

Appendix 1 – Revenue Budget Performance

People - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(3,241)	Commissioner - Children's Youth & Families	22,580	19,119	(3,461)	-15.3%
(250)	Commissioner - Learning & Partnership	5,296	4,966	(330)	-6.2%
433	Delivery Unit - Children's & Families	35,306	35,349	43	0.1%
(3,058)	Total Children's Services	63,182	59,434	(3,748)	-5.9%
(30)	Commissioner - People	2,230	2,116	(114)	-5.1%
(1,273)	Delivery Unit - Adults Assessment	49,025	47,224	(1,801)	-3.7%
356	Delivery Unit - Adults Provider	14,626	15,155	529	3.6%
(947)	Total Adult Services	65,881	64,495	(1,386)	-2.1%
(4,005)	Total Revenue - People	129,063	123,929	(5,134)	-4.0%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Commissioner – Children, Youth & Families			
(3,397)	Corporate Critical - Children's Agency Placements	The current projected number of residential placements (24.25 FTE) is broken down as 20.61 FTE social care residential placements (children's homes), 3.36 FTE schools placements, 0.28 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 FTE substance misuse rehab placements. The number of projected placements remains very low	<ul style="list-style-type: none"> • 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: • implementing a tiered approach to the procurement of placements for looked after children, reducing the proportion of high cost

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		<p>compared with historic averages and it is not yet known whether this level of activity is sustainable. It is currently 12.25 FTE below the budgeted level creating an underspend of £1.624m.</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 187.81 projected FTE placements. This is considerably less than anticipated in the budget which is based on 206.50 placements resulting in an anticipated underspend of £1.197m.</p> <p>The current projected number of disability placements is 15.26 FTE with an average unit cost of £2,237.84. The number of placements is 2.35 FTE below the budgeted level. The average weekly cost of these placements is £69.96 lower than the budgeted level and the combination of these two factors together with a projected underspend of £0.034m on respite placements, results in an underspend of £0.372m.</p> <p>It is currently anticipated that there will be 0.87 FTE secure (welfare) placements and 1.19 FTE secure (justice) placements in 2012/2013. The 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</p>	<p>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)
		in a projected underspend of £0.204m	
(64)	Other	Minor underspend variances	
Commissioner – Learning & Partnership			
(259)	Home to School Transport	There is an underspend of £0.259m which reflects the continued reduction in the numbers of children being transported as well as the favourable terms of the renegotiated contracts in the summer.	
(71)	Other	Minor underspend variances	
Delivery Unit – Children & Families			
(77)	Social Work Teams	The Social Work Teams are currently projected to underspend by £0.077m in 2012/13.	
110	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) had left a shortfall still to be found. Since then savings of £0.040m have been identified reducing the overspend to £0.110m .	Vacancies will be scrutinised carefully to consider further potential opportunities to contribute to this saving as and when they arise. £0.040m has already been identified and the budget will be rebased in 2013/14.
51	Care Leavers	Currently the Unaccompanied Asylum Seeking Children team are projecting minimal growth in ex asylum seekers being supported resulting in an underspend of £0.149m . This underspend is off-set by a projected overspend of £0.200m against the Leaving Care budget.	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. Increased activity in care leavers is linked to reductions in Looked After Children so spend in this area is supporting the VFM savings above.
(84)	Legal Fees	Legal fees are currently projected to be	

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		underspent. This is made up of £0.037m underspend on independently commissioned social work and medical assessments and £0.047m underspend for legal/court fees. The underspend on independent assessments is due to the VFM programme to utilise the Clermont CPU team to undertake these assessments.	
203	Adoption Payments	The latest projection on adoption payments to out of authority providers shows a projected overspend of £0.261m based on a detailed estimate provided by the Head of Service. Other adoption payments to individuals in Brighton and Hove show an underspend of £0.058 due to a reduction in anticipated allowances.	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. Increased activity in this service, through a spend to save business case forms part of the VFM programme so it is anticipated that resources may be switched in future years.
135	Corporate Critical- In House Foster Payments	Overspend of £0.135m predominantly relates to increase in Special Guardianship orders where 66 placements were budgeted for but current numbers are 88.	Implementing a tiered approach to the procurement of placements reducing the proportion of high cost placements
(243)	Early Years	Mainly due to underspendings on staffing with holding of vacant posts and increased income in nurseries.	
(52)	Other	Minor underspend variances	
Commissioner – People			
(114)	Commissioner - People	Increase in underspend from savings against contracts.	
Delivery Unit – Adults Assessment			
see below	Assessment Services	Assessment Services are reporting an underspend of £1.801m at Month 9 (representing 4.2% of the net budget), an increase in underspend of £0.408m from Month 7. Significant progress has already been made in meeting the 2012/13 savings target in full. There is a risk of £0.400m	

