

Families, Children & Learning

Revenue Budget Summary

| 2022/23 Provisional Outturn £'000 | Service | 2023/24 Budget Month 2 £'000 | Forecast Outturn Month 2 £'000 | Forecast Variance Month 2 £'000 | Forecast Variance Month 2 % | 2023/24 Savings Proposed £'000 | Net Savings Achieved £'000 | Net Savings Unachieved £'000 |
|--|---|---------------------------------------|---|--|--------------------------------------|---|-------------------------------------|---------------------------------------|
| (5) | Director of Families, Children & Learning | 177 | 177 | 0 | 0.0% | 0 | 0 | 0 |
| 1,158 | Health, SEN & Disability Services | 8,532 | 8,685 | 153 | 1.8% | 460 | 320 | 140 |
| 927 | Education & Skills | 11,918 | 12,809 | 891 | 7.5% | 104 | 104 | 0 |
| 770 | Children's Safeguarding & Care | 41,205 | 41,187 | (18) | 0.0% | 1,302 | 1,302 | 0 |
| (13) | Quality Assurance & Performance | 1,682 | 1,687 | 5 | 0.3% | 0 | 0 | 0 |
| 2,837 | Total Families, Children & Learning | 63,514 | 64,545 | 1,031 | 1.6% | 1,866 | 1,726 | 140 |

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

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|-----------------------------------|--|---|
| Health, SEN & Disability Services | | |
| 140 | Demand-Led Disability Placements | There are 2 new residential disability placements anticipated prior to the start of the new academic and the budget forecast allows for further growth equivalent to 1 additional placement |
| 133 | Commissioning and Brokerage | Delays in recruitment have meant the commissioning and brokerage function has not yet achieved the level of savings required to make itself financing. Corporate modernisation funding of this function has ceased in 2023-24 |
| (104) | Children's Disabilities - in-house provision | The children's in-house disability service is receiving additional health funding in 2023-24 which is expected to continue for the majority of the financial year |
| (16) | Other | Other small variances |
| Education & Skills | | |
| 562 | Home to School Transport | Based on the current data held on Mobisoft the updated forecast overspend for Home to School Transport is £0.562m. This takes account of the effect of the current contracted routes and assumptions re pupil number from September which assumes average numbers of 466 5-16 pupils, 117 post 16 pupils and 27 post 19-25 for the remainder of the financial year. The forecast also assumes pupil growth in September and an 8% price increase. Costs have increased considerably and are related to a combination of the |

Appendix 3 – Revenue Budget Performance

| Key Variances | | |
|--|------------------------------------|--|
| £'000 | Service Area | Variance or Financial Recovery Measure Description |
| | | <p>factors which include, demand on the service (both at 5-16 ages, and 16 up until 19th birthday), increased numbers of children requiring single occupancy journeys, lack of local SEND school sufficiency, and increased numbers of routes required to accommodate individual post 16 learners' timetables.</p> <p>Market forces within SEND transport are also contributing to overspend in Home to School Transport. The service is being increasingly impacted by local driver, vehicle passenger assistant, vehicle shortages and increased running costs. There is also a lack of competition in the transport market, particularly minibus providers, which is pushing up contract prices still further.</p> <p>There is increasingly less capacity in the local system to meet increasing demand, not just in the numbers of children requiring transport but the nature of the transport requirements</p> |
| 373 | Schools PFI | A combination of historically low interest rates reducing the return on balances held in reserves and very high inflation impacting on costs has resulted in a shortfall in the schools PFI reserve in 2023/24. |
| (44) | Other | Minor variances. |
| Children's Safeguarding & Care | | |
| (19) | Demand-Led - Children's placements | <p>There are ongoing significant issues with sufficiency of foster carers and other placement types making placing children difficult and driving up unit costs. In addition the post pandemic period has seen children with increasingly complex needs coming into care. However, there are several ongoing initiatives and alternative service offers, attempting to reverse the trend of reducing foster carer numbers and address the complex needs of the children being referred, Dependent on the relative success of these initiatives, it is anticipated that placements for children in care and care leavers will remain within budget in 2023/24.</p> |
| 150 | Legal Fees | In recent years there has been a significant increase in the cost of both the in-house legal team and external counsel. At this stage it is estimated that there will be an overspend on legal fees of £0.150m in 2023/24. |
| (149) | Other | Minor variances. |
| Quality Assurance & Performance | | |
| 5 | Other | Minor variances. |

