

People - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(585)	Commissioner - Children's Youth & Families	17,335	16,311	(1,024)	-5.9%
(58)	Commissioner – Learning & Partnership	10,117	9,864	(253)	-2.5%
416	Delivery Unit - Children's & Families	39,302	39,188	(114)	-0.3%
(227)	Total Children's Services	66,754	65,363	(1,391)	-2.1%
(227)	Commissioner - People	1,840	1,602	(238)	-12.9%
(393)	Delivery Unit - Adults Assessment	49,166	48,297	(869)	-1.8%
128	Delivery Unit - Adults Provider	14,458	14,476	18	0.1%
(492)	Total Adult Services	65,464	64,375	(1,089)	-1.7%
(719)	Total Revenue - People	132,218	129,738	(2,480)	-1.9%

Explanation of Key Variances

(Note: FTE/WTE = Full/Whole Time Equivalent)

Commissioner – Children, Youth & Families

Community Health Services - Information received from the Sussex Community NHS Trust indicates a potential overspend of £397k in 2011/12 on Community Health budgets within the Section 75 arrangements. Information received indicates that the overspend relates to outstanding cost improvement savings but this position is currently being questioned by the Lead Commissioner Children, Youth and Families and the Head of the Children's Services Delivery Unit. The matter has therefore been referred to the S75 Joint Commissioning and Management Groups in line with the council's agreement with the Clinical Commissioning Group and Sussex Community NHS Trust. No pressure in respect of this has been reflected in the figures reported above.

There is an underspend of £0.888m in respect of residential agency placements resulting from lower than budgeted numbers of children placed and average unit costs. There is also a projected underspend of £0.397m on secure placements. However, this is a volatile service area with very high unit costs and one or two placements can have a significant impact on the budget position.

The numbers of children placed in independent foster agency (IFA) placements continues to rise, but actions are in place to bring costs in this area down (see below). During 2010/11 there were 164.52 FTE placements representing a 23% increase on the previous year. Currently there are 189.34 projected FTE placements. Despite a significant reduction in the number of Parent & baby placements during October the overspend is still projected to be £0.790m.

Following the review of early intervention services an underspend in 2011/12 of £0.377m has been identified.

As part of the continuing reorganisation of children's social care services, a number of new safeguarding posts have been created in 2011/12 and these were not fully recruited until recently resulting in an in-year underspend of £0.090m.

The Children's Services Value for Money project is effectively addressing the level of activity and spend in IFA's. The plan focuses on strengthening preventive services and streamlining social care processes including:

- implementing a tiered approach to the procurement of placements for looked after children, reducing the proportion of high cost placements;
- 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;
- Strengthening early intervention and preventive services and commissioning a transformation change programme to support the re-structuring of social work services in the Children's Delivery Unit.

The 2011/12 children's services VFM savings target is £2.019m. Current activity indicates that all of these savings have been achieved.

Commissioner – Learning & Partnership

There are underspends of £0.204m in home to school transport, £0.081m in the school improvement Service and £0.055m for Education Welfare. The underspend on home to school transport reflects the continued reduction in the numbers of children being transported as well as the more favourable terms of the recently renegotiated contracts. This is offset by the overspend of £0.095m relating to the planned closure of the Learning Development Centre (LDC) at the end of January and the associated loss of booking income. This is related to planned changes across the service and links to the corporate accommodation strategy and will involve moving more office based staff into the LDC to generate service efficiencies and rationalise property use.

Delivery Unit – Children & Families

The corporate critical budget for agency disability placements is projected to overspend by £0.301m. The number of children with disabilities placed has increased over the last 12 months and now there are 14 children in placement compared with a budgeted level of 11 places.

Allowances and direct services for adopted children are currently projected to be overspent by £0.131m by the end of the year. This is predominantly caused by inter-agency adoption costs, where the council belongs to a group of local authorities to obtain the best matches for adoptive parents. The net costs of these adoptions are then recharged between the group members and this year it is anticipated that BHCC will have a significant net liability, However, the success of these adoptions avoids potentially much higher costs for independent foster agencies placements and therefore, although there are pressures on this budget, this represents good value for money compared with alternative arrangements.

This is a very volatile service area and may be subject to significant changes during the year.

At the present time there is a projected overspend of £0.282m agency spend on social workers, but this is subject to considerable variance. A successful advertising campaign in the spring/early summer saw the recruitment of a dozen new staff but there is continuing churn of social workers. A particular challenge remains to the service from other local authorities, including London boroughs, offering a significant 'golden hello', drawing-in staff from across the south east. Frontline teams are significantly staffed by younger people who often have greater mobility.

There is also a small overspend of £0.039m predicted on the corporate critical budget for services to care leavers.

The overspends mentioned above are off-set by the underspend of £0.434m in the corporate critical budget for in-house placements. The budget allows for 416 FTE placements of differing types and the current numbers are 20.24 FTE below this level. This is mainly due to fewer residence orders and family & friends placements than budgeted. The average unit costs are slightly higher than budgeted mainly as a result of the mix of different placements with fewer children in the lower cost placement types (e.g. residence orders & family & friends placements). There are also underspends of £0.148m for Sure Start services, £0.115m relating to the in-year review of Early Intervention services, £0.096m on services for unaccompanied asylum seeking children and £0.132m on the Youth Employability Service (YES). The 2011/12 budget for YES includes the one-off amount of £0.200m transition funding and £0.093m relating to the part year effect of the 2011/12 savings proposals. The underspend has arisen as a result of robust financial management contributing towards balancing the overall Children's Services budget. In addition, the actual transitional costs have turned out to be less than initially estimated while designing the new service. As the transitional funding was one-off, it is not available to fund developments which would extend beyond 31st March 2012.

Commissioner - People

There is a forecast underspend of £0.238m (a small improvement from Month 7), largely as a result of staff savings identified and one-off income streams.

Delivery Unit – Adults Assessment

Assessment Services are reporting an underspend of £0.869m (an improvement of £0.476m from Month 7), due largely to savings against the Community Care budget.

The Community Care forecast underspend is £0.713m, of which £0.520m is against Older People (80 WTE clients less than budgeted). There are also underspends of £0.442m against Learning Disabilities, where net growth has been less than expected, and £0.047m against No Recourse to Public Funds. These have been offset by a pressure on Physical Disabilities of £0.296m (6 WTE clients more than budgeted). There have been several large packages of care that have been successfully awarded Continuing Health Care funding. The costs of these packages were previously included within the forecasts (approximately £0.300m notified over the last two months), with approximately £0.100m backdated to the previous financial year. There is a risk that Continuing Health Care funding may not be sustained at the same level into 2012/13.

