

Appendix 1 – Revenue Budget Performance

People - Revenue Budget Summary

| Forecast Variance Month 2 £'000 | Unit | 2012/13 Budget Month 5 £'000 | Forecast Outturn Month 5 £'000 | Forecast Variance Month 5 £'000 | Forecast Variance Month 5 % |
|--|--|---------------------------------------|---|--|--------------------------------------|
| (535) | Commissioner - Children's Youth & Families | 22,435 | 19,812 | (2,623) | -11.7% |
| (110) | Commissioner - Learning & Partnership | 5,253 | 5,138 | (115) | -2.2% |
| 165 | Delivery Unit - Children's & Families | 35,150 | 35,364 | 214 | 0.6% |
| (480) | Total Children's Services | 62,838 | 60,314 | (2,524) | -4.0% |
| (41) | Commissioner - People | 1,956 | 1,924 | (32) | -1.6% |
| (774) | Delivery Unit - Adults Assessment | 49,490 | 48,427 | (1,063) | -2.1% |
| 322 | Delivery Unit - Adults Provider | 13,751 | 13,861 | 110 | 0.8% |
| (493) | Total Adult Services | 65,197 | 64,212 | (985) | -1.5% |
| (973) | Total Revenue - People | 128,035 | 124,526 | (3,509) | -2.7% |

Explanation of Key Variances

| Key Variances £'000 | Service | Description (Note: FTE/WTE = Full/Whole Time Equivalent) | Mitigation Strategy (Overspends only) |
|--|---|--|---|
| Commissioner – Children, Youth & Families | | | |
| (2,572) | Corporate Critical - Children's Agency Placements | The current projected number of residential placements (25.03 FTE) is broken down as 20.77 FTE social care residential placements (children's homes), 3.90 FTE schools placements, 0.36 FTE family assessment placements and 0.00 FTE substance misuse rehabilitation placements. The budget allows for 25.40 FTE social care residential care placements, 9.00 FTE schools placements, 1.50 FTE family assessment placements and 0.60 | Although underspending in total, there are areas of pressure within Children's Agency Placement budgets. In particular, the Children's Services Value for Money (VFM) project is effectively addressing the level of activity and spend in IFAs. The plan focuses on strengthening preventive services and streamlining social care processes including: <ul style="list-style-type: none"> implementing a tiered approach to the procurement of placements for looked after |

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| Key Variances £'000 | Service | Description (Note: FTE/WTE = Full/Whole Time Equivalent) | Mitigation Strategy (Overspends only) |
|------------------------|---------|---|--|
| | | <p>FTE substance misuse rehab placements. The number of projected placements are unprecedentedly low and it is not yet known whether this level of activity is sustainable. It is currently 11.47 FTE below the budgeted level creating an underspend of £1.451m.</p> <p>The numbers of children placed in independent foster agency (IFA) placements, for the first time in several years, has begun to fall. During 2011/12 there were 164.52 FTE placements representing a 13.5% increase on the previous year (following a 23% increase from 2009/10). Currently there are 191.41 projected FTE placements. This is considerably less than anticipated in the budget which is based on 206.50 FTE placements resulting in an anticipated underspend of £0.812m.</p> <p>The current projected number of disability placements is 16.27 FTE with an average unit cost of £2,356.43. The number of placements is 1.34 FTE below the budgeted level. The average weekly cost of these placements is £48.64 higher than the budgeted level and the combination of these two factors together with a projected underspend of £0.018m on respite placements, results in an underspend of £0.137m.</p> <p>It is currently anticipated that there will be 0.75 FTE secure (welfare) placements and 0.53 FTE secure (justice) placements in 2012/2013. The</p> | <p>children, reducing the proportion of high cost placements</p> <ul style="list-style-type: none"> • 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 |

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| Key Variances £'000 | Service | Description (Note: FTE/WTE = Full/Whole Time Equivalent) | Mitigation Strategy (Overspends only) |
|--|--------------------------|--|---------------------------------------|
| | | <p>budget allows for 1.25 FTE welfare and 0.75 FTE justice placements during the year. There is currently one child in a secure (welfare) placement and one in a secure (criminal) placement resulting in a projected underspend of £0.172m</p> <p>Included within the projection is an estimate of the cost of potential price rises following the preferred provider retendering exercise currently underway. Initial evidence suggests that providers may include increases above the current rate of inflation in their new tendered prices. However, the robust tendering exercise and ongoing communication with providers to ensure value for money for the council will endeavour to reduce, where practical, any adverse financial impact of the tendering exercise. If successful, this could improve the forecast further.</p> | |
| (51) | Other | Minor underspend variances | |
| Commissioner – Learning & Partnership | | | |
| (110) | Home to School Transport | <p>There is an underspend of £0.150m which 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 partially offset by an overspend of £0.040m relating to the identified saving in denominational transport which is not now achievable as the proposal will now commence from September 2013 rather than September 2012.</p> | |