Health & Adult Social Care (HASC)

Revenue Budget Summary

| 2022/23 Provisional Outturn £'000 | Service | 2023/24 Budget Month 2 £'000 | Forecast Outturn Month 2 £'000 | Forecast Variance Month 2 £'000 | Forecast Variance Month 2 % | 2023/24 Savings Proposed £'000 | Net Savings Achieved £'000 | Net Savings Unachieved £'000 |
|--|---|---------------------------------------|---|--|--------------------------------------|---|-------------------------------------|---------------------------------------|
| (212) | Adult Social Care | 78,740 | 82,734 | 3,994 | 5.1% | 2,013 | 1,778 | 235 |
| (562) | S75 Sussex Partnership Foundation Trust (SPFT) | 18,149 | 22,972 | 4,823 | 26.6% | 987 | 912 | 75 |
| (1,198) | Integrated Commissioning | 5,645 | 5,713 | 68 | 1.2% | 173 | 173 | 0 |
| (166) | Life Events | (40) | 18 | 58 | 145.0% | 13 | 0 | 13 |
| 0 | Public Health | 4,022 | 4,022 | 0 | 0.0% | 0 | 0 | 0 |
| (2,138) | Total Health & Adult Social Care | 106,516 | 115,459 | 8,943 | 8.4% | 3,186 | 2,863 | 323 |
| 0 | Further Financial Recovery Measures (see below) | - | (6,246) | (6,246) | - | - | - | - |
| (2,138) | Residual Risk After Financial Recovery Measures | 106,516 | 109,213 | 2,697 | 2.5% | 3,186 | 2,863 | 323 |

Explanation of Key Variances

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|--|--|
| Further Directorate Financial Recovery Measures | | |
| (6,246) | 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. CHC and joint funding - Targeted reviews |
| Adult Social Care | | |
| 1,451 | Demand-Led Community Care - Physical & Sensory Support | The forecast number of placements/packages is 2,007 WTE, which is below the budgeted level of 2,096 WTE placements. The average unit cost of a placements/package is higher than the budgeted level at £211 per week (£12 per week above budget per client). The combination of the number of adults placed being 89 WTE below the budgeted level and the increased unit costs result in the overspend of £1.451m. Therefore, the unit costs are |

Appendix 3 – Revenue Budget Performance

| Key Variances | | |
|---|--|---|
| £'000 | Service Area | Variance or Financial Recovery Measure Description |
| | | 6% above budget however the overall activity is below budget. This is due to areas where suitable provision is not currently accessible to meet identified need as a result of workforce pressures. |
| (6) | 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 £0.006m |
| 10 | Assessment teams | This is due to a number of temporary vacancies across the Assessment teams |
| 314 | In-house provision | Due to projected agency and overtime spend above budget |
| 2,170 | Demand-Led Community Care - Adult LD | The forecast number of placements/packages is 1,079 WTE, which is below the budgeted level of 1,103 WTE placements. The average unit cost of a placements/package is higher than the budgeted level at £564 per week (£21 per week above budget per client). The combination of the number of adults placed being 24 WTE below the budgeted level and the increased unit costs result in the overspend of £2.170m. Therefore, the unit costs are 4% above budget however the overall activity is below budget. |
| 55 | Other | Minor variances. |
| S75 Sussex Partnership Foundation Trust (SPFT) | | |
| 1,907 | Demand-Led - Memory Cognition Support | The forecast unit costs are above budget which results in the overspend projection of £1.907m. The forecast number of placements/packages is 372 WTE which is below the budgeted level of 396 WTE placements. The average unit cost is above the budgeted level at £450 per week (£103 per week above budget). Therefore, the overall activity is 24 WTE below budget and the unit costs are 30% 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. |
| 2,444 | Demand-Led - Mental Health Support | The Section 117 funding for 2023/24 has not yet been agreed with Health resulting in a projected overspend of £2.444m. There is an increasing need and complexity within this client group and the forecast number of placements/packages is 513 WTE, which is below the budgeted level of 527 WTE placements. The average unit cost of a placement/package is within the budgeted level at £277 per week. |
| 472 | Staffing teams | Unable to deliver in-year savings target and negotiations with Health are ongoing |
| Integrated Commissioning | | |
| 68 | Commissioning and Contracts | Seeking alternative funding for non-statutory community advocacy and Community Support Worker. |