Across mainstream services there is an underspend of £0.156m, largely from staff savings identified - this includes the delivery of the £0.150m workforce savings identified in the budget strategy.

Delivery Unit – Adults Provider

- Provider Services are reporting a small overspend variance of £0.018m, an improvement of £0.110m from Month 7, reflecting a reduction in the expected initiative spend against supported employment.

People – Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Delivery Unit - Children's & Families	320	320	0	0.0%
0	Commissioner - Schools, Skills & Learning	26,785	26,785	0	0.0%
0	Total Children's Services	27,105	27,105	0	0.0%
0	Delivery Unit - Adults Provider	187	187	0	0.0%
0	Delivery Unit - Adults Assessment	491	491	0	0.0%
0	Commissioner - People	5	5	0	0.0%
0	Total Adult Services	683	683	0	0.0%
0	Total Capital - People	27,788	27,788	0	0.0%

Critical Budget - New Primary School Places (Re-profile £1.000m)

Funding has been allocated for additional junior places in Hove following the provision of additional infant places at Connaught Road. A number of sites in the area are under consideration. However, no substantive work has been started due to factors outside of the council's control.

Proposals for the re-organisation of primary places in Portslade are currently being discussed with interested parties. No substantive design or building work has progressed. This will now start in 2012/13.

We are currently forecasting a spend of £10.012m in 2011/12 for Primary Capital. As a result, we are seeking to reprofile (£1.000m) to 2012/13 to assist in meeting our commitments next year.

New Capital Schemes

Delivery Unit – Children's & Families

Youth Service Vehicle (£0.040m)

A replacement Peugeot Boxster Van has been purchased to be used as a mobile youth information bus for targeted work with young people across the city. The use of the mobile unit increases capacity and flexibility of the youth service and partners and enables us to provide services to young people who are hard to reach and most vulnerable across the city. The replacement vehicle will avoid increasing maintenance costs and issues.

Variations

Commissioner – Learning & Partnership

Whitehawk Co-location (£0.528m)

The various major components of the Whitehawk Co-Location project were completed successfully in 2011/12. Final costs for building and demolition work are being agreed. Following occupation, some modest additional work, plus furniture and equipment are being considered and agreed with the relevant parties.

A spend of £1.835m is forecast for 2011/12. It is recommended to re-profile £0.528 to meet the final costs of this scheme. At this stage an overall saving in the order of £0.450m is anticipated. Any savings identified after all final costs have been agreed will be re-allocated to the provision of Junior School places in Hove.

Capital Maintenance (£0.950m)

Some of the funding for capital maintenance has been allocated to undertake work at Benfield Primary School to complete its re-organisation from a Junior School to a Primary School. Work started in November 2011 and is now scheduled to complete in June 2012.

In addition, funding was allocated for additional junior places in Hove following the provision of additional infant places at Connaught Road. A number of sites in the area are under consideration with stakeholders and interested parties. However, no substantive advanced design work has started.

Funding allocated to the proposals to re-organise primary places in Portslade are currently being discussed. No substantive design or building work has progressed. This will now start in 2012/13.

Forecast expenditure is currently £2.625m in 2011/12 for Capital Maintenance. As a result, it is recommended to re-profile (£0.950m) to 2012/13 to assist in meeting our continuing commitments next year.

Commissioner – People

Cromwell Road Basement Development (£0.145m)

The delay in this project is due to the specialist nature of the development as it is for people with learning disabilities and complex challenging behaviours and as a consequence of this the specification has required specialist input from external agencies and consultation with the potential service users and families. The building is being developed according to the specific needs of the individuals and we must therefore work closely with them, their families and other professionals to ensure that the development is suitable. The consultation process with the families of potential service users has taken longer than expected which has contributed to the delay. The latest estimate for the development work to be completed at Cromwell Road is July 2012 so will need re-profiling. As the construction will not commence until May, the majority of the total cost of £0.150m will need to be carried forward. It is therefore requested that £0.145m be carried forward to 2012/13, with the remaining £0.005m this financial year for professional fees incurred to date.

Delivery – Adults Assessment

IT Infrastructure and Adult Social Care Reform Grants Reprofile (£0.078m)

The two budgets are funding a programme supporting systems changes in adult social care which are linked to both the personalisation programme and the drive for more efficient delivery.

The two major projects underway in 2011/12 are the introduction of Electronic Care Monitoring across all service providers and the implementation of a rostering system for in house service provision. There have been delays in full implementation of the project plans as there have been technical interface issues to resolve between two external systems providers and also some implementation issues with a few of our service providers. The delays have also required a review of the budget required for these projects. The matters have been resolved such that we are confident of full implementation being achieved by March 2012.

The delay has had no impact on service users but does mean that we are continuing to operate with less efficient systems and the benefits of the new systems have yet to be fully realised.

Short Breaks for disabled children (£0.243m)

The 2011/12 grant available is £0.379m; this will be used to purchase equipment and transport to facilitate various short break activities (£0.114m) and a mini-bus for Tudor House (£0.022m).

This would leave £0.243m to be re-profiled into next year and to be used, in conjunction with the CityParks project, to provide improved inclusive play equipment and facilities in a number of venues (£0.130m). Also a contribution towards a project for additional short break facilities for young people with moderate learning disabilities and challenging behaviour, in conjunction with one of our special schools. These plans for next year are still to be confirmed once further discussions have taken place with the relevant agencies.

Changes under £0.050m

An additional contribution of £0.015m has been received towards the 55 Drove Road scheme.

Place - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
119	Commissioner - City Regulation & Infrastructure	3,469	3,541	72	2.1%
46	Delivery Unit - City Infrastructure	25,000	24,809	(191)	-0.8%
(49)	Delivery unit - Planning & Public Protection	5,216	5,193	(23)	-0.4%
(21)	Major Projects	306	285	(21)	-6.9%
95	Total City Regulation & Infrastructure	33,991	33,828	(163)	-0.5%
(30)	Commissioner - Housing	16,796	16,863	67	0.4%
170	Delivery Unit - Housing & Social Inclusion	299	530	231	77.3%
140	Total Housing	17,095	17,393	298	1.7%
235	Total Revenue - Place	51,086	51,221	135	0.3%

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

Sustainable Transport is forecasting an overspend against budget of £0.072m. The main variance of £0.075m relates to a projected shortfall in income from recharging officer time to capital projects in Highway Engineering & Projects.

Delivery Unit - City Infrastructure

Parking Operations is now forecasting an underspend against budget of £0.147m, an improvement of £0.143m since month 7.