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| Key Variances £'000 | Service | Description (Note: FTE/WTE = Full/Whole Time Equivalent) | Mitigation Strategy (Overspends only) |
|--|-------------------------------------|--|---|
| (5) | Other | Minor underspend variances | |
| Delivery Unit – Children & Families | | | |
| 270 | Social Work Teams | The Social Work Teams are currently projected to overspend by £0.270m in 2012/13. This is predominantly due to the costs of the new accommodation / office moves and transport costs. | Costs will be monitored closely over the next few months and efforts made to reduce costs or identify mitigating savings to bring this budget back in balance where possible. |
| 150 | Management & Administration Savings | There is also a potential overspend resulting from the current shortfall in the Management and Admin savings target for this branch. The original target of £0.697m was subsequently reduced to £0.447m but savings identified through the Voluntary Severance Scheme and use, where appropriate of the Dedicated Schools Grant (DSG) have left a shortfall still to be found of £0.150m . | Vacancies will be scrutinised carefully to consider further potential opportunities to contribute to this saving as and when they arise. |
| (152) | Care Leavers | Currently the Unaccompanied Asylum Seeking Children team are projecting minimal growth in ex asylum seekers being supported resulting in an underspend of £0.150m. In addition, a further £0.050m backdated grant funding was received from the UK Border agency relating to disputed cases from 2011/12. This underspend is partially off-set by a projected overspend of £0.048m as it is anticipated that there will be an increase in care leavers requiring financial support of between 10-15 in this financial year. This results in the overall projected underspend of £0.152m . | |
| (70) | Legal Fees | Legal fees are currently projected to be underspent. This is made up of £0.037m underspend on independently commissioned social work and medical assessments and | |

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| Key Variances £'000 | Service | Description (Note: FTE/WTE = Full/Whole Time Equivalent) | Mitigation Strategy (Overspends only) |
|--|---|--|---|
| | | £0.033m underspend for legal/court fees. The underspend on independent assessments is due to the implementation of the VFM programme to utilise the Clermont CPU team to undertake these assessments. | |
| (68) | Adoption Payments | Adoption payments are showing an underspend due to the number of anticipated allowances being £0.068m below budgeted levels. | |
| 82 | Corporate Critical - In House Foster Payments | Overspend of £0.082m relates to increase in Special Guardianship orders where 66 placements were budgeted for but current numbers are 72. | Implementation of a tiered approach to the procurement of placements is continuing with the aim of reducing the proportion of high cost placements over time. |
| 2 | Other | Minor overspend variances | |
| Commissioner – People | | | |
| (32) | Commissioner – People | There is a small underspend against PCT Mental Health commissioned grants. | |
| Delivery Unit – Adults Assessment | | | |
| See below | Assessment Services | Assessment Services are reporting an underspend of £1.063m at Month 5 (representing 1.7% of the net budget), an increase in underspend of £0.289m since Month 2. Significant progress has already been made in meeting the 2012/13 savings target in full, albeit that some alternative savings have been identified to help offset those areas that are proving more of a challenge. There is a risk of £0.400m against extra care housing in particular. The underspend is split against client groups as follows: | |
| (659) | Corporate Critical - | Older People services are showing an underspend of £0.659m which is a continuation of the financial | |