Appendix 3 – Revenue Budget Performance

| Key Variances | | |
|----------------------|---------------------|--|
| £'000 | Service Area | Variance or Financial Recovery Measure Description |
| Life Events | | |
| 58 | Life Events | Life events services are forecasting a £0.058m overspend. The staffing underspend totals £0.086m due to temporary vacancies. This is offset by an income shortfall of £0.147m. |

Economy, Environment & Culture

Revenue Budget Summary

| 2022/23 Provisional Outturn £'000 | Service | 2023/24 Budget Month 2 £'000 | Forecast Outturn Month 2 £'000 | Forecast Variance Month 2 £'000 | Forecast Variance Month 2 % | 2023/24 Savings Proposed £'000 | Net Savings Achieved £'000 | Net Savings Unachieved £'000 |
|--|---|---------------------------------------|---|--|--------------------------------------|---|-------------------------------------|---------------------------------------|
| 7 | Transport | (8,114) | (7,076) | 1,038 | 12.8% | 2,765 | 1,674 | 1,091 |
| 341 | City Environmental Management | 38,249 | 38,777 | 528 | 1.4% | 498 | 498 | 0 |
| (390) | City Development & Regeneration | 3,686 | 4,327 | 641 | 17.4% | 428 | 428 | 0 |
| (106) | Culture, Tourism & Sport | 5,001 | 5,387 | 386 | 7.7% | 563 | 463 | 100 |
| 246 | Property | 2,179 | 2,819 | 640 | 29.4% | 473 | 275 | 198 |
| 98 | Total Economy, Environment & Culture | 41,001 | 44,234 | 3,233 | 7.9% | 4,727 | 3,338 | 1,389 |
| 0 | Further Financial Recovery Measures (see below) | - | (1,020) | (1,020) | - | - | - | - |
| 98 | Residual Risk After Financial Recovery Measures | 41,001 | 43,214 | 2,213 | 5.4% | 4,727 | 3,338 | 1,389 |

Explanation of Key Variances

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|--------------------|---|
| Further Directorate Financial Recovery Measures | | |
| (200) | Traffic Management | Anticipated surplus Traffic Management Fees to offset expenditure pressures and achieve underspends within Transport. Further budget alignment work to ensure staffing funded by income is reflected in budgets which will support the work in ensuring realistic income forecasts are reflected in future reports. |
| (100) | Parking Services | 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. £0.832m represents 1.83% of the parking income budget. |

Appendix 3 – Revenue Budget Performance

| Key Variances | | |
|------------------|-----------------------------------|--|
| £'000 | Service Area | Variance or Financial Recovery Measure Description |
| (270) | City Development and Regeneration | Review of staffing vacancies within City Development and Regeneration following reduction of Planning and Building Control income. Risks include staffing vacancies may need to be considered as part of the City Development & Regeneration savings for 2023/24 |
| (150) | Heritage & Archives | Negotiations with RPMT to ensure that they are able to mitigate the impact on their finances of any NJC increases this year. |
| (200) | City Parks | Review of staffing vacancies within City Parks and further reviews of spending reductions in supplies and services budgets. |
| (100) | Property & Design | Forecast underspends on planned maintenance with only essential Health & Safety, structural and water penetration priority one works carried out |
| Transport | | |
| 832 | Parking Services | <p>Overall Parking Services are forecasting an overspend of £0.831m (1.83% of income targets) against a £28.552m net income budget. The service is predicting a loss of income of £0.818m (6.28%) on parking permit income compared to a budget of £13.000m. This forecasting is at a very early stage but initial indications are that this is due to a continued reduced demand in residents and visitor permits across zones and the loss of parking capacity due to active travel proposals. On-Street paid parking income is predicted to be £0.488m (3.33%) underachieved compared to its £14.600m budget. The increased charges for 2023/24 are due to be introduced in July following the Traffic Regulation Order process and required IT changes so the impact of this is difficult to quantify so early in the financial year.</p> <p>This underachievement is offset by predicted surplus income for Parking Suspensions of £0.387m (32.31%) against a £1.198 budget. As well as this Off-Street Parking is predicted to overachieve against its £9.1m budget by £0.142m (1.88%) which is due to increased income from the main barrier car parks in the City Centre. Again this at a very early stage in the financial year and has been determined on two months of figures.</p> |
| 56 | Traffic Management | Additional income from Temporary Traffic Orders of £0.041m and Events of £0.038m countered by Direct Employee cost pressures of £0.119m, though will be mitigated by staffing budget exercise. Streetworks Software of £0.008m and Permit Scheme Transport costs additional pressures. |