There is a shortfall in the level of on-street pay and display income but this is mainly mitigated by increases in permit income. Overall this has led to a shortfall against budget of £0.040m. Income from the off-street car parks reflects the poor condition of Regency Square Car Park which will be addressed by the agreed refurbishment works. The shortfall against budget overall for the off street car parks is £0.178m. The forecast for the HRA High Street Car Park is for an overspend of £0.028m as the car park has had to close for refurbishment works.

Income from penalty notices is expected to exceed budget by £0.265m, due to concentrating enforcement in the areas most affected by poor parking and through enforcement of bus lanes. Efficiencies in the removals service and enforcement contract variations will lead to expenditure savings of £0.168m. A sum of £0.250m will therefore be used to contribute to the Regency Square car park refurbishment capital scheme, reducing the reliance on borrowing to fund this project.

Salary underspends total £0.080m due to vacancy management. There is an additional underspend of £0.130m owing to improvements to the system of medical assessments for blue badges.

Highways is now forecasting an underspend against budget of £0.044m. This is due to additional income from tables and chairs, A-Boards and hoardings.

CityClean is predicting a breakeven position against budget. An underspend of £0.410m on employee/agency costs will be used to invest in refuse and recycling fleet (part of the Vehicle Replacement Capital Programme), which will reduce future years' borrowings costs, with an overall financial benefit to the council.

Delivery unit - Planning & Public Protection

Development Planning is forecasting an underspend against budget of £0.069m, of which £0.045m is due to vacancy management savings, and £0.024m is due to additional Development Control income.

In Public Protection there is a pressure due to increased vet and kennelling costs of £0.010m and an overspend of £0.036m in staff costs relating to Environmental Protection work.

Major Projects

There is a projected underspend of £0.021m relating to staffing costs.

Commissioner – Housing

The projected overspend of £0.067m is an increase of £0.097m from month 7 and is mainly a result of additional spending on staffing in homelessness. This was in order to clear the backlog of work that had accumulated due to the increase in homelessness applications, which we were anticipated as result of the economic downturn. There is also additional spending on leasing properties as a result of needing to increase the stock above original projections to meet increased demands, coupled with having to pay more for leases as the rented housing market is very robust with rising prices. There are other offsetting variances within the forecast including the previously reported pressure at Palace Place/Old Steine for which management plans are now in place to resolve in 2012/13.

Delivery Unit – Housing & Social Inclusion

The budget for Travellers is now projected to overspend by £0.231m compared to an overspend of £0.170m reported at month 7. This is mainly due to additional costs for security (£0.120m), rubbish clearance (£0.080m) and legal fees (£0.050m). These costs are offset by minor underspends elsewhere in the service.

Place – Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Commissioner - City Regulation & Infrastructure	5,224	5,202	(22)	-0.4%
(129)	Delivery Unit - City Infrastructure	3,999	3,674	(325)	-8.1%
0	Major Projects	533	533	0	0.0%
(129)	Total City Regulation & Infrastructure	9,756	9,409	(347)	-3.6%
0	Commissioner - Housing	5,521	5,521	0	0.0%
(787)	Delivery Unit - Housing & Social Inclusion (HRA Capital)	30,991	30,204	(787)	-2.5%
(787)	Total Housing	36,512	35,725	(787)	-2.2%
(916)	Total Capital - Place	46,268	45,134	(1,134)	-2.5%

Critical Budget – Vehicle Replacement (Re-profile £0.123m from 2012/13 to 2011/12)

A sum of £0.123m needs to be re-profiled from 2012/13 to 2011/12 to fund the level of anticipated expenditure in the current year. It is planned to use £0.410m of revenue funding instead of unsupported borrowing to fund this scheme. This will allow unsupported borrowing funding to be moved to future years to fund investment in the fleet. This will reduce revenue costs in future years and reduce the council's overall borrowing requirement.

New Capital Schemes**Delivery Unit – Housing & Social Inclusion (HRA)****Redevelopment of HRA vacant garage site of £0.675m**

As part of ongoing partnership work the Home & Community Agency (HCA) approached the Council in November 2011 with the possibility that funding may be available to prepare identified Brownfield Sites for development. This funding would be for money spent in the financial year 2011/12 and would not be tied to delivery but the HCA would expect to see the council work up delivery solutions during this period.

Initial potential sites have been identified by the Housing Development Team in consultation with the Asset Management and Garage Team. The criteria were that they must be empty and deliverable. Feasibility, design and preparation work will be taken forward in consultation with key stakeholders.

The funding of this feasibility, design and site preparation for the vacant garage sites will be reimbursed through grant from the Homes and Community Agency (HCA) provided the work is completed and invoiced by the 31 March 2012.

In order to maximise the grant funding for this project preparation needs to commence as soon as practicable and be completed within the HCA deadline.

If any costs relating to this project do slip into the financial year 2012/13 these will be met through HRA capital reserves.

Variations

Commissioning Unit – City Regulation Infrastructure

Local Transport Plan (Increase of £0.480m)

For 2011/12, further funding of £0.480m has recently been provided by the Department of Transport for the Local Transport Plan. Allocation of this additional funding will be made in line with the priorities and projects identified in the 2011/12 LTP capital programme (approved in April 2011), and the objectives set out in the council's new LTP which include reducing carbon emissions and increasing equality of opportunity.

As the funding has been made available late in the financial year, it will predominantly be spent on priority projects that can be started quickly, or equipment that will be required for ongoing programmes of work. Therefore, this will focus on the resources required to implement maintenance schemes for roads, pavements and street lights, as well as traffic signals and traffic management cameras and signs. Locations could include:

- A23, A270, A259 (road maintenance)
- The seafront and The Drive (street lighting)
- Church Road/Hove Street and Dyke Road/Upper Drive (tactile cone facilities at pedestrian crossings)
- Church Road/George Street (traffic signal equipment)
- The Seafront and Old Steine (CCTV cameras)
- A259 (variable message car park sign)

The current forecast assumes that all this funding will be spent.

Delivery Unit – City Infrastructure

Hollingdean Depot Capital Costs £0.152m

Demolition delays have resulted in additional health and safety measures being implemented to the building itself and increased health and safety monitoring. This and the lack of diesel pump drainage identified by Environment Agency as a possible source of contamination has resulted in additional time being spent on design works. All these issues are contained in the Opportunity and Risk Register which is regularly reviewed and updated by CityClean, Property & Design and Health and Safety.

