025m) and Consultants Fees (£0.019m).
City Environmental Management		
695	City Clean	Overspend of £0.558m is due to Waste Collection and Street Cleansing (operational) agency costs due to vacancies across the service. Recruitment into vacant posts and managing of attendance should start to see these high agency costs reduce during the year. £0.137m overspend within Public Conveniences due to greater than budgeted utility costs, consumables and staffing required to maintain cleaning levels.
(15)	City Parks	Minor income surpluses.
42	Fleet & Maintenance	Increased costs at Hollingdean Depot of £0.090m offset by additional income activities of £0.045m.
(5)	Head of City Environmental Management	Minor underspends.
City Development & Regeneration		
348	Development Planning	Underachievement of Planning and Building Control income of £0.588m as there is still some uncertainty over levels of service post-COVID, although the income trend will become more apparent as the year progresses. However, there are underspends of £0.289m from several staffing vacancies in both services but with an overspend on goods/services of £0.049m mainly within consultants' fees.
(115)	Planning Policy and Major Projects	Underspend of £0.120m on professional and consultant fees offset by small underachievement of income of £0.005m.
(131)	Sustainability & International	External funding received for sustainability projects and spend delays of £0.117m plus reduction in hours on a post saving £0.009m and other various small underspends.
32	Economic Development	Overspend due to Coast to Capital LEP fee not reduced as much as anticipated.
(13)	Business Development and Customer Services	Underspend on vacancies of £0.055m plus various other underspends of £0.003m offset by overspend on agency costs to cover posts of £0.016m, computer software £0.019m and underachieved fee income £0.010m.
Culture, Tourism & Sport		
(11)	Arts	Underspend due to vacancies during the year.
37	Sport and Leisure	Outdoor Events are experiencing a pressure from the cancellation of a number of programmed events as a result of organisers experiencing significant cost increases and attendance reduction in the sector. Some other smaller events are moving to 2023 instead.

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<b>Key Variances</b>		
<b>£'000</b>	<b>Service Area</b>	<b>Variance or Financial Recovery Measure Description</b>
		Welcome Back Fund/Reopening High Street Fund did not cover all project expenditure as anticipated therefore leaving a small balance of £0.027m overspend.
74	Venues	Forecast overspend from utility price increases based on the April, May, June & July 2022 costs. The Brighton Centre is working closely with Property & Design to get accurate readings processed to facilitate future forecasts and will endeavour to address this overspend by either reducing expenditure on other budgets or increasing income levels. To assist this, an interim spending freeze on non-essential spend has now been introduced.
<b>Property</b>		
255	Property and Design	<p>The pandemic legacy continues to affect the commercial portfolio rental position with some vacancies at Hove Technology Centre and Lyndean House resulting in £0.165m forecast underachievement of income as well as NNDR bills for vacant properties.</p> <p>In-house printing continues to show a historic pressure due to the reduction in demand resulting in £0.074m forecast underachievement of costs recovered. The security budget is showing a forecast overspend of £0.200m due to higher contract costs following the re-tendering during 2021/22 and increases in demand for staff at Hove Town Hall Customer Service Centre to support the corporate Customer Experience Strategy. These costs are partly offset by vacancies held during the first part of the year and forecast underspends on planned maintenance.</p>

## Housing, Neighbourhoods &amp; Communities

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2022/23 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2022/23 Savings Proposed £'000	Net Savings Achieved/ Anticipated £'000	Net Savings At Risk £'000
1,465	Housing General Fund	14,182	15,383	1,201	8.5%	1,780	1,515	265
0	Libraries	4,893	4,993	100	2.0%	77	77	0
(37)	Communities, Equalities & Third Sector	3,198	3,064	(134)	-4.2%	40	40	0
(43)	Safer Communities	3,735	3,630	(105)	-2.8%	35	35	0
1,385	Housing, Neighbourhoods & Communities	26,008	27,070	1,062	3.5%	1,932	1,667	265
(200)	Further Financial Recovery Measures (see below)	-	(200)	(200)	-	-	-	-
1,185	Residual Risk After Financial Recovery Measures	26,008	26,870	862	3.3%	1,932	1,667	265