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| Key Variances £'000 | Service | Description (Note: FTE/WTE = Full/Whole Time Equivalent) | Mitigation Strategy (Overspends only) |
|--|--|---|---|
| | Community Care Budget (Older People) | trends seen during 2011/12 and builds upon the success of re-ablement and other initiatives in delivering ongoing efficiencies. The increase in underspend since Month 2 is due to savings as a result of the Electronic Care Monitoring System for homecare. | |
| (525) | Corporate Critical - Community Care Budget (Learning Disabilities) | Learning Disabilities are showing an underspend of £0.525m due mainly to the full year effect of management decisions taken during 2011/12 and over-achievement of financial recovery plan targets for the current financial year. The increase in the underspend since Month 2 of £0.296m mainly relates to one younger person expected to come into the service through transition who has become the responsibility of the NHS but there is a risk this could be reversed at a later date. | |
| 140 | Corporate Critical - Community Care Budget - Under 65's | Under 65's are currently showing an overspend of £0.140m. | Activity and growth projections are being actively monitored. Offset by underspends against other client groups. |
| (19) | Support & Intervention Teams | Minor underspend. | |
| Delivery Unit – Adults Provider | | | |
| 110 | | Provider Services are reporting a pressure of £0.110m at Month 5 (representing 0.8% of the net budget). The pressure is mainly from the risks against delivery of budget strategy savings on Learning Disabilities Accommodation (£0.311m) as a result of the deferment of a decision at the June meeting of the Adult Care & Health | The position will be reviewed following consideration of proposals for the Learning Disabilities Accommodation Strategy at September Adult Care & Health Committee. |

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| Key Variances £'000 | Service | Description (Note: FTE/WTE = Full/Whole Time Equivalent) | Mitigation Strategy (Overspends only) |
|--------------------------------|----------------|---|--|
| | | Committee; a further proposal was put to the September meeting of the Committee and approved. | |

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Place - Revenue Budget Summary

| Forecast Variance Month 2 £'000 | Unit | 2012/13 Budget Month 5 £'000 | Forecast Outturn Month 5 £'000 | Forecast Variance Month 5 £'000 | Forecast Variance Month 5 % |
|--|---|---------------------------------------|---|--|--------------------------------------|
| 0 | Commissioner - City Regulation & Infrastructure | 3,412 | 3,492 | 80 | 2.3% |
| 339 | Delivery Unit - City Infrastructure | 21,928 | 22,302 | 374 | 1.7% |
| 0 | Delivery unit - Planning & Public Protection | 5,493 | 5,602 | 109 | 2.0% |
| 339 | Total City Regulation & Infrastructure | 30,833 | 31,396 | 563 | 1.8% |
| 296 | Commissioner - Housing | 15,693 | 16,092 | 399 | 2.5% |
| 0 | Delivery Unit - Housing & Social Inclusion | 512 | 512 | 0 | 0.0% |
| 296 | Total Housing | 16,205 | 16,604 | 399 | 2.5% |
| 635 | Total Revenue - Place | 47,038 | 48,000 | 962 | 2.0% |

Explanation of Key Variances:

| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|--|---|---|---|
| Commissioner – City Regulation & Infrastructure | | | |
| 80 | Sustainable Transport | There is a pressure on the Highways and Engineering Projects Team and their ability to recharge sufficient time to capital projects to meet budget. | Efforts will continue to be made to legitimately recharge as much staff time as possible, and to try to identify underspends on non essential supplies and services. |
| Delivery Unit - City Infrastructure | | | |
| 307 | Corporate Critical - Parking Operations | There is a shortfall in the level of on street pay and display income leading to a forecast overspend against budget of £0.700m. There is a clear pattern of poor weather having a particularly negative impact on the on-street parking revenue. | The Lanes and London Road off street car parks are forecast to achieve additional income of £0.235m. Trafalgar Street and Regency Square will underspend on their revenue maintenance budgets by £0.043m owing to the capital |