Street Lighting (lanterns) re-profile (£0.300m) and underspend (£0.100m)

The first stage of the project is in progress which entails testing and design work for the relevant streets. The investment will now be to the sum of £300,000 to enable the changing of 650 lanterns across the city; equipment will be ordered from April 1st and installed in stages over the financial year. The sum also includes a number of full column changes to facilitate the project. Based on the current cost of energy at 9p per kilowatt hour the payback period for the investment is 11 years. However it is highly likely that with predicted increases to energy costs that this will reduce significantly.

Tarner Park S106 £0.071m

Tarner Park had improvements to play facilities funded through S106 agreement from the Ebenezer Chapel development. This work was incorporated into the Playbuilder project to ensure value for money as part of a larger procurement. The total budget increase required in 2011/12 is £0.064m with a further small balance of £0.007m which will be used 2012/13 to further enhance the site.

Variations under £0.050m

Parks S106 Re-profiles

Re-profiles into 2012/13 are requested for various S106 funded park improvements: Vale Park Portslade Improvement (£0.023m), Saunders Park Playground (£0.025m), Queens Park Playground (£0.032m), St Anne's Wells Gardens (£0.017m), Knoll Recreation Ground (£0.039m), Queens Park (£0.020m), Stoneham Park (£0.028m) and Aldrington / Wish / Saltdean / Tarner (£0.030m).

Gritter Vehicles

Following a rigorous procurement process a re-profile of (£0.024m) into 2012/13 is requested. This will leave an underspend of £0.096m on this scheme – see underspends section.

Major Projects

New England House (£0.081m)

The re-profile of £0.081m is mainly due to significantly lower building condition survey costs than originally envisaged. This price was driven down by running a competitive tendering process and by using in-house resources as far as possible to ensure we are not paying consultants to duplicate work already done within the council. An appropriate level of funding is also being held to undertake a large scale procurement exercise for the building, but this has not happened in 2011/12 as the city council is undertaking further work on examining options. It is possible that c.£20,000 will be used for 'the CURE', a pilot project within the building to market test and develop the digital/creative hub model which will bring with it European funding, but due to the project not being considered for approval until May 2012 the money cannot be spent in the current financial year.

Preston Barracks (£0.060m)

The council has continued to work in partnership with the University of Brighton towards comprehensive redevelopment of city council and university land on either side of the

Lewes Road. Good progress has been made through 2011/12, most notably the joint development of a Planning Brief in the early part of 2011, the final version of which was approved at the Planning, Economy, Employment and Regeneration (PEER) CMM meeting on 15 September 2011. The partners have since agreed that a detailed master plan is required to inform scheme progression and future decision making on land use, phasing, procurement and delivery arrangements. The master plan was tendered in November 2011 and the partners are now evaluating submissions with a view to appointing the successful team by the end of January 2012. This represents a slight delay on the anticipated timetable, as a consequence of which, spending on specialist advice and support (e.g. financial viability and legal) will now be needed in 2012/13 as the master plan develops and as options testing is undertaken.

Shoreham Harbour Regeneration (£0.060m)

In 2010/11 the city council agreed to make a financial contribution towards the newly created Joint Area Action Plan team for planning and project co-ordination of the Shoreham Harbour Regeneration project. In the expectation of this team having a continuing role, the same financial provision was made in 2011/12. However, subsequent partner decisions on the future direction of the project mean this is no longer required and the city council's involvement in the project has been met from existing officer resources.

Brighton Centre Redevelopment (reserve) (£0.199m)

The Brighton Centre project with Standard Life remains live and the current level of funds have been retained for this purpose. Twin track options of full scale refurbishment of the building or a wider redevelopment of the central area (based upon the current partnership scheme with Standard Life) are both under consideration. This approach has been agreed with the Council leadership and SLB. The Major Projects Team are leading on both pieces of work with Strategic Finance, Property Teams (Building Maintenance and Facilities) and the Brighton Centre Technical Team to move towards a full and robust appraisal of the costs, risks and opportunities presented by each option. It is proposed that a full Business Case be presented to Government once arrangements are announced for Tax Incremental Financing and indications suggest the additional business rates produced, in tandem with a turn around in operational profit delivered by a new convention centre, would produce borrowing potential sufficient to make significant inroads to the likely funding gap. A meeting with Standard Life and the Council leadership before Christmas indicated a willingness on both sides to pursue this option to resolution in the next 4-6 months.

The current level of funding has therefore been retained in anticipation of the above and in readiness for work beginning with Standard Life. The funds would ensure the Council has the necessary resource and expertise to protect its position as work proceeds. If the Council decides at a future point to call a halt to any further work with Standard Life (if the final funding position appears unviable and no new options remain on the table) these funds will no longer be required. A proportion would still be needed to take forward a refurbishment proposal which would almost certainly involve closure of the centre and significant work to areas of the building critical to its operation (lifts, roof, service yards, and access).

Variations under £0.050m

Re-profiles into 2012/13 are requested for the following schemes: Circus Street Development (£0.040)m, Falmer Released Land (£0.032)m, i360 project (£0.037)m, Open Market (£0.030)m King Alfred Development (£0.041m), and The Keep (£0.028)m.

Commissioner – Housing

Increases to schemes under £0.050m

Increases to budget are requested for Disabled facilities Grant of £0.013m funded by increase in grant and Local Delivery Vehicle on going costs of £0.020m funded by Brighton & Hove Seaside Community Homes Ltd.

Delivery Unit – Housing & Social Inclusion (HRA)

Window Replacement (£0.360m)

There is currently a delay in the window replacement programme at the Bristol Estate. This has been caused by delays in starting the project due to the tendering and specification process which requires that the partnership can show it is getting best value for money for the leaseholders and the city. This has taken longer than anticipated due to the need to revise the scope of the works and seek further planning approval. There has been no effect on the day to day service delivered to tenants. The project is now expected to be completed in the first half of the next financial year on these properties will give additional energy efficiency and costs benefits to residents.

Communal Rewire (£0.520m)

There are two projects within the communal rewire budget which need to be moved to future year's programmes as a result of other works being required which have had to take precedence. At Essex Place works have been delayed due to the lift replacement being brought forward and at Bristol Estate structural and external works are required before any rewiring works are completed. There has been no effect on the day to day service delivered to tenants with the project being delivered with as little disruption as possible.

Door Installations £0.136m

The door installation programme has been progressing well. Additional funding from next year's budget of £0.136m is being requested to be brought forward to maintain the momentum for replacement of doors in properties that have failed the decency standard. Particularly in the Woodingdean area which has more works required than originally anticipated being in the current year's programme.