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		against extra care housing in particular. The underspend is split against client groups as follows:	
(1,205)	Corporate Critical - Community Care Budget (Older People)	Older People services are reporting an underspend of £1.205m which is a continuation of the financial trends seen during 2011/12 and builds upon the success of reablement and other initiatives in delivering ongoing efficiencies. The improvement of £0.442m from Month 7 is due mainly to a net reduction in residential client numbers of 6 WTE (£0.170m); improved income contributions linked to individual clients (£0.140m) and a reduction in homecare commitments of approximately £0.100m.	
(1,036)	Corporate Critical - Community Care Budget (Learning Disabilities)	Learning Disabilities are showing an underspend of £1.036m due mainly to the full year effect of management decisions taken during 2011/12 and the successful re-negotiation of contracts and the improved identification of appropriate funding streams. This reflects an improvement of £0.089m from Month 7.	
186	Corporate Critical - Comm. Care Under 65's	Under 65's are currently showing an overspend of £0.186m. This reflects increased complexity (e.g. Acquired Brain Injury) in small numbers of high cost placements	Activity and growth projections being actively monitored. Offset by underspends against other client groups. The budget allocations across all client groups will be reviewed to reflect activity levels and costs for 2013/14.
254	Support & Intervention Teams	The £0.200m savings target for the re-modelling of staffing arrangements in Assessment Services will not be met in full this financial year.	Plans are being developed for 2013/14 to deal with this pressure. For 2012/13 savings are being made from Community Care (as above)
Delivery Unit – Adults Provider			
529	Provider Services	Provider Services are reporting a pressure of £0.529m at Month 9 (representing 3.6% of the net budget). The pressure is mainly from the risks	An implementation plan for Learning Disabilities accommodation is now in place, following agreement at September Adult Care & Health

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		<p>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 Adult Care & Health Committee; a further proposal was accepted at the September meeting of the Committee. Also, there has been a delay in developing proposals on day activities.</p> <p>A review of the Provider forecasts has increased the position by £0.118m from Month 7 mainly due to increases in the respite service of £0.061m, Home Care of £0.049m and Able & Willing of £0.031m following a review of income levels. The management of Knoll House has transferred from Sussex Community NHS Trust and is showing a pressure of £0.072m at Month 9.</p>	<p>Committee. However, there are risks attached to the delivery of this plan. The cost as a result of the delay in implementing savings in day services has been offset for this year by the Community Care budget.</p> <p>Discussions are ongoing with the PCT to reflect the additional resources required to support Knoll House.</p>

Environment, Development & Housing - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
562	Transport	(3,806)	(3,146)	660	17.3%
10	City Infrastructure	29,219	29,222	3	0.0%
13	City Regeneration	938	964	26	2.8%
0	Planning & Public Protection	4,722	4,772	50	1.1%
585	Total Non Housing Services	31,073	31,812	739	2.4%
235	Housing	16,388	16,695	307	1.9%
820	Total Revenue - Environment, Development & Housing	47,461	48,507	1,046	2.2%

Explanation of Key Variances:

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Transport			
429	Corporate Critical – Parking Operations	There is a shortfall in the level of on-street pay and display income leading to a forecast pressure of £0.750m. There was a clear pattern of poor weather through much of 2012 that has had a particularly negative impact on the on-street parking revenue. In addition, a migration away from cars to bus and cycle use, and car users switching from two hour stays to one hour stays has also contributed to this. Uncertainty over the level of the contribution from NCP for the two leased car parks has lead to a	The London Road off street car park is forecast to achieve additional income of £0.210m. Trafalgar Street and Regency Square will underspend on their revenue maintenance and electricity budgets by £0.082m owing to the capital programme works in year. Efficiencies in the removals service and enforcement contract variations will lead to expenditure savings of £0.116m. The forecast for permit income shows a surplus against budget of £0.210m, and there will be an additional underspend of £0.025m on Blue