Appendix 3 – Revenue Budget Performance

| Key Variances | | |
|--|------------------------------------|--|
| £'000 | Service Area | Variance or Financial Recovery Measure Description |
| 150 | Transport Projects and Engineering | Service pressure of £0.150m as a result of some delays in the processing of lighting maintenance purchase orders when taking into account the volume of works already committed to the incumbent contractor in the current financial year. |
| City Environmental Management | | |
| 562 | City Clean | Overspend of £0.700m is due to waste collection and street cleansing (operational) staffing and agency costs greater than budget to deliver the service, as well as greater employer pension costs than budgeted due to large turnover of staff in recent years with more staff remaining in the scheme than choosing to opt out. These overspends are partially offset by surplus in commercial and green waste collections of £0.140m. |
| 300 | Fleet & Maintenance | Additional fuel and vehicle related costs anticipated of £0.300m as a result of vehicle maintenance and rising costs for CEM Vehicles. |
| (334) | Strategy & Projects | Forecast underspends of £0.070m from reduced Supplies & Services costs and £0.264m from staffing underspends due to vacancies. |
| City Development & Regeneration | | |
| 641 | Development Planning | Underachievement of Planning and Building Control income of £0.641m as there is still some uncertainty over levels of demand post-covid, with numbers of planning applications nationally falling. The income trend will become more apparent as the year progresses. |
| Culture, Tourism & Sport | | |
| 78 | Arts | Greater than budgeted costs for Brighton Dome & Brighton Festival funding of £0.078m assuming a fixed 2% contract uplift for 2 years. |
| 300 | Heritage and Archives | Anticipated additional costs under the RPMT contract relating to salary pay awards. |
| (6) | Sport and Leisure | £0.100m pressure for maintaining the lifeguarding during the summer season at 2022/23 levels offset by forecast underspends on golf course contracts and greater than budgeted income relating to Shelter Hall. |
| 14 | Venues | Minor overspends |

| Key Variances | | |
|---------------|---------------------|--|
| £'000 | Service Area | Variance or Financial Recovery Measure Description |
| Property | | |
| 640 | Property and Design | <p>Vacant Properties within both the in-house & commercial portfolios have caused pressures from the loss of rental income and the additional premises related costs until new tenants can be attracted. This is compounded by current rental climate demands for rent free periods which lead to in year pressures that will hopefully impact on the first year only. Options are being explored to look at investment and other ways to bring forward more community and third sector office accommodation to address this situation.</p> <p>Security costs have increased significantly by over £5 per hour. This is due to corporate council contract conditions agreeing to pay the higher rate living wage to contract service providers, with the increase being applied from April 1st 2023. In-house printing continues to show a historic pressure due to the reduction in demand resulting in underachievement of costs recovered.</p> <p>Some of these pressures are offset by in year staff vacancies and by assumptions on weather predictions for a mild winter which would help to reduce overall corporate utility energy costs</p> |

Housing, Neighbourhoods & Communities

Revenue Budget Summary

| 2022/23 Provisional Outturn £'000 | Service | 2023/24 Budget Month 2 £'000 | Forecast Outturn Month 2 £'000 | Forecast Variance Month 2 £'000 | Forecast Variance Month 2 % | 2023/24 Savings Proposed £'000 | Net Savings Achieved £'000 | Net Savings Unachieved £'000 |
|--|---|---------------------------------------|---|--|--------------------------------------|---|-------------------------------------|---------------------------------------|
| 439 | Housing General Fund | 12,329 | 14,992 | 2,663 | 21.6% | 1,705 | 632 | 1,073 |
| (28) | Libraries | 3,499 | 3,499 | 0 | 0.0% | 81 | 81 | 0 |
| (181) | Communities, Equalities & Third Sector | 3,015 | 3,015 | 0 | 0.0% | 44 | 44 | 0 |
| (322) | Safer Communities | 4,001 | 4,001 | 0 | 0.0% | 86 | 86 | 0 |
| (92) | Housing, Neighbourhoods & Communities | 22,844 | 25,507 | 2,663 | 21.6% | 1,916 | 843 | 1,073 |
| 0 | Further Financial Recovery Measures (see below) | - | (600) | (600) | - | - | - | - |
| (92) | Residual Risk After Financial Recovery Measures | 22,844 | 24,907 | 2,063 | 9.0% | 1,916 | 843 | 1,073 |