This will have a positive impact on residents as approximately 239 more doors than originally anticipated will become 'decent' this financial year. This will also help to achieve the decent homes target for the city in this year.

Kitchen Installations £0.312m

The kitchen replacement programme has been progressing well. Additional funding from next year's budget of £0.312m is being requested to be brought forward to maintain the momentum for replacement of kitchens in properties that have failed the decency standard.

This will have a positive impact on residents as approximately 100 more properties that originally anticipated will become 'decent' this financial year. This will also help to achieve the decent homes target for the city in this year.

Ainsworth House (£0.500m)

It has been previously reported to Cabinet at month 7 that the procurement stage of the project had taken 12 weeks longer than anticipated, which meant that contract sums due to be released for construction in 2011/12 would be released in 2012/13, therefore requiring £1.2m budget to be re-profiled into 2012/13.

A delay in contract sign-off due to contractual clarifications has caused a further month's delay to the project which requires further re-profiling of the budget into 2012/13. To mitigate this delay time will be made up elsewhere during the build process and therefore should not have a significant impact on delivery. The Grant allocation will not be affected.

Slippage

Delivery Unit – City Infrastructure

Downland Initiative Programme (£0.237m)

The council is currently producing a Biosphere Reserve bid. This includes a number of significant projects on the estate, for example a large block of open access land to the west of Ditchling Rd, which are in line with the Downland Initiative and could be financed by the programme budget. With the establishment of the South Downs National Park Authority, detailed work on areas of responsibilities are being finalised, for example, responsibilities for rights of way and access land and officers are currently working on an accord with the National Park on responsibilities in this area.

Rather than keep to the original plan to spend the money in this financial year, spending has been delayed to ensure that the council can maximise the opportunity for joint working with the National Park to ensure that members' priorities within the Downland Initiative can be delivered.

Minor Slippage below £0.050m

There is slippage of (£0.007m) in relation to the Tarner Park S106 scheme.

Underspends

Delivery Unit – City Infrastructure

Gritter Vehicles

Following a vigorous procurement process there is an underspend of £0.096m on this scheme. This is after £0.024m has been re-profiled into 2012/13.

Minor Underspends under £0.050m

King George VI Highway works (£0.004m) and Shoreham Harbour CIF works (£0.018m) are projecting small underspends.

Previously reported underspends

The Lanes & London Road Car park improvements (£0.129m), Water Tanks (HRA) (£0.720m) and other small underspends in Housing (HRA) of (£0.067m) have already been notified to Cabinet in TBM7.

Communities - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Commissioner - Communities & Equalities	3,446	3,446	0	0.0%
0	Community Safety	2,357	2,357	0	0.0%
0	Commissioner - Sports & Leisure	1,404	1,404	0	0.0%
0	Commissioner - Culture	2,049	2,049	0	0.0%
172	Delivery Unit - Tourism & Leisure	3,800	3,775	(25)	-0.7%
172	Total Revenue - Communities	13,056	13,031	(25)	-0.2%

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

There are currently some minor variances across the service, however, the expectation is that these will be managed and a break-even position or better achieved by year-end.

Community Safety

As above, there are currently some minor variances across the service, however, the expectation is that these will be managed and a break-even position or better achieved by year-end.

Commissioner – Sports & Leisure

This budget relates mainly to contractual payments for leisure services. Payments are monitored closely and although there are currently some small variances a break-even position is expected by year-end.

Commissioner – Culture

Similarly, this budget includes contractual payments, for example relating to the Brighton Festival, and therefore costs are understood well in advance and do not vary considerably. A break-even position is expected to be achieved.

Delivery Unit – Tourism & Leisure

The forecast across Tourism and Leisure has improved by £0.197m from an overspend position of £0.172m at TBM7 to a projected underspend of £0.025m. This forecast includes projected overspends of £0.014m for Tourism & Marketing and £0.007m for the Royal Pavilion and Museums which have been offset by projected underspends on the Seafront and Sports facilities of £0.034m, Sports Development of £0.029m and Venues of £0.025m.

The Venues forecast underspend includes a pressure of £0.078m regards the ongoing income risk against the Hove Centre, as last year, and £0.082m income pressure against the Brighton Centre based on confirmed business. These pressures have been offset by savings identified elsewhere including increased recharges of costs and changes to the Ticketmaster contract. The Royal Pavilion and Museums forecast overspend of £0.007m

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includes admissions income at £0.193m above target although this has been exceeded by additional security costs and unachieved income in the Tea Rooms. In all areas actual and forecast income is closely reviewed and action is being taken to maximise any business opportunities.

Communities - Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Commissioner - Sports & Leisure	744	744	0	0.0%
0	Delivery Unit - Tourism & Leisure	2,613	2,923	310	11.9%
0	Total Capital - Communities	3,357	3,667	310	9.2%

Variations

Delivery Unit – Tourism and Leisure

Brighton Centre Façade (Increase in budget from the Brighton Centre Reserve of £0.259m and overspend of £0.310m)

Initially aspects of this scheme totalling £0.259m were expected to be treated as revenue expenditure. Following clarification of accounting guidance this has been reclassified as capital expenditure and therefore the revenue resources previously set aside need to be added to the capital budget, giving a total budget of £0.606m.

The forecast outturn for the capital works at the Brighton Centre is estimated to be £0.916m against the revised budget of £0.606m leaving an overspend of £0.310m. The overspend has arisen due to unforeseen excavation works and delays resulting in additional costs being incurred such as extra scaffolding costs, extra concrete costs and the erection of temporary structures in order to avoid the cancellation of events.

Discussions are currently ongoing with the contractor regarding final contract sums. In the interim, the additional costs will be funded from the Brighton Centre Reserve.

Slippage

Royal Pavilion Lighting (£0.234m)

Delays in the start of the procurement process have meant that the pre-qualification questionnaire process was not started until October. Following evaluation of the returned PQQs, five contractors have now been invited to tender for the contract. Return of the tender documents is not until the beginning of February. The evaluation process and award of the contract will follow. The work to decommission the existing scheme and install the new one is not likely to start until the beginning of March and it is not expected that any spend will take place in the current financial year. The existing security lighting scheme will be used until the new system is in place.

Resources & Finance - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(81)	Delivery Unit - City Services	14,301	14,028	(273)	-1.9%
(355)	Housing Benefit Subsidy	(738)	(1,093)	(355)	48.1%
671	Resources	19,117	19,474	357	1.9%
(115)	Finance	6,138	6,013	(125)	-2.0%
0	Strategic Leadership Board	1,235	1,235	0	0.0%
120	Total Revenue – Resources & Finance	40,053	39,657	(396)	-1.0%

Explanation of Key Variances

Delivery Unit – City Services

City Services are reporting an underspend of £0.273m, which is an improvement of £0.192m from Month 7.