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		<p>forecast pressure of £0.032m.</p> <p>An extension to the period of refurbishment at Trafalgar Street and Regency Square is likely to reduce the income capacity by £0.265m, and a shortfall in the level of income at the HRA High Street car park will cause a pressure of £0.012m.</p> <p>A reduction in the level of Bus Lane Enforcement notices is also expected to cause a pressure of £0.100m.</p> <p>An unresolved dispute over insurance invoices and repair costs at the Lanes Car Park is likely to lead to an overspend against budget of £0.060m.</p>	<p>Badge permits. Vacancy management savings will contribute a further £0.027m underspend. A reduction in the level of bad debt provision on Penalty Notices will lead to an underspend of £0.120m. These underspends will partially offset the risks above.</p> <p>The setting of fees and charges for parking for 2013/14 have taken into account patterns of demand experienced in the current financial year.</p>
151	Highways	<p>There is a pressure of £0.100m relating to the roads safety maintenance budget as the result of a wet summer. The remaining £0.051m is in respect of specialist support staff relating to North Street, and to the permit scheme for road works and closures.</p>	<p>Efforts have been made to try and identify areas where underspends can be achieved in order to offset the pressures identified. One off funding of £0.100m is included in the 2013/14 budget proposals for the establishment of a road works permit scheme. This should contribute to reducing this pressure through ensuring better quality and more co-ordinated repairs. In addition there is further capital funding for road maintenance which should begin to address the deficit for minor road repairs</p>
80	Highways Engineering	<p>There is a pressure on the Highways and Engineering Projects Team and their ability to recharge sufficient time to capital projects to meet budget.</p>	<p>It has not been possible to recharge further costs to capital projects, Service pressure funding has been included in the 2013/14 budget.</p>
City Infrastructure			
(53)	City Clean	<p>One-off staffing savings (£0.046m) in relation to maternity leave and vacancy management.</p>	
56	City Parks	<p>Shortfall in the level of income from Roedean and Rottingdean mini golf courses (£0.040m) and</p>	<p>Underspends in City Clean will mainly offset the pressures in City Parks. Efforts will be made to</p>

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		grounds maintenance (£0.016m).	manage staff time for the remainder of the year, to try and bring back to breakeven.
City Regeneration			
26	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.
Planning & Public Protection			
50	Development Planning	This relates to the cost of agency staff covering long term sickness.	Expenditure forecasts will continue to be reviewed to determine whether there is scope to make savings elsewhere in order to bring the position back to a breakeven one.
Housing			
82	Corporate Critical Temporary Accommodation & Allocations (Excluding LDV - See Below)	We have managed down the anticipated pressure on spot purchase accommodation from homeless households by improved prevention and tighter void management in leased properties.	This is a known service pressure area that needs to be managed in the context of the whole council budget position and has been considered in setting the 2013/14 budget. As a mitigating action, we will try to acquire more accommodation through the framework agreement, which is currently being put together.
50	Corporate Critical Local Delivery Vehicle (LDV)	This pressure is down to the increase of 3.2% on the contract price which has not been supported by an increase in Local Housing Allowance Rates.	This pressure has been considered in developing the 2013/14 budget.
223	Housing & Social Inclusion	This was forecast to come in on budget until December 2012 when a number of trespassers moved on to the Horsdean Transit site. The incursion introduced Health and Safety risks to the site. As a result we have incurred unexpected expenditure to provide additional security and staff to manage these risks. There was also increased pressure on the facilities at the site resulting in	The trespassers have been evicted from site. The Travellers Liaison Service and the Horsdean Transit Site are now subject to an operational management review to ensure that the service can operate as efficiently as possible and is budgeted for appropriately. The 2013/14 budget report includes extra funding to allow for changes to the management of the service.