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| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|---|---------------------------------------|--|---|
| | | In addition a migration away from cars to bus and cycle use, and car users switching from two hour stays to one hour stays may have also contributed to this. Uncertainty over the level of the contribution from NCP for the two leased car parks has also lead to a forecast overspend of £0.060m. An extension to the period of refurbishment at Trafalgar Street and Regency Square is likely to reduce the income capacity by £0.115m, and a shortfall in the level of income at the HRA High Street car park will cause a pressure of £0.010m. | programme in year. Efficiencies in the removals service and enforcement contract variations will lead to expenditure savings of £0.150m. The forecast for permit income now shows a surplus against budget of £0.150m. These will partially offset the risks above. |
| 51 | Highways | This relates to the cost of specialist support staff relating to North Street, and to the permit scheme for road works and closures. | Efforts will be made to try and identify areas where underspends can be achieved in order to offset the pressures identified. |
| 16 | City Parks | Shortfall in the level of income from grounds maintenance. | Efforts will be made to manage staff time for the remainder of the year, to try and bring back to breakeven. |
| Delivery Unit – Planning & Public Protection | | | |
| 96 | Public Protection | There are pressures in respect of license fee income (£0.045m), staffing costs (£0.036m), and fees for animal welfare and kennelling costs (£0.015m). | Expenditure forecasts will be reviewed to determine whether there is scope to make savings elsewhere in order to bring the position back to breakeven. |
| 13 | Economic Development | Minor overspends. | Expenditure forecasts will be reviewed to determine whether there is scope to make savings elsewhere in order to bring the position back to a breakeven one. |
| Commissioner – Housing | | | |
| 436 | Corporate Critical Budget - Temporary | As identified at Month 2, the main pressure on Temporary Accommodation is from an expected increase in Bed and Breakfast spot purchase | This is a known service pressure area that needs to be managed in the context of the whole council budget position and considered in setting the |

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| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|------------------------|------------------------------|---|--|
| | Accommodation & Allocations | accommodation based on an average of 20 additional clients. In addition, because the stock of leased properties has also increased to keep pace with demand there is a slight pressure on staffing to manage this expansion which is offset by the additional income generated to meet savings targets. | 2013/14 and 2014/15 budget. Mitigation action will attempt to acquire more accommodation through the framework agreement, which is currently being put together. |
| 48 | Housing Support Services | The increase in vulnerability of clients in hostels has meant that more staff have been employed to cope with this. Extra staff include 3 key workers for 6 months (1 at each hostel). There is also additional overspend due to a rent increase at West Pier Hostel. Some of these overspends have been offset by increased income due to 7 extra rooms across the hostel service. | This is linked to the known service pressures across this area as mentioned above. |
| (115) | Lead Commissioner | The underspend identified at Month 2 is due to over-achievement of value for money Management & Admin savings and savings against budgeted pension contributions. This underspend is being used to offset pressure against other services within Housing Commissioning. | |
| 30 | Other Commissioner - Housing | The main pressure is from staffing within the Housing Strategy team based on spend to date. This pressure was identified at Month 2. Part of this pressure has been reduced by efficiency savings. The slight overspend in Housing Options and Homelessness relates to staffing costs due to long term sickness cover. | Costs will be monitored closely and efforts made to bring the budget back in line |

Communities - Revenue Budget Summary

| Forecast Variance Month 2 £'000 | Unit | 2012/13 Budget Month 5 £'000 | Forecast Outturn Month 5 £'000 | Forecast Variance Month 5 £'000 | Forecast Variance Month 5 % |
|------------------------------------|---|---------------------------------|-----------------------------------|------------------------------------|--------------------------------|
| 0 | Commissioner - Communities & Equalities | 3,388 | 3,438 | 50 | 1.5% |
| 0 | Delivery Unit - Community Safety | 2,353 | 2,538 | 185 | 7.9% |
| 0 | Commissioner - Sports & Leisure | 1,157 | 1,157 | 0 | 0.0% |
| 0 | Commissioner - Culture | 1,970 | 2,000 | 30 | 1.5% |
| 546 | Delivery Unit - Tourism & Leisure | 3,231 | 3,779 | 548 | 17.0% |
| 546 | Total Revenue - Communities | 12,099 | 12,912 | 813 | 6.7% |

Explanation of Key Variances

| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|--|-----------------------|--|--|
| Commissioner – Communities & Equalities | | | |
| 50 | Community Development | The forecast overspend is in respect of match-funding for a Community and Voluntary Sector Forum led project "Transforming the Local Infrastructure" | There may be a potential to offset this by underspends on other commissions by year end. |
| Delivery Unit – Community Safety | | | |
| 185 | Community Safety | The forecast overspend across Community Safety is due to the unachievable savings target of £0.079m in respect of the drugs and alcohol services and other budgetary pressures for which options are being explored. The financial impact regarding the establishment of the Police and Crime Commissioners has yet to be reflected in the forecast. | Urgent action is being undertaken to reduce the level of overspend including possible additional grant funding which could be applied to current projects. |
| Commissioner – Sports & Leisure | | | |
| 0 | Sport and Leisure | The forecast across Sport and Leisure commissioning budgets is currently break-even. Essential health and safety works have been carried out at Saltdean Lido under Urgency Powers which | |