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Financial Recovery Measures		
(200)	Temporary Accommodation	The service continues to work on transforming the service to focus on homelessness prevention and to reduce the time spent in Temporary Accommodation (TA), thereby reducing costs further to meet the 2022/23 Budget savings target. This will be challenging given that there are now only five months of the year remaining and this forecast assumes that £0.075m of savings will not be met.
Housing General Fund		
1,537	Temporary Accommodation	A provision for underlying Temporary Accommodation (TA) and Rough Sleeping pressures of over £1m was provided in the 2021/22 budget, which was expected to be supported by additional funding from the government's announcement of an additional £254m national funding. However, although core funding increased overall, it was insufficient to support the service pressure funding and the budget therefore remains as an overspend currently. The overall costs of leased TA are forecast to overspend by £0.233m. The current number of empty leased properties in TA has steadily reduced so far this year as the backlog of works

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		is cleared. However, there are still more properties empty for longer than the current budget allows for and the budget for rent loss on voids is still overspending by £0.122m but this is partially offset by a forecast underspend on council tax costs of (£0.052m) and is an improvement compared to the forecast at Month 2. Repairs costs have increased substantially and this budget is forecast to overspend by £0.570m. There is also a forecast overspend on the contribution to the bad debt provision of £0.243m and £0.050m on Housing Benefit Subsidy. These pressures are partially offset by a contribution of (£0.467m) from Homelessness Prevention Grant after other forecasts for prevention expenditure has been taken into account. The costs of private sector leased properties for TA have continued to rise as contracts are renewed at higher rates but there are now fewer properties, and so the net rental costs are forecast to underspend by (£0.197m) with further minor underspends across this service of (£0.036m). Emergency accommodation is forecast to overspend by £0.292m mainly relating to having more emergency accommodation usage throughout the year than budgeted. The service is still working towards having 45 households in spot purchase accommodation by the year end as part of the financial recovery plan but numbers have begun to increase in the last few months. The forecast also assumes that a further 40 block booked properties will be handed back by the end of December 2022.
0	Commissioned Rough Sleeper and Housing related Support Services	The commissioned services budget for supported accommodation and rough sleepers is forecast to break even.
197	Additional emergency hotel accommodation	The costs of extra emergency hotels taken on during the pandemic is forecast to overspend by £0.197m as hotels are being decanted later than anticipated at budget setting time. The one remaining hotel was decanted at the end of October.
(700)	Housing Options	This budget is forecast to underspend by £0.700m due to an underspend on the one-off homelessness initiatives budget that was carried forward from 2021/22.
320	Seaside Homes	There is a forecast overspend of £0.320m as a result of the loss of rent on void properties and higher repairs costs.
(170)	Adaptations Service	Forecast underspend as a result of the bringing in house the Home Improvement Agency work and further capitalisation of salaries.
17	Travellers	Loss of income on the transit site and extra cleaning costs to the toilet and shower blocks.
<b>Libraries</b>		
83		There is a projected shortfall in fees and charges and other income sources.
17		Other minor variances.

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Communities, Equalities & Third Sector		
(70)	CETS Staffing	Net underspend against staffing, as a result of vacancies across the service.
(62)	CETS Initiatives	A detailed review of what is funded from the initiatives budget across Communities and Equalities has identified £0.062m of funding that can be released to help the corporate TBM position.
(2)		Minor net variances
Safer Communities		
(105)	Safer Communities	The underspend is primarily against staffing as a result of vacancies across the service and a review of non-pay budgets where spend can be stopped.