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		unexpected maintenance requirements. Remedial work was also required on site to deal with a flooding risk as a result of the exceptionally high rainfall. An initial review of the incident has indicated that changes need to be made to the site and the management of the site to prevent future breaches.	
42	Housing Support Services	As identified at Month 5, the increase in vulnerability of clients in hostels has meant that more staff have been employed to cope with this. Some of these overspends have been offset by increased income due to 7 extra rooms across the hostel service. At Month 7, Further staff have been employed in the Housing Support Services, costing £0.087m which has been funded from the Homelessness prevention budget to meet the demand due to increase in vulnerability. At Month 9, funding of £0.030m from Supporting People has been transferred to offset some of the pressures caused by the extra staff in hostels.	This is a known service pressure area that needs to be managed in the context of the whole council budget position and has been considered in setting the 2013/14 and 2014/15 budget.
(118)	Lead Commissioner	The under spend 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.	
28	Other Housing	Minor staffing overspends.	This increase in staff costs has been more than offset by the reduction in overspend on the TA budget as we have been able to make decisions on cases quicker and by early interventions.

Communities - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
50	Commissioner - Communities & Equalities	3,397	3,447	50	1.5%
185	Community Safety	2,241	2,396	155	6.9%
0	Commissioner - Sports & Leisure	1,423	1,423	0	0.0%
30	Commissioner - Culture	2,004	2,034	30	1.5%
495	Delivery Unit - Tourism & Leisure	3,149	3,586	437	13.9%
760	Total Revenue - Communities	12,214	12,886	672	5.5%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Commissioner – Communities & Equalities			
50	Community Development	The forecast overspend is regarding match-funding for a Community and Voluntary Sector Forum led project "Transforming the Local Infrastructure".	It is hoped to offset this by underspends on other commissions by year end.
Delivery Unit – Community Safety			
155	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.	Action continues to be undertaken to reduce the level of overspend. A plan to address ongoing pressures is being developed for the 2013/14 budget. The financial impact regarding the establishment of the Police and Crime Commissioner on the 2013/14 has not yet been confirmed.
Commissioner – Sports & Leisure			
0	Sport and	The forecast across Sport and Leisure commissioning budgets	

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
	Leisure	is currently break-even. Essential health and safety works have been carried out at Saltdean Lido under Urgency Powers funded from the General Fund risk provision as previously reported. Options are being developed for the future of the Lido with a report being considered by Policy & Resources Committee in January 2013.	
Commissioner - Culture			
30	Brighton Dome Client Costs	It was anticipated that a reduction in the contractual payment to the Dome for 2012/13 could be negotiated but this has not proved possible in its entirety.	Negotiations have been concluded regarding the inflationary clause for the next 3 year period which is in line with that used in the Medium Term Financial Strategy.
Delivery Unit – Tourism & Leisure			
363	Venues	The Venues forecast overspend is mainly due to reduced bookings for entertainments of £0.396m, which includes the January Holiday on Ice Show, realisation of the impact of low levels of bookings made prior to the refurbishment of the venue for exhibitions and conference bookers of £0.062m, and the consequential reductions in the catering commissions of £0.060m. In addition, there have been unavoidable costs incurred in respect of the venues internet services of £0.013m and a pressure of £0.012m due to the loss of rooms no longer available for functions at the Hove Centre. These overspends have been reduced by vacancy management savings of £0.180m and the overall position has improved by £0.024m from Month 7.	Action is being taken to secure further bookings and maximise future business opportunities, this included the one week Holiday on Ice Show in November 2012 and the three week run of Starlight Express in January 2013 . Conference bookings since January 2012, 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.
133	Royal Pavilion and Museums	This overspend is mainly made up of £0.070m due to the delay in implementation of the security review, £0.097m	Consultation on the security review has been completed and

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		underachievement on retail income targets and £0.058m underachievement on catering. These overspends have been reduced by vacancy management savings.	implementation is anticipated by March/April. The new catering contractors are currently mobilizing and will be in place by April. The underachievement on retail has been reduced through the current high profile Biba exhibition however secondary visitor spend remains vulnerable.
(59)	Seafront Services, Tourism & Marketing	The forecast underspend is due to net additional rental income from seafront properties arising from back payment of a rent review. Further income arising from the Race Course and the campsite together with deferred expenditure on the Bandstand of has offset the previously reported pressure across Volks Railway. Income pressures across Visit Brighton are being offset by vacancy management savings.	