The movement is due to a variety of factors, including a detailed review of ICT related costs within Revenues and Benefits leading to a budget saving of £0.085m; improved income forecast within Bereavement Services of £0.042m and further staff savings within Cashiers and Reception of £0.041m. The remaining underspend relates to savings identified from vacancy management and other non-pay budgets.

Housing Benefit Subsidy

The corporate critical Housing Benefit budget is expected to generate an additional £0.355m in subsidy as local authority errors are predicted to be held below the government threshold and therefore attract additional subsidy. This is a large and complicated budget area and the forecast will be kept under review as new data becomes available from the Housing Benefit system over the remainder of the year.

Resources

The net overspend across Resources is £0.357m, of which the main variances are on the following areas: -

Human Resources (£0.260m overspend)

Significant budget risks in the People Centre continue due to the pressure of work in this area and the potential need for additional short-term resources to manage risks effectively. However, continued management effort has reduced the projected overspend by a further £0.040m to £0.260m mainly through savings within the Health and Safety budget offset by People Centre pressures. Human Resources will continue to work strenuously to improve the position in advance of the review of systems and services which is due to begin immediately after the procurement process has been completed.

Communications (£0.060m overspend)

The forecast overspend of £0.060m for 2011/12 is an improvement of £0.051m compared with month 7 (£0.111m overspend) and a significant improvement compared with the 2010/11 overspend of £0.459m. This significant improvement is largely a result of the

consolidation of communications activities now coming to fruition as originally set out in the Communications Value for Money programme.

The consolidation process has brought about greater economies scale and communications e.g. greater management of demand, more efficient procurement and revenue generated from greater use of in-house design, print & sign functions, and better forward planning of strategic communications activities aligned with specified budgets. This has been a complex and challenging piece of work given the scale (spanning the entire council) but the outcome has led to a more efficient service offering best practice communications.

Additionally, total spend on communications continues to reduce across the organisation as a result of the work done to focus communications, improve consistency, reduce the number of communication's suppliers and integrate communications from different parts of the council.

The advertising and sponsorship tender is on track to award contracts before the end of this financial year - as previously reported, due to uncertainty around the £0.250m savings in this financial year a risk provision of £0.250m has been allocated to this budget on a one off basis.

Property & Design (£0.053m overspend)

Property & Design are forecasting an overspend of £0.053m, which is a decrease of £0.212m from Month 7. The improved position reflects an increase in Property's technical services consultancy fee income. This is in relation to projects needed to address the additional schools places required this year at four schools including the refurbishment of the Connaught School.

The commercial portfolio has also benefitted from fortuitous income received recently and some NNDR refunds. These changes have helped offset the previously reported income pressures.

ICT

The forecast for Month 9 is a small overspend of £0.020m.

Legal & Democratic Services

The forecast for Month 9 is an underspend of £0.036m.

Finance

The forecast for Month 9 is an underspend of £0.125m. Within this, Audit are forecasting an underspend of £0.062m, largely as a result of staff vacancies now confirmed to the end of the financial year. There is also an underspend of £0.063m across Financial Services and Strategic Finance & Procurement.

Strategic Leadership Board

The forecast for Month 9 is a break-even position.

Resources & Finance - Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Delivery Unit - City Services	204	204	0	0.0%
0	Resources	4,903	4,753	(150)	-3.1%
0	Finance	195	195	0	0.0%
0	Total Capital – Resources & Finance	5,302	5,152	(150)	-2.8%

Critical Budget – Accommodation Strategy (underspend of £0.150m)

Phase One of the Accommodation Strategy (Workstyles) involved the vacation of Priory House and creation of the new customer service centre and refurbishment of three floors of Bartholomew House. The scheme had a total budget of £3.720m over 2011/12 and 2012/13 which was funded from a combination of borrowing and Asset Management Fund.

The project included building works, staff moves, decants, furniture, ICT and telephony and was completed £150,000 under budget. This underspend will be used in Phase Two of Workstyles in the 2012/13 financial year.

Critical Budget – Solar PV Implementation (re-profile £0.250m)

The council had planned to install solar photovoltaic (solar PV) roof mounted systems suitable for feed-in-tariff (FIT) payments onto a range of its properties at an estimated cost of £2.6m for 39 sites including schools and corporate buildings. The works were timed to take advantage of the feed-in-tariff available until 31st March 2012, however, the recently announced Government consultation on the changes to the solar PV feed-in-tariff arrangements has had an adverse impact on the proposed business cases and payback periods making most of the proposed installations to the sites financially unviable.

The council will continue with the proposed installation of PV solar panels at 3 of the council's main corporate administration buildings that are to be refurbished under the Workstyles Phase 2 transformation should they prove to be financially viable. The works are timetabled to commence within 2012/13 and are estimated to cost up to £0.25m. The remaining funding of £2.35m will not be required in 2011/12 and the remaining sites will be assessed following the outcome of the government's review of the feed-in-tariff, with future potential funding being incorporated into the capital programme if required.

With respect to the school sites, it is proposed that the feedback from the government consultation on the proposed changes is considered before the revised business plans, payback periods and funding options for each school that has expressed an interest in the scheme can be reviewed.

Each set of panels will generate green electricity for the sites they are installed upon. The overall effect of this will be a reduction in the carbon footprint for the Council. Additional benefits will include a reduction in Carbon Reduction Commitment payments due to the reduced carbon emissions that the solar panels will contribute to.

Variations

Resources – HR Organisational Development

Human Resources System (£0.398m)

Due to the reductions in non-school recruitment we are rescheduling the development work on the recruitment interface and re-prioritising other parts of the project that aren't incurring significant expenditure but will deliver business benefits.

Resources – Communications

Relocation of Print & Sign Unit £0.026m

The project is evaluating various accommodation options to house the print and sign unit away from the current location at Hollingdean Depot due to health and safety concerns. The building has been temporarily propped to mitigate risk, but the service requires relocation. It has taken longer than originally planned to find a suitable property and it is requested to increase the budget to cover the extra cost of £0.026m which will be used in 2012/13.

Resources – Property

DDA Access Works (£0.065m)

The Bartholomew House accessible fire evacuation lift project will be in progress at year end and completed early in 2012/13. The programme also originally included other improvement works within Bartholomew House that have been postponed to tie-in with planned dates for the next phase of accommodation strategy works in January 2013.