Explanation of Key Variances

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|-------------------------------------|------------------------------|--|
| Further Financial Recovery Measures | | |
| (600) | Temporary Accommodation (TA) | This plan includes measures to reduce the number of households in spot purchase by 59 units which will be challenging, given the demands on the homelessness service. The service will continue with the Homelessness Transformation programme to reduce current costs by initially focussing on a number of key issues such as void turnaround times, reducing the unit costs of spot purchase accommodation. |
| Housing General Fund | | |
| 2,501 | Temporary Accommodation | The budget for Temporary Accommodation (TA) is forecast to overspend by 2.501m for 2023/24. Emergency nightly accommodation (spot purchased) was budgeted to be at an average |

Appendix 3 – Revenue Budget Performance

| Key Variances | | |
|---------------|------------------------|---|
| £'000 | Service Area | Variance or Financial Recovery Measure Description |
| | | <p>of 52 households per night for the year. However, since April, the council has supported an average of 153 households every night. Although the service is working hard to prevent homelessness, numbers remain high. To add to this pressure, the cost of accommodation is also increasing and overall this budget is forecast to overspend by £1.295m. This forecast assumes that the number of households remains at this level all year. However, the service is trying to reduce the number of households accommodated by 59 as part of the financial recovery plan.</p> <p>The service is also facing significant pressures on the overall costs of block booked emergency accommodation. The budget assumed that there would be a reduction of 125 units of block booked accommodation during 2023/24. However, this is now looking increasingly challenging due to the demands on the service and the forecast assumes no reduction in the number of households supported. Additionally, the council is facing large increases to contract costs and therefore this forecast estimates that this budget will overspend by £2.114m,</p> <p>Leased TA is forecast to overspend by £0.151m largely as a result of the extra cost of the loss of Housing Benefit Subsidy. Future forecasts will depend on the costs associated with any new contracts agreed with landlords as and when new contracts are agreed. These variances have been offset by further grant funding from DLUHC of £1.100m more than budgeted in 2023/24.</p> <p>There is also a forecast overspend on staffing costs of £0.041m.</p> |
| (97) | Housing Options | Vacancies across this service and a reduction in the use of agency staff. |
| 226 | Seaside Homes | The repairs and maintenance budgets for these properties are forecast to overspend by £0.138m. There is also an overspend on the loss of rent on void properties of £0.045m. The service is working with the in-house repairs team to improve void turn-around times in order to minimise void loss. Other minor variances across seaside £0.043m. |
| 33 | Private Sector Housing | Unachieved savings for fine and other income opportunities of £0.050m offset by an underspend on employee costs of £0.017m. |

Appendix 3 – Revenue Budget Performance

Governance, People & Resources

Revenue Budget Summary

| 2022/23 Provisional Outturn £'000 | Service | 2023/24 Budget Month 2 £'000 | Forecast Outturn Month 2 £'000 | Forecast Variance Month 2 £'000 | Forecast Variance Month 2 % | 2023/24 Savings Proposed £'000 | Net Savings Achieved £'000 | Net Savings Unachieved £'000 |
|--|--|---------------------------------------|---|--|--------------------------------------|---|-------------------------------------|---------------------------------------|
| (1) | Chief Executive Monitoring Office | 591 | 591 | 0 | 0.0% | 0 | 0 | 0 |
| (274) | Policy & Communications | 1,209 | 1,203 | (6) | -0.5% | 134 | 134 | 0 |
| 93 | Legal & Democratic Services | 3,642 | 3,676 | 34 | 0.9% | 167 | 167 | 0 |
| 49 | Elections & Land Charges | 531 | 730 | 199 | 37.5% | 22 | 0 | 22 |
| (496) | Customer Modernisation & Data | 1,429 | 1,429 | 0 | 0.0% | 86 | 86 | 0 |
| (104) | Finance | 1,966 | 1,966 | 0 | 0.0% | 67 | 67 | 0 |
| (17) | Procurement (Mobo) | (37) | (37) | 0 | 0.0% | 0 | 0 | 0 |
| (380) | HR & Organisational Development | 4,185 | 4,175 | (10) | -0.2% | 214 | 214 | 0 |
| (502) | IT&D (Mobo) | 8,182 | 8,182 | 0 | 0.0% | 350 | 350 | 0 |
| (154) | Welfare Revenue & Business Support | 7,273 | 7,370 | 97 | 1.3% | 146 | 146 | 0 |
| 1,478 | Orbis Services Contribution | 2,832 | 2,832 | 0 | 0.0% | 0 | 0 | 0 |
| (308) | Total Governance, People & Resources | 31,803 | 32,117 | 314 | 1.0% | 1,186 | 1,164 | 22 |
| 0 | Further Financial Recovery Measures (see below) | - | (314) | (314) | - | - | - | - |
| (308) | Residual Risk After Financial Recovery Measures | 31,803 | 31,803 | 0 | 0.0% | 1,186 | 1,164 | 22 |