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Resources & Finance - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
138	Delivery Unit - City Services	13,437	13,567	130	1.0%
(352)	Housing Benefit Subsidy	(752)	(1,104)	(352)	-46.8%
56	Resources	18,944	18,952	8	0.0%
(30)	Finance	5,940	5,910	(30)	-0.5%
(188)	Total Revenue - Resources & Finance	37,569	37,325	(244)	-0.6%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Delivery Unit – City Services			
130	City Services	£0.092m relates to libraries services following due process and engagement of staff and stakeholders in consultation which led to a later than planned implementation, and additional costs relating to one community library location. The remaining pressure of £0.040m relates mainly to additional security costs for the Customer Services Centre at Bartholomew House (£0.020m) and other areas.	Pressures are being actively managed to minimise or reduce costs.
Housing Benefit Subsidy			
(352)	Corporate Critical - Housing Benefit Subsidy	The Housing Benefit budget is expected to generate an additional £0.352m in subsidy. This is because local authority errors are now predicted to be held below the government threshold and therefore attract additional subsidy. This is a large and complex 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.	

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Resources			
92	Communications	Communications are forecasting an overspend of £0.092m in 2012/13, which is a slight reduction from Month 7.	Costs are being reviewed against the Communications strategy, and has influenced the budget allocation for 2013/14, particularly addressing unachievable income targets
(9)	Human Resources	Human Resources are forecasting an underspend of £0.009m as a result of continued cost monitoring and income generation. The Human Resources Systems Thinking review is in progress and now in the implementation phase; Transformation Funds are supporting the review, which is a lead review for developing an approach that can be deployed flexibly across the council, 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.	
40	ICT	The main risk relates 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.	Costs will be closely monitored and opportunities for cost reduction and other savings will be kept under review to help balance the budget.
(109)	Legal & Democratic Services	A combination of improved income generation, one off receipts from court costs and project specific income from external sources has increased the projected under spend by £0.033m from Month 7.	
6	Policy, Performance & Analysis	Minor overspend	
(12)	Property & Design	The commercial rent forecasts are being maintained despite the difficult economic climate for rental properties on the high street. This, together with fortuitous income has resulted in an underspend of £0.012m for Property & Design.	

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

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Corporate Budgets - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(328)	Bulk Insurance Premia	3,419	2,991	(428)	-12.5%
64	Concessionary Fares	9,696	9,760	64	0.7%
625	Capital Financing Costs	8,862	9,487	625	7.1%
0	Levies & Precepts	167	167	0	0.0%
0	Corporate VfM Savings	(228)	0	228	100.0%
(1,266)	Risk Provisions	2,630	1,604	(1,026)	-39.0%
(16)	Other Corporate Items	(29,494)	(29,510)	(16)	-0.1%
(921)	Total Revenue - Corporate Budgets	(4,948)	(5,501)	(553)	-11.2%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Bulk Insurance Premia			
(428)	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. This underspend has been partially offset by £0.050m relating to the settlement of two trip / slip claims and £0.040m due to the increasing costs of litigated claims, particularly legal fees. It is anticipated that the council will experience increasing numbers of litigated claims from	

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		“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 the damages awarded. The Government hopes the change will act as a disincentive to anyone bringing spurious cases. The underspend has increased by £0.100m since Month 7 due to the number of claims being slightly lower than anticipated.	
Concessionary Fares			
64	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			
625	Capital Financing Costs	At Month 5 there was 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 had resulted in a greater element of the financing costs of the authority impacting on the General Fund than anticipated. Since then the forecast overspend has increased by £0.275m. The main reason (£0.306m) for this is that the income from services paying for the costs of unsupported borrowing is less than budgeted due to schemes being reprofiled and this is only partly offset by additional investment income generated until the scheme goes ahead. There are however corresponding savings within service budgets.	Where possible, underspends on other corporate budgets will be used to mitigate this pressure, notably Bulk Insurance Premia.
Corporate VFM Projects			
228	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. As at month 9, there is a forecast underachievement of £0.251m against the central	Full details of VFM Programme performance and variances are given in Appendix 4.