New England House (£0.050m)

Concrete repairs are being undertaken at New England House within phases. The second phase was successfully completed in 2011-12. Timing due to the possible onset of cold winter weather coupled to insufficient budget within 2011/12 to progress the next phase leads to requesting this £50k re-profile. Further funding is being recommended for inclusion in next year's planned maintenance programme to deliver the next phase of concrete repairs.

Variations under £0.050m

Re-profiles are requested for Planned Maintenance of Farmland (£0.014m), Farming Diversification (£0.017m), Kensington Street (£0.019m), Brighton Town Hall Fire Evacuation Lift (£0.027m), Portslade Town Hall (£0.030m) and Corporate fire risk Assessments (£0.010m),

Slippage

Resources - ICT

IT Communications (£0.030m)

Following an upgrade to the core voice and communications platform in late January 2012, which is part of a long term planned migration to a flexible and integrated IP telephony and communications platform, new features and functionality that are supplied with the upgrade and that can deliver benefits in the short term will be

introduced in the first tranche of service change. In order to obtain the best possible business benefit and longer term savings from the remaining investment, £30,000 will be held over to 2012/13 so that the findings and recommendations of the current Telephony Review taking place within the Improving Customer Experience (ICE) programme can be incorporated into subsequent phases of implementation.

Information Management (£0.089m)

This is due to delays in reviewing the procurement and specification of services to support customer access initiatives and resourcing conflicts with other projects. The migration of the Planning system is taking longer than estimated due to delays with the data transfer and the payments to the Supplier are staged according to delivery targets so the final payment will be delayed. The contract for the temporary ICT Consultant runs until June 2012 so a proportion of these costs will need to slip into next year.

Resources – Communications

Relocation of Print & Sign unit

It has taken longer than originally planned to find a suitable property and therefore the budget of £0.206m needs to be re-profiled into 2012/13. This includes the budget increase of £0.026m referred to in the variations section.

Corporate Budgets - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
60	Bulk Insurance Premia	3,009	3,109	100	3.3%
(380)	Concessionary Fares	9,660	9,280	(380)	-3.9%
155	Capital Financing Costs	10,427	10,582	155	1.5%
0	Levies & Precepts	166	166	0	0.0%
1,490	Corporate VFM Savings	(1,625)	(203)	1,422	87.5%
(1,455)	Risk Provisions	3,813	2,067	(1,746)	-45.8%
30	Other Corporate Items	(28,434)	(28,406)	28	0.1%
(100)	Total Revenue - Corporate Budgets	(2,984)	(3,405)	(421)	14.1%

Explanation of Key Variances

Bulk Insurance Premia

The forecast overspend has increased by £0.040m to £0.100m. This is due to an increased number of liability claims.

Concessionary Fares

The forecast underspend remains at £0.380m. This mainly relates to 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 overall overspend remains at £0.155m. It is due mainly to a lower than projected recharge to the Housing Revenue Account for interest on borrowings. HRA borrowing in 2010/11 was some £6.000m lower than projected and coupled with short-term interest rates remaining lower than projected at the time of the 2011/12 budget, has resulted in a reduction in the recharge.

Levies & Precepts

The forecast for Month 9 is a break-even position.

Corporate VFM Projects

A number of VFM projects relate to council-wide projects which will deliver savings across many, if not all, service areas. The associated savings target is shown under Corporate Budgets and is awaiting allocation to individual service budgets as and when savings are identified and/or confirmed. If all savings are identified and achieved, the Corporate VFM Projects savings target above will reduce to zero by the end of the financial year. At month 9, monitoring of VFM projects indicates that approximately £1.422m of corporately held VFM project savings remains uncertain as follows:

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- The implementation of other initiatives including Workstyles, Customer Service changes (mainly on-line developments) and many other service changes (e.g. some emanating from other Value for Money projects) have meant that the capacity to undertake Systems Thinking reviews at the same time has been severely hampered. The reviews are therefore behind schedule and will need to be carefully prioritised on those services that are in a position to take them forward effectively with full commitment. It is now expected that these reviews will be used to 'enable' services to deliver efficiency and other related savings in 2012/13 and 2013/14. For example, a review in Human Resources is currently at the planning stage.
- The achievement of the Management & Administration savings has been underpinned by a Voluntary Severance Scheme (VSS) which is now closed for the purposes of this saving. The outcome of the Scheme, in financial terms, indicates that approximately £1.142m has been achieved, an improvement of £0.182m on Month 7, and £0.608m is uncertain at present. This is broadly in line with expectations as the VSS was not expected to achieve 100% of the savings required (£1.750m in 2011/12). As set out in the Revenue Budget report to Full Council in March 2011, some savings will need to come from 'natural turnover' over the remainder of the financial year and there may also be a need for further redesign in some service areas to accommodate the impact of staff released through the scheme. The main challenge now is to ensure that where people have been released but the post retained in the service structure, these are filled through redeployments across the council wherever possible. Full-year savings in 2012/13 are subject to confirmation and further actions described above but currently stand at circa £2.500m against a revised target of £3.500m.
- Carbon Reduction initiatives will be designed to reduce energy use and therefore reduce future energy cost pressures as prices increase. A scheme to pursue the installation of Solar PV panels was agreed at Cabinet in June 2011, however, the anticipated cash savings may not now be realised due to changes to the Feed-in Tariff regime. Other initiatives are also being pursued but it is unlikely that cashable savings will now accrue in 2011/12 and the focus of the programme is therefore on reducing future energy usage and the council's carbon footprint. This links strongly to the Workstyles project and the reduction in accommodation use associated with that initiative.
- The Procurement project has identified an increased risk resulting partly from a reduction in overall procurement activity in corporate areas due to spending constraints which has reduced potential savings opportunities compared with previous years. £0.236m remains uncertain this year against corporate contract areas, however, additional procurement savings of £0.277m have been facilitated across front-line service areas which are reflected in the improved overall TBM position at Month 9.

Risk Provisions

The overall position on Risk Provisions is an underspend of £1.746m.

There are one-off risk provisions of £0.800m and it is forecast that these will be fully spent. It is anticipated that circa £0.192m of this will be needed for the preparatory works for the Prince Regent and Withdean Sports Complex schemes subject to further planning confidence and the viability of the business cases once all the details are known. The remainder will be required for one-off costs associated with Criminal Records Bureau (CRB) compliance following OFSTED inspection, costs associated with compliance with

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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 £0.625m is being released to support the overall position. Of the remainder £0.625m is being used on a one-off basis to offset the shortfall in the Advertising and Sponsorship contract income target (£0.250m) the VfM Phase 3 Stretch target (£0.250m) and VfM Management & Administration savings (£0.125m).