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| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|--|----------------------------|---|--|
| | | are to be funded from the General Fund risk provision as detailed in the Corporate Budgets section of this Appendix. Options are being developed for the future of the Lido. | |
| Commissioner - Culture | | | |
| 30 | Brighton Dome client costs | It was anticipated that a reduction in the contractual payment to the Dome for 2011/12 could be negotiated but this has not proved possible in its entirety. | Negotiations are ongoing to review the inflationary clause within the contract for future years. |
| Delivery Unit – Tourism & Leisure | | | |
| 460 | Venues | The Venues forecast overspend is as a result of the immediate short term issue of the loss of Holiday On Ice for January 2013 (£0.180m), realisation of impact of low levels of bookings made prior to the refurbishment of the venue when it was not such an attractive proposition for exhibitions and conference bookers (£0.144m), reduced bookings for entertainments (£0.122m) and a pressure of £0.014m due to the loss of rooms no longer available for functions at the Hove Centre. | Action is being taken to secure further bookings and maximise future business opportunities, this includes the one week Holiday on Ice Show in November 2012 and three week run of Starlight Express. Conference bookings since January of this year, following completion of the refurbishment works to the Brighton Centre currently have a future predicted economic impact of £180m, far exceeding any previous booking levels. This is for bookings stretching to 2025 and is an indication of an ability to meet future targets. |
| 73 | Royal Pavilion and Museums | The overspend includes £0.040m due to delays in the development of new security staffing arrangements to achieve savings for 2012/13 and £0.140m pressure across retail, based on the current figures. These overspends have been reduced by vacancy management savings of £0.040m and a net surplus of £0.067 admissions income. | Work on new security staffing arrangements with staff and unions is underway. Action is being taken to reduce the pressure across retail. In previous years, by this point in the year the major exhibition has taken place. This year it has only just opened and it is hoped that the |

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| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|------------------------|---------------------|---|---|
| | | | product developed for Biba will sell well, however, it is not possible to predict with certainty what income levels on secondary spend will be. The previously reported energy pressure has been excluded from the forecast pending further information and clarification of usage. |
| 15 | Tourism & Marketing | The forecast overspend across Tourism and Marketing is due mainly to pressures on income of £0.010m within Marketing and £0.010m regarding Conferences as well as other minor overspends. These have been partially offset by salary savings. | In all areas actual and forecast income and expenditure is closely reviewed and action is being taken to maximise any future business opportunities as well as reduce costs. |

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Resources & Finance - Revenue Budget Summary

| Forecast Variance Month 2 £'000 | Unit | 2012/13 Budget Month 5 £'000 | Forecast Outturn Month 5 £'000 | Forecast Variance Month 5 £'000 | Forecast Variance Month 5 % |
|--|--|---------------------------------------|---|--|--------------------------------------|
| 28 | Delivery Unit - City Services | 13,349 | 13,409 | 60 | 0.4% |
| 0 | Housing Benefit Subsidy | (752) | (752) | 0 | 0.0% |
| 172 | Resources | 19,124 | 19,324 | 200 | 1.0% |
| 0 | Finance | 5,966 | 5,936 | (30) | -0.5% |
| 0 | Strategic Leadership Team | 1,144 | 1,157 | 13 | 1.1% |
| 200 | Total Revenue - Resources & Finance | 38,831 | 39,074 | 243 | 0.6% |

Explanation of Key Variances

| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|--------------------------------------|----------------|---|--|
| Delivery Unit – City Services | | | |
| 60 | City Services | This relates to libraries services following due process and engagement with staff and stakeholders in consultation which led to a later than planned implementation of the proposed budget savings. | Pressures are being actively managed to minimise or reduce costs. |
| Resources | | | |
| 69 | Communications | Communications are forecasting an overspend of £0.069m in 2012/13. This is mainly from staffing pressures. This assumes the delivery of agreed savings of £0.039m made from ceasing the publication of City News and a further £0.040m against staffing. Revenue income of £0.150m is currently forecast from advertising and | Savings continue to be made on communications across the council as a result of consolidating budgets. The overall spend on council-wide communications was reported at £2.900m for 2011/12 and work is ongoing to deliver greater efficiencies as part of the overall value-for-money programme. Additional revenue |