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		procurement VFM target, partly offset by an improvement of £0.023m against the Management & Admin VFM target.	
Risk Provisions			
(1,026)	Risk Provisions & contingency	<p>There is a one-off risk provision of £1.000m and it is forecast that £0.266m of this can be released to support the overall position. This is after providing £0.734m 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; <p>There is a permanent (recurrent) risk provision of £1.000m and £0.760m is now being released to provide one-off resources to support the overall position. The remaining £0.240m of this has been allocated to the Communications budget to cover the shortfall in the advertising and sponsorship contract. From 2013/14 onwards £0.215m has been built into the budget for this. The level of the recurrent risk provision will be reviewed for 2013/14 as part of the February budget report.</p> <p>There is also a permanent risk provision of £0.785m for pay related matters. Subject to approval, some of this will be allocated for Living Wage requirements and the balance will be transferred to the Single Status provision.</p>	
Other Corporate Items			
(16)	Corporate Unringfenced Grants	Additional income relating to the Learning Disabilities & Health Reform Grant.	

Appendix 1 – Revenue Budget Performance

Housing Revenue Account - Revenue Budget Summary

Forecast Variance Month 7 £'000		2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
	Housing Revenue Account				
(397)	Employees	8,518	8,205	(313)	-3.7%
(365)	Premises – Repair	10,645	10,040	(605)	-5.7%
(146)	Premises – Other	3,810	3,587	(223)	-5.9%
(166)	Transport & Supplies	2,023	1,809	(214)	-10.6%
(54)	Support Services	1,981	1,930	(51)	-2.6%
11	Third Party Payments	105	111	6	5.7%
400	Revenue contribution to capital	18,274	18,674	400	2.2%
-	Capital Financing Costs	7,244	7,244	-	0.0%
(717)	Net Expenditure	52,600	51,600	(1,000)	-1.9%
(158)	Dwelling Rents (net)	(46,702)	(46,860)	(158)	-0.3%
(10)	Other rent	(1,246)	(1,256)	(10)	-0.8%
(190)	Service Charges	(4,152)	(4,328)	(176)	-4.2%
(19)	Supporting People	(465)	(484)	(19)	-4.1%
49	Other recharges & interest	(435)	(376)	59	13.6%
(328)	Net Income	(53,000)	(53,304)	(304)	-0.6%
(1,045)	Total	(400)	(1,704)	(1,304)	

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Housing Revenue Account			
(313)	Employees	This relates to vacancies throughout the service while recruitment to the new Housing and Social Inclusion structure was being finalised. It also includes underspends on pension costs as fewer staff than budgeted are members of the pension scheme. This underspend has reduced from £0.397m at Month 7 due in the main to the anticipated one-off costs relating to contractual changes within the estates service.	
(605)	Premises Repairs	This underspend is made up from the following major variances: Responsive repairs are forecast to underspend by £0.300m due to the mild weather and the continuation of the policy to review responsive repairs within the context of the replacement programme, resulting in lower than expected values and numbers of responsive repairs. There is also a further underspend on the costs of gas servicing of £0.103m as a result of re-basing of the open book contract after the budget was set. Works to empty properties is also underspent by £0.171m as a result of fewer properties than budgeted becoming empty. There is also a £0.073m underspend relating to works to the Housing Centre as well as £0.096m underspend on fire alarms and fire risk works. These underspends are partly off-set by overspends on asbestos works of £0.064m and lift maintenance £0.086m.	
(223)	Premises - other	Premises costs for the housing centre are forecast to underspend by £0.039m due to uncertainties of the operating costs of this new building at budget setting time. Other underspends relate to insurances £0.040m, utility costs £0.090m and £0.020m on council tax payments due to fewer empty properties than expected. The forecast also includes an anticipated £0.041m underspend on decorating vouchers.	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
(214)	Transport and Supplies	There are many minor underspends throughout the service. The major variances relating to transport and supplies are: £0.104m underspend on professional and consultancy fees no longer required in this financial year due to the changing of projects and more utilisation of in-house staff; there are further underspends of £0.030m on legal fees for leaseholder tribunals, £0.076m on general office expenses, furniture etc., as well as a reduction in vehicle maintenance costs as a result of the new vehicles being purchased.	
400	Revenue Contribution to Capital Outlay	This relates to an additional contribution to capital investment using revenue underspends to fund further investment in housing adaptations for Council tenants as reported to P&R Committee on 29 th November 2012.	This overspend is being funded by other underspends within the HRA.
(158)	Dwellings Rents	Rental income is forecast to over recover by £0.158m as the number of voids and the length of time empty properties were held ready for transfer to Seaside Community Homes are less than assumed at budget setting.	
(176)	Service Charge Income	Service Charge income from leaseholders is forecast to over-recover by £0.280m as a consequence of more repairs works being carried out to leaseholders' properties during the last financial year thereby increasing the 2011/12 repairs service charge for leaseholders (billed in 12/13). This is off-set by small amounts of under-recovery from various service charges totalling £0.104m caused in part by a reduction in the number of properties as they have transferred to Seaside Community Homes.	
59	Other Income and Recharges	This budget is projected to overspend by £0.059m and relates to less income than budgeted for rechargeable repair works as well as a reduction in the professional fees recouped from right-to- buy valuations.	This overspend will be funded from other underspends within the HRA.