In addition, there is £0.400m of one-off risk provision for children's and adults services which is now not required and will be transferred to general reserves.

An underspend of £0.300m is forecast on the financing costs for the new Historic Records Centre. The budget projections assumed the majority of the capital funding would be needed this financial year and as this expenditure is funded from borrowing the financing costs were set aside in contingency. East Sussex County Council (ESCC) have now provided a cashflow schedule and agreed with Brighton & Hove a payment schedule which gives a far lower capital contribution this year and therefore lower financing costs. The cashflow from ESCC is subject to change but experience shows that expenditure is generally lower than projected.

There is an underspend of £0.071m on general contingency, largely as a result of unneeded grant pressure funding of £0.075m being identified.

NHS Trust Managed S75 Budgets - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
48	NHS Trust managed S75 Services	14,168	14,031	(137)	-1.0%
48	Total S75	14,168	14,031	(137)	-1.0%

Explanation of Key Variances

(Note WTE = Whole Time Equivalent)

S75 NHS Trust Managed Budget (£0.137m underspend)

The forecast underspend of £0.067m against Sussex Partnership NHS Foundation Trust, represents an improvement of approximately £0.100m from Month 7. This is largely as a result of a review of all mainstream budget areas and an increase in the level of Continuing Health Care funding. There remains a pressure of £0.296m on the Mental Health Community Care budget, where WTE client numbers are approximately 20 more than budgeted. Savings of £0.362m have also been identified against the mainstream budget from vacancy management and a review of social care input into Access Services.

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A financial recovery plan was developed to which has succeeded in reducing the pressure, particularly against long-term placement spend and a project is underway to review the high-cost placements.

Sussex Community NHS Trust are forecasting an underspend of £0.070m, which is an improvement of £0.070m from Month 7. Positive action has been taken to both reduce costs within Intermediate Care and review the projected spend on equipment within the Integrated Community Equipment Store (ICES). The current forecast shows staffing pressures within Intermediate Care service (£0.054m) and pressures on the equipment budget within ICES (net £0.031m pressure) due to increased demand. These have been offset by savings of £0.155m against the HIV budget.

Housing Revenue Account - Revenue Budget Summary

Forecast Variance Month 7 £'000		2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
	Housing Revenue Account				
(371)	Employees	9,187	8,724	(463)	-5.0%
(71)	Premises – Repair	11,031	10,723	(308)	-2.8%
49	Premises – Other	3,070	3,115	45	1.5%
(129)	Transport & Supplies	2,022	1,838	(184)	-9.1%
(7)	Support Services	2,210	2,201	(9)	-0.4%
-	Third Party Payments	54	57	3	5.6%
-	Revenue contribution to capital	3,778	3,778	-	0.0%
(123)	Capital Financing Costs	4,268	4,145	(123)	-2.9%
14	Subsidy Payable	14,710	14,724	14	0.1%
(638)	Net Expenditure	50,330	49,305	(1,025)	-2.0%
(9)	Dwelling Rents (net)	(44,213)	(44,176)	37	0.1%
35	Other rent	(1,240)	(1,205)	35	2.8%
47	Service Charges	(3,354)	(3,302)	52	1.6%
(19)	Supporting People	(465)	(484)	(19)	-4.1%
24	Other recharges & interest	(1,058)	(1,027)	31	2.9%
78	Net Income	(50,330)	(50,194)	136	0.3%
(560)	Total	-	(889)	(889)	

Explanation of Key Variances

The forecast outturn for 2011/12 is an underspend of £0.889m, compared to a forecast underspend of £0.560m at Month 7. The commissioning framework for the Housing Revenue Account aims to reduce costs to enable reinvestment in services which tackle inequality and improve homes and neighbourhoods. Further analysis of the forecast outturn variances are as follows:

- The employees budget is forecast to underspend by £0.463m compared to an underspend of £0.371m at month 7. This is mainly due to underspends on vacancies and pensions costs throughout housing management due the pending restructure of Housing and Social Inclusion together with TUPE costs no longer required. The budget for TUPE costs (£0.227m) for Property & Investment staff is no longer required as the final costs were less than originally forecast and fully paid in the last financial year.
- The Premises Repairs forecast is an underspend of £0.308m compared to a month 7 forecast underspend of £0.071m. The underspend includes the following significant variances:

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- A projected saving on the gas servicing and maintenance contract of £0.216m 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.
 - A reduction in the costs of repairs to empty properties by £0.200m due to a reduction in the number of empty properties coming through the lettings cycle.
 - A projected overspend on responsive repairs of £0.123m which is now mainly due to works that were undertaken in last financial year but have been charged to this financial year. The forecast has reduced since month 7 by £0.127m due to a reduction in the average unit cost of repairs and the continued good weather.
- The Premises-other budget is forecast to overspend by £0.045m compared to an overspend of £0.049m at month 7. This variance relates to the following:
 - A recent review by the Council's insurance team has identified a £0.329m recharge to the HRA in relation to the costs of repairing homes damaged by fire, flood etc. below the insurance excess of £25,000. In recent years the number of cases of damage to dwellings has increased which has prompted the Council's insurance team to review how they charge the HRA. This recharge relates to costs borne over the last three years which were in excess of the budget. Provision (estimated at £0.120m) will be made for the additional on-going costs in the 2012/13 budget strategy.
 - A forecast underspend of £0.175m in relation to the accruals for gas and electricity. Prudent accruals were made in the last financial year which are no longer required under the new contractual arrangements.
 - A further underspend of £0.074m is forecast on the rental cost and business rates of the Housing Centre due to it opening later than anticipated at budget setting time.
 - Transport & Supplies is forecast to underspend by £0.184m compared to a forecast underspend of £0.129m at month 7. This variance relates to a reduction in the requirement for the provision for bad debt (£0.100m) resulting from the improvement in the collection of rent which has led to a reduction in the rent arrears total. There is also an underspend on professional and consultancy fees anticipated for the procurement of the new service contracts as the work has been carried out in-house.

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- Capital Financing forecast costs have reduced by £0.123m due to reduced forecasts for repayment of debt compared to the original budget. The reduced interest rates also reduce the amount of subsidy allowance for capital finance costs resulting in an increased subsidy payable to the Government of £0.014m.
- Income is forecast to be less than budgeted by £0.136m due to a number of minor variances including:
 - Reduced rental income from garages and car parks (£0.035m) due to an increase in the level of empty garages/spaces in the current economic downturn.
 - charges from leaseholders (£0.031m) being lower than expected at budget setting time.