

People - Revenue Budget Summary

Unit	2011/12 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
Commissioner - Children's Youth & Families	6,348	5,875	-473	-7.5%
Commissioner - Schools, Skills & Learning	4,324	4,324	0	0.0%
Delivery Unit - Children's & Families	46,619	47,299	680	1.5%
Total Children's Services	57,291	57,498	207	0.4%
Commissioner - People	2,010	2,010	0	0.0%
Delivery Unit - Adults Assessment	48,265	48,285	20	0.0%
Delivery Unit - Adults Provider	8,982	8,982	0	0.0%
Total Adult Services	59,257	59,277	20	0.0%
Total Revenue - People	116,548	116,775	227	0.2%

Explanation of Key Variances

Commissioner – Children, Youth & Families

The numbers of children placed in independent foster agency (IFA) placements continues to rise. During 2010/11 there were 164.52 FTE placements representing a 23% increase on the previous year. Currently there are 182.63 FTE placements. If nothing else changed this would imply an overspend of £0.613m. However it is anticipated that the outstanding VFM savings target of £1.160m will be achieved over the remainder of the year and this results in a forecast underspend of £0.547m on the IFA budget.

Children's Services have put in place a Value for Money action plan to address the level of activity and spend in IFA'S. The plan focuses on strengthening preventive services and streamlining social care processes including:

- increasing the use of the Common Assessment Framework to provide universal and tier 2 services to children and families in need
- driving the implementation of the 'Think Family' approach for families with the most complex needs
- introducing a tiered approach to manage social care referrals from other agencies including the remodelling of social work duty systems and the reinstatement of area and specialist resource panels or similar mechanisms
- improving the commissioning and procurement of expert assessments in care proceedings, strengthening arrangements for early permanence planning and increasing the numbers of in house foster placements able to provide tier 1 care.

The 2011/12 children's services VFM savings target is £2.019m. Current activity indicates that £0.859m savings have been achieved to date with £1.160m to be achieved over the remainder of the financial year.

Commissioner – Schools, Skills & Learning

There are no reported budget variances at this time.

Delivery Unit – Children & Families

The overspending services in this delivery unit relates to two main areas: Agency placements for children with disabilities and Area Social Work Teams. Disability placements are projected to overspend by £0.487m. The number of children with disabilities placed has increased over the last 12 months and now there are 15 children in placement compared with a budgeted level of 11 places.

The children's social work teams continue to be under pressure because of their statutory duties around child protection and looked after children's duties. There also continues to be a churn in frontline social workers leaving from the most pressurised teams i.e. the children's social work front doors. As a result of both of these factors the majority of the overspend within this area of £0.202m is due to agency social work staff. The branch has a robust rolling programme of recruitment and retention including a bursary scheme to attract newly qualified social workers from the universities.

Commissioner - People

The forecast for Month 2 is a break-even position.

Delivery Unit – Adults Assessment

The forecast overspend of £0.020m across Assessment Services assumes achievement of the majority of the savings included within the budget strategy. Savings captured to date show that £1.300m of the £3.000m total have been delivered. The forecast assumes that £1.301m of VfM 2 savings will be achieved by the year end.

There is a continuation of the trends seen in recent years, where savings against the Older People Community Care budget (reduced costs and client numbers 15 WTE less than budgeted) are being offset by pressures on the Physical Disabilities budget (40 WTE more than budgeted).

Delivery Unit – Adults Provider

The forecast for Month 2 is a break-even position for Adult Provider services, however it should be noted that this assumes achievement of a savings target of £1.200m of which £0.250m relates to VfM 2 .

There are risks attached to delivery of some of the savings plans, but it is currently too early to fully quantify these. Management action plans are being reviewed to minimise these risks and progress will be reported within future TBM forecasts.

People – Capital Budget Summary

Unit	2011/12 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
Delivery Unit - Children's & Families	42,775	42,775	0	0.0%
Total Children's Services	42,775	42,775	0	0.0%
Delivery Unit - Adults Assessment	874	874	0	0.0%
Total Adult Services	874	874	0	0.0%
Total Capital - People	43,649	43,649	0	0.0%

New Capital Schemes

Included in the budget above for Delivery Unit – Children’s & Families is the following new capital scheme:

Tudor House Extension (£0.077m)

Rockinghorse, a charity for sick and disabled children, wish to make a charitable donation to BHCC for the purpose of an extension to Tudor House residential unit, for a therapy room. All costs of this will be covered by the charitable donation. BHCC’s Asset Management team are project-managing the work. Tudor House is an overnight short breaks facility for children and young people with severe learning disabilities and complex health needs. The work is due to be completed in July 2011.