Dedicated Schools Grant - Revenue Budget Summary

2012/13 Variance Month 7 £'000	Dedicated Schools Grant (DSG)	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Individual School Budgets (ISB) <i>(This does not include the £6.380m school carry forwards from 2011/12)</i>	126,227	126,227	0	0%
30	Private, Voluntary & Independent (PVI) <i>(Early Years 3 & 4 year old funding for the 15 hours free entitlement)</i>	7,001	7,001	0	0%
(165)	Central Schools Budget <i>(This includes £1.168m central carry forward from 2011/12)</i>	16,942	16,575	(367)	-1.0%
0	Grant income	(149,002)	(149,002)	0	0%
(135)	Total DSG	1,168	801	(367)	-31.4%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Central Schools Budget			
(155)	Educational Agency Placements	At budget setting time it was estimated that there would be 61 FTE placements. The current number of placements is 62 but due to favourable changes in placement costs there is an underspend. The underspend has increased by £0.030m since last month as the authority has recently won two tribunal cases.	
(96)	Home to School Transport	The DSG element of Home to School has not been spent as the overall General Fund position on Home/School transport is currently underspent.	
(51)	Education of Looked After Children	Costs being lower than anticipated.	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
(65)	Various	Other minor underspends.	

NHS Trust Managed S75 Budgets - Revenue Budget Summary

Forecast Variance Month 7 £'000	S75 Partnership	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(411)	Sussex Partnership Foundation NHS Trust (SPFT)	11,485	10,884	(601)	-5.2%
23	Sussex Community NHS Trust (SCT)	1,596	1,470	(126)	-7.9%
(388)	Total Revenue - S75	13,081	12,354	(727)	-5.6%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note WTE = Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Sussex Partnership Foundation NHS Trust			
(601)	SPFT	Sussex Partnership Foundation NHS Trust (SPFT) are reporting an underspend of £0.601m at Month 9. The budget strategy savings target of £0.326m has already been achieved. On top of this, savings of £0.287m have been achieved against the mainstream budget from robust vacancy management and tight budgetary control and a further £0.215m from the community care budget as a result of increased funding through the assessment process and robust review of all placements. There continue to be pressures against the Adult Mental Health Community Care budget from a lack of suitable accommodation, which has been highlighted as part of the budget process for 2013/14. 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			
(126)	SCT	Sussex Community NHS Trust (SCT) are reporting a pressure of £0.106m against ICES (£0.028m) from increased demand for equipment and Intermediate Care services (£0.078m) from staffing pressures. The management for Knoll House has transferred to Provider Services (as detailed above). The underspend against the HIV budget of £0.226m is a	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note WTE = Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		continuation of the position from 2011/12 for services now managed by Assessment services.	