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| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|------------------------|--------------------------------|---|--|
| | | sponsorship contracts which are due to be awarded in November 2012. Additional revenue of £0.025m has been generated from external clients. Further revenue of £0.080m is expected to be generated but there are significant risks attached to this forecast. These include competitive tenders, completion of contracts before the end of the financial year and market instability in terms of the size of contracts awarded. | income opportunities will be explored wherever possible. |
| 39 | Human Resources | Human Resources are forecasting an overspend of £0.039m. The Human Resources Systems Thinking review is in progress; the transformation fund will resource the review along with specific direct investment required to improve service efficiency. The review is expected to inform the future resourcing requirements of the service and determine any potential savings. | It is expected that any efficiencies delivered in the year will be used to offset current pressures. |
| 115 | ICT | The main risks relate to delivery of the savings target for upgrading of telephony services (£0.060m) an element of which relates to the VFM programme as described in Appendix 4. Other risks include an operating cost pressure associated with equipment replacement, increased security compliance (£0.068m), offset by underspends. | This forecast indicates that the ICT budget is under pressure. However, costs will be closely monitored and opportunities for cost reduction and other savings will be kept under review to help balance the budget. |
| (16) | Legal & Democratic Services | Minor underspend | |
| (7) | Policy, Performance & Analysis | Minor underspend | |

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| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|--------------------------------|--------------------|--|--|
| Finance | | | |
| (30) | Financial Services | A small number of vacancies and lower than expected temporary cover costs have resulted in an underspend on the staffing budget. | |

Corporate Budgets - Revenue Budget Summary

| Forecast Variance Month 2 £'000 | Unit | 2012/13 Budget Month 5 £'000 | Forecast Outturn Month 5 £'000 | Forecast Variance Month 5 £'000 | Forecast Variance Month 5 % |
|--|-----------------------------------|---------------------------------------|---|--|--------------------------------------|
| (425) | Bulk Insurance Premia | 3,419 | 3,084 | (335) | -9.8% |
| 0 | Concessionary Fares | 9,696 | 9,746 | 50 | 0.5% |
| 350 | Capital Financing Costs | 8,862 | 9,212 | 350 | 3.9% |
| 0 | Levies & Precepts | 167 | 167 | 0 | 0.0% |
| 205 | Corporate VfM Savings | (531) | (326) | 205 | 38.6% |
| 0 | Risk Provisions | 3,363 | 3,147 | (216) | -6.4% |
| (16) | Other Corporate Items | (33,335) | (33,351) | (16) | 0.0% |
| 114 | Total Revenue - Corporate Budgets | (8,359) | (8,321) | 38 | 0.5% |

Explanation of Key Variances

| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|------------------------------|-----------------------|---|--|
| Bulk Insurance Premia | | | |
| (425) | Bulk Insurance Premia | The budget for 2012/13 was increased by £0.410m to reflect the forecast increase in premium rates following an anticipated retendering exercise of some of the portfolio from 1 April 2012. In order to maximise value for money it was decided to defer the retendering so that all the council's insurance cover could be retendered at the same time from 1 April 2013. Negotiations to extend agreements with existing insurers were concluded with minimal changes in existing rates therefore the increased budget provision for this year will not be required. The forecast underspend has reduced by £0.090m since Month 2. This relates to the settlement of two slip / trip claims (£0.050m) and the | |

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| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|--------------------------------|-------------------------|--|---|
| | | increasing costs of litigated claims, particularly legal fees (£0.040m). It is anticipated that the council will experience increasing numbers of litigated claims from "no win no fee" lawyers in the period up to April 2013 when the law is due to change. The change will mean that lawyers will no longer be able to claim success fees from the losing side and should instead receive a share of any damages awarded. The Government hopes the change will act as a disincentive to anyone bringing spurious cases. | |
| Concessionary Fares | | | |
| 50 | Concessionary Fares | A small overspend is forecast for 2012/13 in relation to the net position of increased journeys and contracted services compared to the budgeted fixed price contract. | |
| Capital Financing Costs | | | |
| 350 | Capital Financing Costs | There is an anticipated £0.350m pressure on financing costs due to reduced HRA borrowing as at 31 st March 2012 compared to that anticipated at budget setting time. With effect from 1 st April 2012 HRA borrowing is separate from other council borrowing. This has resulted in a greater element of the financing costs of the authority impacting on the General Fund than anticipated. | Where possible, underspends on other corporate budgets will be used to mitigate this pressure, notably Bulk Insurance Premia. |
| Corporate VFM Projects | | | |
| 205 | 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 targets are shown under Corporate Budgets awaiting allocation to individual service budgets as and when savings are identified and/or confirmed. If all savings are identified and achieved in 2012/13, the Corporate VFM Projects savings target above will reduce to zero by the end of the financial year. | Full details of VFM Programme performance and variances are given in Appendix 4. |
| Risk Provisions | | | |
| (216) | Risk Provisions & | There is a one-off risk provision of £1.000m and it is now forecast | |