Adult Social Care Personal Social Services Capital Grant (£0.560m)

This Department of Health capital grant allocation of £0.627m in 2011/12 is to support 3 key areas; Personalisation, Reform and Efficiency. This funding is being supplemented by a revenue contribution of £0.160m. Officers are recommending the allocation of this funding over the following schemes which it is considered will achieve desired outcomes and further the aims of the personalisation programme.

Major / Minor Adaptations	£0.360m
Telecare	£0.120m
Equipment & Adaptations	<u>£0.080m</u>
Total	£0.560m

The risk is that further opportunities may present themselves during the year. For this reason a sum of £0.227m has yet to be allocated and proposals for the remaining funding will be brought back to Cabinet later in the year.

Place - Revenue Budget Summary

Unit	2011/12 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
Commissioner - City Regulation & Infrastructure	3,139	3,244	105	3.3%
Delivery Unit - City Infrastructure	23,664	23,873	209	0.9%
Delivery unit - Planning & Public Protection	5,397	5,432	35	0.6%
Major Projects	320	320	0	0.0%
Total City Regulation & Infrastructure	32,520	32,869	349	1.1%
Commissioner - Housing	15,246	15,385	139	0.9%
Delivery Unit - Housing & Social Inclusion	310	432	122	39.4%
Total Housing	15,556	15,817	261	1.7%
Total Revenue - Place	48,076	48,686	610	1.3%

Explanation of Key Variances**Commissioner - City Regulation & Infrastructure**

Sustainable Transport is forecasting an overspend against budget of £0.105m. Of this, £0.075m relates to a projected shortfall in income from recharging officer time to capital projects in Highway Engineering & Projects. The remaining £0.030m is in respect of the expected contribution to Shopmobility.

Delivery Unit - City Infrastructure

Sustainable Transport is forecasting an overspend against budget of £0.209m relating to the corporate critical Parking Operations budget. This is mainly due to a shortfall in the level of income forecast at the Regency Square Car Park which is expected to be £0.200m below budget. Investment in this Car Park was included in the overall revenue and capital Budgets for 2011/12. The detailed proposal is still being developed. The level of income achieved at this car park during 2010/11 was £0.962m, falling £0.168m short of budget. The actual average income over the last 3 years was £0.985m per annum. The car park has been badly affected by crime and negative television publicity as well as the economic climate. The proposed improvement works and marketing efforts are projected to reverse this trend.

Delivery unit - Planning & Public Protection

The projected overspend relates to Public Protection budgets. Overspends of £0.035m are expected due to increased vet and kennelling costs, and unachievable taxi licensing income.

Major Projects

There are no reported budget variances at this time.

Commissioner – Housing

The projected pressure of £0.139m includes an increase in running costs of £0.073m in respect of enlarged and refurbished office space at Palace Place/Old Steine. An increase in rent with effect from April 2011 has been agreed with Property services (and reflected in their income) and higher utility bills are expected. The balance of the forecast overspend includes small variances on a number of areas.

Delivery Unit – Housing & Social Inclusion

The budget for Travellers is projected to overspend by £0.122m. This overspend is mainly due to costs for security (£0.100m) and for rubbish clearance (£0.022 m). These costs are broadly similar to those incurred last year.

Place – Capital Budget Summary

Unit	2011/12 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
Commissioner - City Regulation & Infrastructure	3,605	3,605	0	0.0%
Delivery Unit - City Infrastructure	7,415	7,415	0	0.0%
Major Projects	892	892	0	0.0%
Total City Regulation & Infrastructure	11,912	11,912	0	0.0%
Commissioner - Housing	5,107	5,107	0	0.0%
Delivery Unit - Housing & Social Inclusion	34,475	34,475	0	0.0%
Total Housing	39,582	39,582	0	0.0%
Total Capital - Place	51,494	51,494	0	0.0%

New Capital Schemes

Included in the budget above for Major Projects is the following new capital scheme:

Support for Major Projects (£0.400m)

The Council has ongoing commitments to major projects that require financial support to enable their progression. The financial support takes the form of legal fees and specialist advisors for finance, design, architectural, transport, engineering and other external specialists. The funding for this has been identified from within the Strategic Investment Fund.