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 any budget variance on 'Orbis Services' is shared in accordance with the Inter-Authority Agreement (IAA).

Explanation of Key Variances

| Key Variances | | |
|---|--|---|
| £'000 | Service Area | Variance or Financial Recovery Measure Description |
| Further Directorate Financial Recovery Measures | | |
| (314) | Further Financial Recovery Measures projection | The Directorate will introduce expenditure and vacancy controls aimed at reducing the overspend forecast to a breakeven position. |
| Policy & Communications | | |
| (6) | Graphic design Team | Vacancy contribution |
| Legal & Democratic Services | | |
| 6 | Civics Mayors Office | Increase in cost to support the Lord-Lieutenancy (Support officer) |
| 5 | Democratic Services | An expected increase in cost for the Modern.gov software |
| 23 | Members Allowances | Increased member's bus saver transport cost. |
| Elections & Land Charges | | |
| 199 | Land Charges | Expected underachievement is due to expected slow housing market as highlighted by RICS, government and Savills |
| HR & Organisational Development | | |
| (11) | Policy and initiatives | Small underspends on unions from contribution income offset by some overspend on staff costs. |
| 1 | Organisation | Small overspends on learning and development budgets. |
| Welfare Revenue & Business Support | | |
| 31 | Council Tax Running Expenses | Additional staff cost to clear backlog affecting collection performance and customer service |
| 24 | Corporate Debt Team | corporate standard debt management training specified by debt policy, once off cost. |
| 25 | WRBS Management & Admin | admin costs |
| (17) | WRBS Financial Systems | Lower cost in the current year as per contract resulting in saving/underspends |
| (109) | WRBS HR Systems | Lower cost in the current year as per contract resulting in underspends |
| 143 | WRBS Payroll and Pensions | Additional staff costs for backlog clearance to prevent service failure |

Corporately-held Budgets

Revenue Budget Summary

| 2022/23 Provisional Outturn £'000 | Service | 2023/24 Budget Month 2 £'000 | Forecast Outturn Month 2 £'000 | Forecast Variance Month 2 £'000 | Forecast Variance Month 2 % | 2023/24 Savings Proposed £'000 | Net Savings Achieved £'000 | Net Savings Unachieved £'000 |
|--|--|---------------------------------------|---|--|--------------------------------------|---|-------------------------------------|---------------------------------------|
| 400 | Bulk Insurance Premia | 3,676 | 3,676 | 0 | 0.0% | 0 | 0 | 0 |
| (2,495) | Capital Financing Costs | 6,578 | 5,648 | (930) | -14.1% | 0 | 0 | 0 |
| 0 | Levies & Precepts | 223 | 223 | 0 | 0.0% | 0 | 0 | 0 |
| (383) | Unallocated Contingency & Risk Provisions | 725 | 725 | 0 | 0.0% | 0 | 0 | 0 |
| (589) | Unringfenced Grants | (28,708) | (28,708) | 0 | 0.0% | 0 | 0 | 0 |
| 1,430 | Housing Benefit Subsidy | (301) | 99 | 400 | 132.9% | 0 | 0 | 0 |
| 4,260 | Other Corporate Items | (2,004) | 1,623 | 3,627 | 181.0% | 162 | 162 | 0 |
| 2,623 | Total Corporately-held Budgets | (19,811) | (16,714) | 3,097 | 15.6% | 162 | 162 | 0 |