## Governance, People &amp; Resources

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2022/23 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2022/23 Savings Proposed £'000	Net Savings Achieved/ Anticipated £'000	Net Savings At Risk £'000
13	Chief Executive Monitoring Office	265	278	13	4.9%	0	0	0
40	Policy & Communications	1,548	1,511	(37)	-2.4%	76	28	48
132	Legal & Democratic Services	3,210	3,368	158	4.9%	202	83	119
45	Elections & Land Charges	27	95	68	251.9%	34	34	0
(20)	Customer Modernisation & Data	1,414	1,299	(115)	-8.1%	33	33	0
(200)	Finance	1,907	1,696	(211)	-11.1%	150	150	0
0	Procurement (Mobo)	(37)	(37)	0	0.0%	0	0	0
(20)	HR & Organisational Development	4,158	4,141	(17)	-0.4%	0	0	0
0	IT&D (Mobo)	9,219	8,919	(300)	-3.3%	0	0	0
0	Welfare Revenue & Business Support	7,865	8,011	146	1.9%	0	0	0
1,658	Contribution to Orbis	1,156	2,692	1,536	132.9%	0	0	0
1,648	Total Governance, People & Resources	30,732	31,973	1,241	4.0%	495	328	167

**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).

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Chief Executive Monitoring Office		
13	Monitoring Office	There are expected staffing pressures this year of £0.013m.
Policy & Communications		
(37)	Communications	At Month 7 the service is predicting an underspend this year of £0.037m. This relates to the Communications service pressures of £0.118m around restructuring costs being more

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Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		than offset by recharges and other underspends of £0.155m within the Communications Team.
Legal & Democratic Services		
172	Legal Services	In Legal Services there is a pressure of £0.172m relating to an expected loss of income relating to support of the LEP (£0.060m), a shortfall in funding for FCL related work on SEN tribunals/Education work (£0.040m) and a further pressure of £0.072 from a combination of unplanned locum expenditure due to recruitment and retention challenges in the service and a downward revision of property and planning related income.
(14)	Democratic Services	In Democratic Services there are pressures of £0.035m relating to compulsory regrading costs of Political Assistants, which was a requirement of legislation. Elsewhere in the service there is a net underspend of £0.049m mostly arising from vacancies and one-off income
Elections & Land Charges		
68	Elections & Land Charges	The forecast at Month 7 is a pressure of £0.068m. There are income pressures in the Local Land Charges service of £0.098m due to a lack of confidence in the market. In Elections, there are vacancy underspends of £0.082m offset by pressures of £0.052m relating to government funding shortfall, equipment replacement costs and local by-election costs.
Customer Modernisation & Data		
(115)	Customers and Performance	A review of the budgets this month has led to the forecast of an increased underspend of £0.115m relating to vacancy management.
Finance (Mobo)		
(211)	Finance	The service is projecting an underspend of £0.211m relating to vacancy management and reflecting very challenging recruitment conditions.
HR & Organisational Development (Mobo)		
(17)	Human Resources	The service is declaring a £0.017m underspend at Month 7. Comprised of a £0.045m underspend in the Health and Safety service and one of £0.001m in L&D, and a £0.029m unions pressure (relating to unfunded extra provision for facilities time and accommodation). Ongoing work to replace the Learning Gateway include financial proposals to address funding shortfalls. The service has developed proposals to deliver £0.133m savings in the new financial year as well as backstop savings proposals of a further £0.083m and continues to track the long term impact of COVID on income in the service. This will inform future pressure funding requests and will include a request for £0.120m funding which ends in the 2023/24 financial year leaving a legacy salaries shortfall. Going forward any underspends in Workforce Development (grant funding and