Included in the budget above for Commissioner Housing is the following new capital scheme:

LDV Post Lease Refurbishment (£1.827m)

Housing Management properties will be identified by Brighton & Hove City Council (with agreement from Seaside community Homes) to pass over to Seaside Community Homes, who in turn will sub-contract Brighton & Hove City Council to purchase the qualifying works from Mears and other contractors (to comply with 'VAT shelter' requirements). The costs incurred by Brighton & Hove City Council will be placed against this scheme and then invoices will be raised on a monthly base to Seaside Community Homes to reclaim these costs. If the average cost is over £0.021m per property, a revenue contribution will be required from the General Fund to cover the costs, there is no provision for this and costs will be monitored to reduce the risk.

Within the £1.827m there is £0.035m that relates to the cost of any on-going capital works after the properties have been refurbished. The cost incurred by the council will be reclaimed through a management agreement fee that will be paid by Seaside Community Homes on a monthly basis. If the costs are higher than the management fee then a revenue contribution will be required from the General Fund to cover the costs.

Communities - Revenue Budget Summary

Unit	2011/12 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
Commissioner - Communities & Equalities	3,412	3,412	0	0.0%
Community Safety	1,645	1,645	0	0.0%
Commissioner - Sports & Leisure	1,391	1,391	0	0.0%
Commissioner - Culture	1,782	1,782	0	0.0%
Delivery Unit - Tourism & Leisure	3,499	3,651	152	4.3%
Total Revenue - Communities	11,729	11,881	152	1.3%

Explanation of Key Variances**Commissioner – Communities & Equalities**

The forecast for Month 2 is a break-even position.

Community Safety

The forecast for Month 2 is a break-even position.

Commissioner – Sports & Leisure

The forecast for Month 2 is a break-even position.

Commissioner – Culture

The forecast for Month 2 is a break-even position.

Delivery Unit – Tourism & Leisure

The forecast overspend of £0.152m relates to two areas where there are risks on income achievement. On Seafront and Sports facilities the projected overspend is £0.025m relating to a predicted shortfall on income from seafront leases. On Venues the projected overspend is £0.127m of which £0.057m is an ongoing income risk against the Hove Centre, as last year, and £0.070m against the Brighton Centre based on confirmed business. In all areas actual and forecast income is closely reviewed and action is being taken to maximise any business opportunities.

Communities - Capital Budget Summary

Unit	2011/12 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
Commissioner - Sports & Leisure	553	553	0	0.0%
Delivery Unit - Tourism & Leisure	5,008	5,008	0	0.0%
Total Capital - Communities	5,561	5,561	0	0.0%

There are no variances to report at this stage.

Resources & Finance - Revenue Budget Summary

Unit	2011/12	Forecast	Forecast	Forecast
	Budget	Outturn	Variance	Variance
	Month 2	Month 2	Month 2	Month 2
	£'000	£'000	£'000	%
Delivery Unit - City Services	8,898	8,898	0	0.0%
Resources	17,729	18,606	877	4.9%
Finance	2,560	2,560	0	0.0%
Strategic Leadership Board	1,270	1,270	0	0.0%
Total Revenue – Resources & Finance	30,457	31,334	877	2.9%

Explanation of Key Variances

Delivery Unit – City Services

The forecast for Month 2 is a break-even position. However, there are risks and challenges of moving to the new Customer Service Centre and implementation of some value for money initiatives, with the associated savings assumptions included within the budget.

Resources

The net overspend across Resources is £0.877m, of which the main variances are on the following areas: -

Human Resources (£0.447m overspend)

Human Resources have previously managed year-on-year savings but this has been subsidised by savings made elsewhere and the use of one-off funding sources. In the current financial year there is a projected shortfall of £0.447m made up from £0.175m from unachievable income from recruitment advertising and use of the new HR system by external organisations, a gap of £0.120m between the current cost of central union duties and the available funding, and additional costs associated with the running of the new HR payroll system. Vacancies are being held to try and manage the projected overspend. A detailed action plan is under development to address the shortfall and rebase the budget and staffing to match resources to budget.

Communications (£0.311m overspend)

There is a risk of not achieving the full year effect of the £0.250m savings target applied to the Communications budget, in respect of the advertising and sponsorship tender. This is a result of delays in the procurement process for complex legal reasons. The process for all except one lot is now underway and it is anticipated that some additional income will be generated before the end of the financial year and an estimate of £0.100m has been included in the forecast.