Explanation of Key Variances

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---------------------------|-------------------------|---|
| Capital Financing Costs | | |
| (930) | Financing Costs | Improved investment income following increases in the Bank of England Base Rate and cash balances. |
| Housing Benefit Subsidy | | |
| 400 | Housing Benefit Subsidy | There is insufficient data to make a detailed forecast but based on last year's outturn an overspend of at least £0.400m is forecast. This will be updated when more data is available. |
| Other Corporate Items | | |
| 3,700 | Pay award 2023/24 | Additional cost of the 2023/24 pay award based on the most recent employers' offer. |
| (74) | Corporate pension costs | Overpayment from 2021/22 of (£0.020m) and an in year variance of (£0.054m). |
| 1 | Death management | BHCC share of Sussex wide costs on mass fatalities work. |

Appendix 3 – Revenue Budget Performance

Housing Revenue Account (HRA)

Revenue Budget Summary

| 2022/23 Provisional Outturn £'000 | Service | 2023/24 Budget Month 2 £'000 | Forecast Outturn Month 2 £'000 | Forecast Variance Month 2 £'000 | Forecast Variance Month 2 % | 2023/24 Savings Proposed £'000 | Net Savings Achieved £'000 | Net Savings Unachieved £'000 |
|--|---------------------------------------|---------------------------------------|---|--|--------------------------------------|---|-------------------------------------|---------------------------------------|
| (730) | Capital Financing | 25,579 | 25,579 | 0 | 0.0% | 0 | 0 | 0 |
| 510 | Housing Management & Support | 5,130 | 5,543 | 413 | 8.1% | 0 | 0 | 0 |
| (264) | Housing Strategy & Supply | 1,427 | 1,399 | (28) | -1.9% | 0 | 0 | 0 |
| 168 | Repairs & Maintenance | 16,223 | 16,423 | 200 | 1.2% | 0 | 0 | 0 |
| (577) | Housing Investment & Asset Management | 2,923 | 2,882 | (41) | -1.4% | 0 | 0 | 0 |
| 893 | Tenancy Services | (51,282) | (51,667) | (384) | -0.7% | 0 | 0 | 0 |
| 0 | Total Housing Revenue Account | 0 | 160 | 160 | 0.0% | 0 | 0 | 0 |

Explanation of Key Variances

| Key Variances £'000 | Subjective Area | Variance Description |
|---|-----------------------|---|
| Housing Management & Support | | |
| 11 | Employees | Minor variance. |
| 288 | Premises | Forecast overspend against responsive repairs and empty properties of £0.160m and a pressure from temporary boiler hire costs of £0.124m. Other minor variances across the service, make up the difference. |
| 26 | Supplies and Services | Minor variance. |
| 88 | Income | Overspend relating to rent loss due to a backlog of empty properties. A project group remains in place to help reduce the number void properties and improve key to key re-let times during the year. |
| Housing Strategy & Supply | | |
| (56) | Employees | Forecast underspend from of a small number of vacancies. |
| 42 | Supplies and Services | Minor variances. |
| (14) | Other | Minor variances. |
| Repairs & Maintenance | | |

Appendix 3 – Revenue Budget Performance

| Key Variances | | |
|--|----------------------------|--|
| £'000 | Subjective Area | Variance Description |
| (45) | Employees | A minor underspend against the employee budget is forecast. |
| 934 | Premises | Forecast overspend against the base budget for subcontractor costs. |
| 40 | Supplies and Services | Pressure from disrepair claims of approximately £0.200m, which by their nature are not possible to forecast easily. Costs associated with each instance will be recorded separately within the HRA and the variance against budgets regularly reviewed during the year. There is a forecast underspend against the materials budget across the service, which is in part offsetting the premises pressure outlined above. |
| (729) | 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 £1.5m to ensure one-off funding was available during the year to cope with this pressure.</p> <p>For 2022/23, there was a drawdown of £0.560m from the reserve, with the balance of £0.940m being carried forward to 2023/24 and budget setting assumptions were that the earmarked reserve will be required during the year to continue to fund the backlog works and the additional contractor and material spend in excess of typical business as usual budgets. Current estimates show that there will be a balance of £0.211m carried forward to 2024/25.</p> |
| Housing Investment & Asset Management | | |
| (150) | Employees | There are a number of vacancies across the service. |
| (41) | Premises | Minor underspend. |
| 150 | Supplies & Services | Estimated costs for the stock condition survey due to be undertaken during 2023/24. |
| Tenancy Services | | |
| 3 | Employees | Minor variance. |
| (21) | Premises | Forecast overspend on council tax costs of £0.080m which is linked to the number of empty properties held in the HRA over the course of the financial year. This is offset by an underspend against utility costs of £0.101m. |
| 188 | Supplies and Services | There is a forecast 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 empty properties held in the HRA. |
| 33 | Other | Minor variance. |
| (587) | Income | Forecast overachievement in rental income of £0.419m due to new supply of affordable housing offset by an overspend in voids rent loss. In addition there is an anticipated |