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<b>Key Variances</b>		
<b>£'000</b>	<b>Service Area</b>	<b>Variance or Financial Recovery Measure Description</b>
		relates to social work service provision) and People Promise funding needs to be carried forward
<b>IT&amp;D (Mobo)</b>		
(300)	IT&D	Following the transfer of staff budgets and income targets from the Orbis Partnership this year, an initial high-level review was undertaken at month 6 (resulting in an estimated underspend of £0.250m due to management of vacancies) and a full review this month has increased the forecast underspend to £0.300m. These reviews will continue for the remainder of the year, including a review of income for staff time recharged to capital projects which is currently slightly below target. In other areas IT&D is expecting be roughly on target, though there has been an increase in Microsoft licencing costs and there are still some uncertainties with contract costs as new systems are installed and data services are migrated to the new South East Grid. There has also been a requirement for further consultancy with 31Ten for the IT&D investment programme.
<b>Welfare Revenue &amp; Business Support</b>		
56	Staffing Costs	The salary budget including agency, overtime and remote processing costs after allowing for known various one-off income funding streams is forecast to overspend by £0.056m.
57	Council Tax S13A carers relief discount	Council tax carers relief awarded above the budgeted figure.
33	Court Costs income	Forecast to be underachieved by £0.285m however in the current year the council has received a one-off backdated payment for court costs from the HM Courts and Tribunals Service of £0.252m resulting in a net shortfall projection this year of £0.033m
<b>Contribution to Orbis</b>		
1,536	contribution to Orbis	There is an expected pressure of £1.536m this month, the same as last time. This pressure can be split into two parts. £1.539m relates to a revision of expected contributions from Orbis Partners and a squaring off of shortfalls from disaggregated services including Business Operations (now part of WRBS), Finance, and HR. In particular, BHCC's contribution to the Partnership increased by £0.879m plus inflation for the increased cost of IT&D services drawn down by the council. The separate minor surplus relating to BHCC's share of an expected minor Orbis Partnership underspend in 2022/23 is currently £0.003m.

## Corporately-held Budgets

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2022/23 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2022/23 Savings Proposed £'000	Net Savings Achieved/ Anticipated £'000	Net Savings At Risk £'000
110	Bulk Insurance Premia	3,352	3,462	110	3.3%	0	0	0
(560)	Capital Financing Costs	7,832	6,294	(1,538)	-19.6%	0	0	0
0	Levies & Precepts	219	219	0	0.0%	0	0	0
0	Unallocated Contingency & Risk Provisions	1,433	1,433	0	0.0%	0	0	0
(79)	Unringfenced Grants	(49,047)	(49,126)	(79)	-0.2%	0	0	0
781	Housing Benefit Subsidy	(751)	10	761	101.3%	0	0	0
4,451	Other Corporate Items	(25,101)	(21,028)	4,073	16.2%	325	325	0
4,703	Total Corporately-held Budgets	(62,063)	(58,736)	3,327	5.4%	325	325	0

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Bulk Insurance Premia		
110	Commercial property building insurance	Premium credit adjustment to tenants leading to additional cost in 2022/23.
Capital Financing Costs		
(1,538)	Financing Costs	Higher interest rates on cash balances, which are also higher than budgeted due primarily to capital programme delays.
Unringfenced Grants		
(13)	Extended Rights to Free Travel	Announced in June 2022 at £0.099m which is £0.013m higher than budgeted.
(66)	Pressure funding released	Only the Local Reform Community Voice grant left to be announced and historically not confirmed until later in the year. Forecasting this grant will be the same level as 2021/22 which releases pressure funding
Housing Benefit Subsidy		
761	HB Subsidy	There is an estimated pressure of £0.781m. Of this £0.831m relates to the main subsidy budgets and is based on the mid-year estimate submitted to the DWP. Of this pressure,

## Appendix 4 – Revenue Budget Performance

<b>Key Variances</b>		
<b>£'000</b>	<b>Service Area</b>	<b>Variance or Financial Recovery Measure Description</b>
		£0.482m relates to a particular benefit type for vulnerable tenants which is not fully subsidised. This is being investigated to fully understand the reasons for the growth in this area. There is also a pressure of £0.349m on the net recovery of overpayments and other areas. The surplus on the recovery of overpaid former council Tax Benefit is currently forecast at £0.070m.
<b>Other Corporate Items</b>		
(251)	Corporate pension costs	Overpayment from 2021/22 of (£0.112m) and an in year variance of (£0.139m).
7	Death management	BHCC share of Sussex wide costs on mass fatalities work.
250	Academisation	Costs relating to compulsory academisation of Homewood House school where the council will be liable for the school's projected budget deficit at the point of transfer.
4,545	General Fund pay award	This reflects the employers pay award offer of £1,925 fixed increase for all NJC salaries. This is equivalent to a 6.3% increase compared with the 2% increase included in the budget for 2022/23. This pressure is after allowing for the £1.260m remaining one-off provision for pay from the 2021/22 outturn.
(406)	National Insurance - Social Care Levy	Saving resulting from removal of National Insurance Social Care Levy from November 2022 to March 2023
(72)	Funding for projects previously funded by COMF	Underspend on the £1.112m brought forward to cover project spend in 2022/23 relating to previously COMF funded schemes.