The remaining variance of £0.161m is from a mixture of staffing pressures and anticipated shortfall against the advertising income budget for City News.

The Communications Value for Money review continues to reduce spend across the organisation, however spend was originally running above the budget available hence creating a challenge in generating net budget reductions. Plans are in place to consolidate

budgets for 2011/12 which is expected to generate savings through procurement and the management of demand. Council-wide expenditure on communications reduced by approximately £0.650m in 2010/11 compared to the previous financial year, offsetting pressures in the central Communications budget.

Property & Design (£0.124m overspend)

There is a pressure of £0.083m identified against Estates Management, due mainly to rental income shortfalls as a result of the challenging economic conditions. Property and Design will continue to secure the most advantageous rent settlements both for short term and long term gain. The remainder of the overspend (£0.041m) is in the Building Services & Facilities team and includes small variances on a number of areas.

Finance

The forecast for Month 2 is a break-even position.

Strategic Leadership Board

The forecast for Month 2 is a break-even position.

Resources & Finance - Capital Budget Summary

Unit	2011/12	Forecast	Forecast	Forecast
	Budget	Outturn	Variance	Variance
	Month 2	Month 2	Month 2	Month 2
	£'000	£'000	£'000	%
Delivery Unit - City Services	109	109	0	0.0%
Resources	8,079	8,079	0	0.0%
Finance	195	195	0	0.0%
Total Capital – Resources & Finance	8,383	8,383	0	0.0%

New Capital Schemes

ICT Fund (£0.500m)

At Budget Council on 3rd March £0.500m was confirmed as the allocated ICT Fund for 2011/12. In addition, Cabinet has already approved the carry forward of the remaining £0.300m from 2010/11 giving a total budget for 2011/12 of £800,000. Appendix 3 provides a detailed breakdown of the proposed allocation of this in 2011/12.

Corporate Budgets - Revenue Budget Summary

Unit	2011/12 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
Bulk Insurance Premia	3,009	3,109	100	3.3%
Concessionary Fares	9,702	9,302	(400)	-4.1%
Capital Financing Costs	10,427	10,427	0	0.0%
Levies & Precepts	166	166	0	0.0%
VfM 3 Savings	(2,625)	(2,025)	600	22.9%
Risk Provisions	3,200	1,950	(1,250)	-39.1%
Other Corporate Items	(3,694)	(3,669)	25	0.7%
Total Revenue - Corporate Budgets	20,185	19,260	(925)	-4.6%

Explanation of Key Variances

Bulk Insurance Premia

There is a forecast overspend of £0.100m. Whilst the volume of claims has not increased, costs have. The most significant increase is in claimant solicitors' costs and their success fees.

Concessionary Fares

There is a £0.400m underspend on concessionary bus fares as a result of fixed deal agreements with Brighton & Hove Bus & Coach Company and Stagecoach South, agreed by Cabinet on 9th June, being lower than the budget provision.

Capital Financing Costs

The forecast for Month 2 is a break-even position.

Levies & Precepts

The forecast for Month 2 is a break-even position.

VfM 3 Savings

Phase 3 started this financial year and although all workstreams have started, there are not yet detailed action plans in place for all projects. Overall, the achievement £0.600m of VfM 3 savings is currently uncertain. Appendix 4 provides a more detailed breakdown.

- The 'Process Efficiencies' expected to generated through the application of Systems Thinking reviews are likely to have variable lead-in times and are therefore uncertain at present. The detailed methodology and priority areas for Systems Thinking reviews are currently being determined.
- Management and Admin savings, however, are expected to be on track, supported by a Voluntary Severance Scheme which is currently in progress.

- 'Consolidation of Spend' concerns the bringing together of Council-wide expenditure and/or activity in relation to communications, training, ICT and property to explore opportunities for procurement, management or other efficiencies from consolidating these areas. Currently this work is in the research and analysis phase but there is reasonable confidence about the potential savings opportunities.
- Carbon Reduction initiatives will be designed to reduce both energy use and costs. A scheme to pursue the installation of Solar PV panels was agreed at Cabinet in June 2011, however, savings will not be realised until 2012/13. The procurement of Automatic Meter Reader (AMR) devices is also in train and there is potential for 6 months of benefit from this initiative in 2011/12. Other initiatives are currently being worked through and further opportunities will be identified for the future. Therefore, while there is high confidence of future savings from these initiatives, the longer lead-in times for these initiatives means that the achievement of savings in 2011/12 is relatively uncertain overall. Additional project management, technical and analytical resource has been prioritised to support this work due to the multiple projects, long lead in times and high levels of complexity involved.