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| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|------------------------------|-------------------------------|---|--|
| | contingency | <p>that £0.216m of this can be released to support the overall position. It is anticipated that the remaining £0.784m will be required for the following:</p> <ul style="list-style-type: none"> • maintenance work at Saltdean Lido undertaken under urgency powers. This totals £0.130m of which £0.030m relates to capital expenditure and is included in Appendix 3; • implementation of Information Commissioner’s Office (ICO) recommendations; • additional legal costs for intellectual property rights; • support for school bus routes; • other one-off pressures that might arise during the year. <p>There are permanent risk provisions of £1.000m (general) and £0.785m (pay related matters) which are also forecast to be fully spent. This will be kept under review as the year progresses and, if appropriate, amounts may be released to support the overall position.</p> | |
| Other Corporate Items | | | |
| (16) | Corporate Unringfenced Grants | Additional income relating to the Learning Disabilities & Health Reform Grant. | |

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Housing Revenue Account - Revenue Budget Summary

| Forecast Variance Month 2 £'000 | Housing Revenue Account | 2012/13 Budget Month 5 £'000 | Forecast Outturn Month 5 £'000 | Forecast Variance Month 5 £'000 | Forecast Variance Month 5 % |
|--|---------------------------------|---------------------------------------|---|--|--------------------------------------|
| (174) | Employees | 8,518 | 8,288 | (230) | -2.7% |
| (30) | Premises – Repair | 10,645 | 10,346 | (299) | -2.8% |
| - | Premises – Other | 3,442 | 3,365 | (77) | -2.2% |
| - | Transport & Supplies | 2,073 | 2,047 | (26) | -1.3% |
| - | Support Services | 1,981 | 1,949 | (32) | -1.6% |
| - | Third Party Payments | 55 | 58 | 3 | 5.5% |
| 558 | Revenue contribution to capital | 18,642 | 18,642 | - | 0.0% |
| (558) | Capital Financing Costs | 7,219 | 7,219 | - | 0.0% |
| (204) | Net Expenditure | 52,575 | 51,914 | (661) | -1.3% |
| - | Dwelling Rents (net) | (46,702) | (46,726) | (24) | -0.1% |
| - | Other rent | (1,246) | (1,208) | 38 | 3.0% |
| - | Service Charges | (4,152) | (4,244) | (92) | -2.2% |
| - | Supporting People | (465) | (484) | (19) | -4.1% |
| - | Other Income & Recharges | (410) | (372) | 38 | 9.3% |
| - | Net Income | (52,975) | (53,034) | (59) | -0.1% |
| (204) | Total | (400) | (1,120) | (720) | |

Explanation of Key Variances

| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|--------------------------------|------------------------|---|---------------------------------------|
| Housing Revenue Account | | | |
| (230) | Employees | This relates to vacancies throughout the service during the first few months of the year while recruitment to the new Housing and Social Inclusion structure was being finalised. It also includes underspends on pension costs as fewer staff are members of the pension scheme. | |
| (299) | Premises Repairs | Responsive repairs are forecast to underspend by £0.200m. The continuation of the policy implemented last year to review responsive repairs within the context of the replacement programme has resulted in lower than expected values and numbers of responsive repairs. There is also a further underspend on the costs of gas servicing of £0.104m as a result of the re-basing of the open book contract after the budget was set. | |
| (77) | Premises -other | There is a £0.048m underspend on premises costs relating to the housing centre, and a further underspend of £0.020m on council tax payments for empty properties where properties have been refurbished and re-let quicker than anticipated. | |
| (26) | Transport and Supplies | This variance relates to many small underspends on transport and supplies throughout the service. Some of these relate to professional fees and computer hardware as well as a forecast reduction in vehicle maintenance costs as a result of new vehicles being purchased. The underspends are off-set by £0.100m additional expenditure on the financial inclusion project which aims to procure a money advice service for residents. This expenditure was approved as part of the 2012/13 budget process to be funded out of earmarked reserves but has now been funded by these underspends. | |