## Housing Revenue Account (HRA)

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2022/23 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2022/23 Savings Proposed £'000	Net Savings Achieved/ Anticipated £'000	Net Savings At Risk £'000
284	Capital Financing	25,553	26,158	605	2.4%	0	0	0
326	Housing Management & Support	4,620	5,030	410	8.9%	0	0	0
(103)	Housing Strategy & Supply	1,464	1,335	(129)	-8.8%	0	0	0
(0)	Repairs & Maintenance	14,061	13,833	(229)	-1.6%	0	0	0
(84)	Housing Investment & Asset Management	2,631	2,414	(217)	-8.2%	0	0	0
744	Tenancy Services	(48,329)	(47,597)	732	1.5%	0	0	0
1,167	Total Housing Revenue Account	0	1,173	1,173	0.0%	0	0	0

## Explanation of Key Variances

Key Variances £'000	Subjective Area	Variance Description
Capital Financing		
605	Capital Financing costs	£0.732m short term pressure in financing costs as a result of taking on PWLB borrowing earlier to take advantage of more favourable interest rates. Offset by an increase of £0.125m in interest received on cash balances.
Housing Management & Support		
85	Employees	Forecast overspend on staffing costs relating to Homelessness £0.135m. Underspends against Transfer Incentive scheme (£0.035m), Minor variances (£0.015m).
281	Premises	Backdated rent increase in relation to the Housing Centre £0.107m. Forecast overspend against responsive repairs and empty properties £0.155m and utility costs £0.019m.
(94)	Supplies and Services	Transfer Incentive scheme (£0.095m). Other minor variances £0.001m.
38	Support Services	Additional contribution to legal services in respect of disrepair claims.
100	Income	Overspend relating to rent loss due to a backlog of empty properties. A project group is in place to reduce the number void properties during the year.

**Appendix 4 – Revenue Budget Performance**

<b>Key Variances</b>		
<b>£'000</b>	<b>Subjective Area</b>	<b>Variance Description</b>
<b>Housing Strategy &amp; Supply</b>		
(148)	Employees	Forecast underspend against staffing and support service cost in delivery of new supply.
16	Supplies and Services	Minor variance.
3	Other	Minor variance.
<b>Repairs &amp; Maintenance</b>		
(178)	Employees	Additional staffing costs in respect of dealing with backlog works and the effects of the recently announced pay-award, compared to budget setting assumptions have been mitigated by a forecast underspend against the base salary budget due to number of staff vacancies.
112	Premises	Forecast overspend against the base budget for subcontractor costs.
(7)	Supplies and Services	Forecast underspend against the base budget for material costs.
(156)	Transport	There is a forecast underspend against vehicle maintenance costs and fuel.
0	Contribution from reserves	<p>Financial risk relating to the post pandemic backlog of responsive repairs and empty property works was identified as a significant financial issue for 2022/23 and the HRA budget report set aside a total of £1.500m to ensure one-off funding was available during the year to cope with this pressure.</p> <p>The assumption previously was that any net overspend identified above would be covered by this reserve. However the current forecast above shows an underspend of £0.229m, due to a significant reduction in forecast spend against subcontractors resulting from the considerable challenges and financial instability within the subcontractor market from increased material and wages; leading to a loss of resource. The service continues to work hard to mitigate this and introduce alternative resources, but this takes time.</p> <p>Budget setting assumptions for 2023/24 are that the earmarked reserve will be required during the year to fund the backlog works and the additional contractor and material spend in excess of typical business as usual budgets.</p>
<b>Housing Investment &amp; Asset Management</b>		
(515)	Employees	An underspend due to change in the timescales for recruiting additional staff to support the new arrangements for planned and major works.
371	Supplies and Services	Pressure from disrepair claims of £0.200m, which by their nature are not possible to forecast easily. Instances and costs associated with each instance will be recorded separately within the HRA and the variance against budgets are regularly reviewed during the year.