Risk Provisions

There are one-off risk provisions of £0.800m and it is forecast that these will be fully spent. It is anticipated that £0.192m of this will be needed for the complex Prince Regent and Withdean Sports Complex schemes subject to further planning confidence and with the expectation of payback once the schemes are successfully implemented. The remainder will be required for one-off costs associated with Criminal Records Bureau (CRB) compliance following OFSTED inspection, costs associated with compliance with Microsoft licence requirements following an audit process, and additional costs associated with the Carbon Reduction Commitment (CRC) scheme implementation.

There is a permanent risk provision of £0.750m relating to grants ending and this will not be required in the current financial year. It is therefore being released to support the overall position.

There is £1.250m of permanent risk provision, of which £0.500m is being released to support the overall position. The remaining £0.750m is being held back as these are currently very early forecasts.

In addition there is £0.400m of one-off risk provisions for children's and adults services which are currently being retained as it is currently very early in the financial year for those service areas.

Other Corporate Items

The forecast for Month 2 is a break-even position.

NHS Trust Managed S75 Budgets - Revenue Budget Summary

Unit	2011/12 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
NHS Trust managed S75 Services	14,194	14,376	182	1.3%
Total S75	14,194	14,376	182	1.3%

Explanation of Key Variances**NHS Trust Managed S75 Services**

There is a pressure of £0.363m on the Adult Mental Health Community Care budget, where Whole Time Equivalent (WTE) client numbers are approximately 20 more than budgeted. A financial recovery plan has been developed to focus on reducing the pressure, particularly against long-term placement spend. There is a 50/50 risk-share agreement with Sussex Partnership Foundation Trust, which is reflected in the variance reported.

Housing Revenue Account - Revenue Budget Summary

	2011/12 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
Housing Revenue Account				
Employees	9,057	8,830	(227)	-2.5%
Premises – Repair	10,905	10,685	(220)	-2.0%
Premises – Other	3,286	3,286	-	0.0%
Transport & Supplies	2,128	2,048	(80)	-3.8%
Support Services	2,144	2,156	12	0.6%
Third Party Payments	54	54	-	0.0%
Revenue contribution to capital	3,778	3,778	-	0.0%
Capital Financing Costs	4,955	4,955	-	0.0%
Subsidy Payable	14,532	14,532	-	0.0%
Net Expenditure	50,839	50,324	(515)	-1.0%
Dwelling Rents (net)	(44,213)	(44,213)	-	0.0%
Other rent	(1,290)	(1,240)	50	3.9%
Service Charges	(3,454)	(3,454)	-	0.0%
Supporting People	(465)	(465)	-	0.0%
Other recharges & interest	(1,417)	(1,488)	(71)	-5.0%
Net Income	(50,839)	(50,860)	(21)	0.0%
Total Revenue - HRA	-	(536)	(536)	

Explanation of Key Variances

The forecast outturn for 2011/12 is an underspend of £0.536m.

Further analysis of the forecast outturn variances are as follows:

- The Employees forecast underspend of £0.227m relates to the budget for TUPE costs for Property & Investment staff not being required as the final costs were less than originally forecast and fully paid in last financial year.
- The Premises Repairs forecast outturn is an underspend of £0.220m. This includes:
 - A projected saving on the gas servicing and maintenance contract of £0.161m from the rebasing of the open book contract value following the achievement of savings during the last financial year.
 - A reduction in the overhead costs for the Repairs Partnership contract of £0.059m resulting from efficiencies in the contract.
- Transport & Supplies is forecast to underspend by £0.080m due to a reduction in the requirement for the provision for bad debt resulting from the improvement in the collection of rent which has led to a reduction in the rent arrears total.

- The underachievement of Income in the Other Rent budget area relates to reduction in rental income of £0.050m for the HRA Commercial properties, this is mainly due to a downturn in the economic climate over the last couple of years affecting the letting of some commercial properties.
- There is a forecast increase in the income of £0.071m shown under Other Recharges & Interest relating to rechargeable works income where tenants are invoiced under the rechargeable works policy. The income in this area has been consistently higher over the past 2 financial years since there were improvements to the management of this policy and therefore the budget for future years will need to be reviewed to reflect this.