Appendix 1 – Revenue Budget Performance

| Key Variances £'000 | Service | Description | Mitigation Strategy (Overspends only) |
|--------------------------------|-----------------------|--|--|
| (92) | Service Charge Income | Service Charge income is forecast to over -recover slightly by £0.092m (2.22%) due in the main to an unexpected increase in the 2011/12 repairs service charge for leaseholders (billed in 12/13). This is due to more repairs works being carried out to leaseholders' properties during the last financial year. | |

Dedicated Schools Grant - Revenue Budget Summary

| 2012/13 Variance Month 2 £'000 | Dedicated Schools Grant (DSG) | 2012/13 Budget Month 5 £'000 | Forecast Outturn Month 5 £'000 | Forecast Variance Month 5 £'000 | Forecast Variance Month 5 % |
|---|---|---------------------------------------|---|--|--------------------------------------|
| 0 | Individual School Budgets (ISB) <i>(This does not include the £6.380m school balances brought forward from 2011/12)</i> | 126,774 | 126,774 | 0 | 0.0% |
| 0 | Private, Voluntary & Independent (PVI) <i>(Early Years 3 & 4 year old funding for the 15 hours free entitlement)</i> | 6,801 | 6,801 | 0 | 0.0% |
| (45) | Central Schools Budget <i>(This includes £1.168m central underspend brought forward from 2011/12)</i> | 16,595 | 16,452 | (143) | -0.9% |
| 0 | Grant income | (149,002) | (149,002) | 0 | 0.0% |
| (45) | Total Net DSG | 1,168 | 1,025 | (143) | -12.2% |

Explanation of Key Variances

| Key Variances £'000 | Service | Description (Note: FTE/WTE = Full/Whole Time Equivalent) | Mitigation Strategy (Overspends only) |
|-------------------------------|------------------------------------|---|---------------------------------------|
| Central Schools Budget | | | |
| (62) | Educational Agency Placements | At budget setting time it was estimated that there would be 61 FTE placements. The current number of children in an educational agency placement remains at 61 but due to favourable changes in placement costs there is an underspend. | |
| (48) | Education of Looked After Children | Costs being lower than anticipated. | |
| (19) | Swan Centre | Small underspends on non-employee costs. | |
| (14) | Various | Other minor underspends | |

NHS Trust Managed S75 Budgets - Revenue Budget Summary

| Forecast Variance Month 2 £'000 | | 2012/13 Budget Month 5 £'000 | Forecast Outturn Month 5 £'000 | Forecast Variance Month 5 £'000 | Forecast Variance Month 5 % |
|--|--|---------------------------------------|---|--|--------------------------------------|
| | S75 Partnership | | | | |
| 8 | Sussex Partnership Foundation NHS Trust (SPFT) | 11,485 | 11,364 | (121) | -1.1% |
| (164) | Sussex Community NHS Trust (SCT) | 2,436 | 2,483 | 47 | 1.9% |
| (156) | Total Revenue - S75 | 13,921 | 13,847 | (74) | -0.5% |

Explanation of Key Variances

| Key Variances £'000 | Service | Description (Note WTE = Whole Time Equivalent) | Mitigation Strategy (Overspends only) |
|--|---------|--|---------------------------------------|
| Sussex Partnership Foundation NHS Trust | | | |
| (121) | SPFT | Sussex Partnership Foundation NHS Trust (SPFT) is reporting an underspend of £0.121m at Month 5. The budget strategy savings target of £0.326m has already been achieved. On top of this, further savings of £0.083m have been achieved as a result of increased funding through the assessment process and the use of assistive technology. However, there continue to be pressures against the Adult Mental Health Community Care budget from a lack of suitable accommodation, for which there is a specific savings target in the Financial Recovery Plan. In line with the agreed risk-share arrangements for 2012/13 any overspend or underspend will be shared 50/50 between SPFT and BHCC. | |
| Sussex Community NHS Trust | | | |
| 47 | SCT | Sussex Community NHS Trust (SCT) are reporting an overspend of £0.046m. The HIV budget is underspent and is a continuation of the position from 2011/12. There are significant staffing pressures against Intermediate Care services where a process has been put in place to manage this position.. | |