Appendix 4 – Revenue Budget Performance

Key Variances		
£'000	Subjective Area	Variance Description
		There is also a forecast overspend against RTB/Leasehold legal costs and professional fees of approximately £0.100m , which is offset by the additional income referred to below. Other variances across the service account for the balance of £0.071m.
(8)	Transport	Minor variance.
(65)	Income	Additional professional fee income in respect of Leasehold extension matters (£0.100m) and a forecast shortfall in Commercial income of £0.035m.
<b>Tenancy Services</b>		
81	Employees	Forecast overspend against staffing budget.
481	Premises	£0.203m forecast overspend on utility costs. £0.150m overspend in council tax costs in respect of the higher number of empty council dwellings awaiting repairs. £0.071m overspend on the costs of rubbish clearance. £0.053m additional grounds maintenance costs for first year of ash die back tree works. £0.004m minor variances.
234	Supplies and Services	£0.170m overspend on the use of temporary accommodation for council housing tenants, linked to the current policy for Temporary Accommodation across the authority and in some part to the number of voids held in the HRA. £0.032m overspend relating to the use of security guards to ensure the safety of residents at risk. £0.032m minor variances.
(94)	Income	Forecast overachievement in rental income due to new supply of affordable housing offset by an overspend in voids rent loss.
30	Other	Minor variances.

## Appendix 4 – Revenue Budget Performance

### Dedicated Schools Grant (DSG)

#### Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2022/23 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Individual Schools Budget (ISB)	130,711	130,711	0	0.0%
33	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>	14,024	13,696	(328)	-2.3%
255	High Needs Block	34,473	34,896	423	1.2%
25	Exceptions and Growth Fund	3,188	3,187	(1)	0.0%
0	Grant Income	(182,361)	(182,361)	0	0.0%
313	<b>Total Dedicated Schools Grant (DSG)</b>	<b>35</b>	<b>129</b>	<b>94</b>	<b>268.6%</b>

#### Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Early Years Block (including delegated to Schools)		
(346)	Additional support funding for early years providers	Underspends anticipated on early years free entitlement budgets due to fewer children on the October 2022 early years census.
18	Other	Other small variances.
High Needs Block (excluding delegated to Schools)		
503	Agency - Independent non-maintained special schools	Increase in specialist placements to independent non-maintained special schools. This is being driven by increases in demand and complexity of need where suitable local provision does not exist. Placements are mainly linked to autism and social emotional mental health categories of need. The budget is currently forecasting in excess of 120fte placements compared to 89 FTE placements at the comparative time last year.
(93)	Balance of high needs block funding currently unallocated	Balance of funding currently unallocated within the high needs block following government increases in funding in 2022-23. Required to offset pressures in wider high needs block.

**Appendix 4 – Revenue Budget Performance**

<b>Key Variances</b>		
<b>£'000</b>	<b>Service Area</b>	<b>Variance Description</b>
54	Mainstream school top-up funding	Mainstream school top-up budget has been significantly rebased in 2022/23 to reflect increase in demand and cost. At this stage it is forecast there will be a modest overspend against the rebased budget due to a surge in demand since the beginning of the new academic year.
(46)	Special Schools Support and Top-up funding	Budget rebased in 2022-23 to reflect increase in provision and additional support costs. At this stage it is forecast there will be an underspend against the rebased budget
(134)	Post-16 High Needs Payments to External Providers	Transport costs for students in post 19 specialist provision now being assigned to Home to School Transport budget
102	High needs pupils in other local authority maintained schools	Increase in placements to other LA schools due to lack of local specialist provision.
37	Other	Other smaller compensating variances
<b>Exceptions and Growth Fund</b>		
38	Premature Retirement Costs	Ongoing annual commitment where regulations do not permit LAs to increase budget beyond historic levels
(39)	Other	Other minor variances.