Appendix 3 – Revenue Budget Performance

| Key Variances £'000 | Subjective Area | Variance Description |
|------------------------------------|------------------------|--|
| | | overachievement of income of service charges of £0.110m. Other minor variances across the service, make up the difference. |

Dedicated Schools Grant (DSG)

Revenue Budget Summary

| 2022/23 Provisional Outturn £'000 | Service | 2023/24 Budget Month 2 £'000 | Forecast Outturn Month 2 £'000 | Forecast Variance Month 2 £'000 | Forecast Variance Month 2 % |
|--|--|---------------------------------------|---|--|--------------------------------------|
| 0 | Individual Schools Budget (ISB) | 136,589 | 136,589 | 0 | 0.0% |
| (350) | Early Years Block (excluding 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> | 16,142 | 16,194 | 52 | 0.3% |
| (18) | High Needs Block | 37,808 | 38,833 | 1,025 | 2.7% |
| 0 | Exceptions and Central Services | 3,159 | 3,237 | 78 | 2.5% |
| 0 | Grant Income | (193,330) | (193,330) | 0 | 0.0% |
| (368) | Total Dedicated Schools Grant (DSG) | 368 | 1,523 | 1,155 | 313.9% |

Explanation of Key Variances

| Key Variances £'000 | Service Area | Variance Description |
|--|---|---|
| Early Years Block (including delegated to Schools) | | |
| 52 | Early Years Ethnic Minority Achievement Service | The overspend is linked to the high cost of pay awards in 2022-23 and 2023-24, and expected lower levels of income from Syrian and Afghan asylum seeker grants in 2023-24. |
| High Needs Block (excluding delegated to Schools) | | |
| 627 | Expected DfE Adjustment to High Needs Allocation | There is a potential reduction due to the current high needs block allocation provided by the Department for Education. This is due to there being a significant increase in the number of children resident in Brighton and Hove being educated outside of the city. |
| (172) | Education agency high needs placements independent non maintained schools | This budget has been significantly rebased in 2023-24 to accommodate high demand increase in recent years. At this stage an underspend is being forecast partly linked to additional local specialist provision being available from September 2023 |
| 276 | Post-16 high needs placements | Predicted overspends totalling £0.276m for high needs students in FE colleges and post-19 specialist providers. There has been a significant increase in the number of high needs learners accessing FE colleges in the last year |

Appendix 3 – Revenue Budget Performance

| Key Variances | £'000 Service Area | Variance Description |
|-----------------------------------|--|--|
| 82 | Mainstream school top-up funding | There continues to be a predicted overspend on the mainstream top-up budget despite a further increase to the budget of £0.470m in 2023/24. This is linked to the continuing growth in the number of Education Health and Care plans being issued |
| (85) | Special school top-up funding | There is an increase of 62 places in the LA's special schools from September 2023 and budgets have been rebased accordingly. At this stage the amount of additional funding assigned is generally in line with forecast expenditure, with a small underspend being forecast as it is not anticipated not all schools will be at full capacity in September |
| 175 | Brighton and Hove Inclusion Support Services (BHISS) | Predicted overspend of £0.175m against the BHISS DSG budget areas. This is made up of £0.150m BHISS core services and £0.025m against the Literacy support service. The most significant factor contributing to the predicted overspend is the level of the pay awards for 2022/23 and 2023/24 and insufficient resources in the high needs block to fully fund these pay awards |
| 90 | Children with medical needs | The budget for Children with medical needs has seen a 30% increase in the caseload, from 88 pupils at June 2022 to 114 pupils in June 2023 |
| 32 | Other | Minor variances. |
| Exceptions and Growth Fund | | |
| 30 | Ethnic Minority Achievement Service | The overspend is linked to the high cost of pay awards in 2022-23 and 2023-24, and expected lower levels of income from Syrian and Afghan asylum seeker grants in 2023-24 |
| 45 | Premature retirement costs | Ongoing annual commitment where regulations do not permit LAs to increase budget beyond historic levels. |
| 3 | Other | Minor variances. |

