

## Appendix 1 – Revenue Budget Performance

### Children’s Services - Revenue Budget Summary

Month 5 Forecast Variance £'000	Service	2013/14 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
28	Director of Children's Services	177	177	0	0.0%
(133)	Education & Inclusion	6,240	6,176	(64)	-1.0%
(626)	Children's Health, Safeguarding and Care	33,417	32,434	(983)	-2.9%
(738)	Stronger Families, Youth & Communities	19,378	18,486	(892)	-4.6%
(1,469)	Total Revenue - Children	59,212	57,273	(1,939)	-3.3%

### Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
<b>Education &amp; Inclusion</b>			
(170)	Home to School Transport	There is an underspend of <b>£0.170m</b> which shows a small reduction in numbers since last month. The number of pupils transported to/from school for July was 421, September 449, October 465 and November 463. A detailed analysis has been undertaken with the budget holder for each area of the budget and these will continue to be monitored monthly.	
100	Adult Social Care moves	As part of the Connaught school places provision it has been agreed that Children’s Services will contribute <b>£0.100m</b> towards the costs relating to Adult Social Care moves.	This is a one-off spend, reducing further potential pressure in Adult services.
6	Other	Minor overspend variances	
<b>Children’s Health, Safeguarding &amp; Care</b>			
(407)	Social Work Teams	The Social Work Teams are currently projected to underspend by <b>£0.407m</b> in 2013/14 due to a number of vacant posts within the teams.	

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
180	Care Leavers	Following the completion of work to streamline and simplify the financial monitoring in this area in preparation for the new partnership arrangements with Housing services, the projected spending on children leaving care has been adjusted downwards. Based on the spend on individual children it is estimated that the care leavers budgets will be overspent by <b>£0.180m</b> . This is broken down as an overspend of £0.234m for standard care leavers and an underspend of £0.054m for ex-asylum seekers. It is anticipated that the new arrangements with Housing, due to start next April, will reduce the overall spending on this service.	Costs will be monitored closely over the year and efforts made to reduce costs or identify mitigating savings to bring this budget back in balance where possible. There is an ongoing project to look at cost reductions through better joint working between Children's and Housing services. Increased activity in care leavers is linked to reductions in Looked After Children so spend in this area is supporting the VFM savings above.
(85)	Adoption Payments	The government have instituted a number of changes and new requirements for the adoption service. Linked to this, a new Adoption Reform grant has been made available partly to fund increases in fees for inter-agency adoptions and partly to facilitate the required changes in processes. It is not yet known what the net impact this will have on inter-agency adoption costs and therefore no budget variance has been included at this stage. The <b>£0.085m</b> underspend relates to regular adoption support payments and allowances which are currently running slightly below budgeted levels.	
(412)	Corporate Critical-In House Foster Payments	Part of the VFM budget strategy is to switch the emphasis of fostering placements from IFA to in-house carers. The budgets are based on an increased number of in-house placements with a corresponding reduction in IFA numbers. This has not progressed as quickly as anticipated resulting in the overspend in IFAs (above) and an underspend of <b>£0.412m</b> in in-house placements.	Continuing the implementing a tiered approach to the procurement of placements reducing the proportion of high cost placements
(200)	Contact Service	The underspend of <b>£0.200m</b> in this service is predominantly due to the use of sessional and agency staff being considerably less than anticipated in the budget.	

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
150	Data Retrieval	There is a potential budget pressure of <b>£0.150m</b> relating to work being commissioned to improve data retrieval systems within Children's services.	There are mitigating underspends across Children's Services and every effort will be made to keep the cost of this work to a minimum.
(55)	Prevention	The underspend in this service of <b>£0.055m</b> mainly relates to the costs of housing and payments to family & friends carers.	
(154)	Other	Minor underspend variances - mainly for keyworking, reviewing and disability social work teams	
<b>Stronger Families, Youth &amp; Communities</b>			
(732)	Corporate Critical - Children's Agency Placements	<p>The current projected number of residential placements (27.35 FTE) is broken down as 23.50 FTE social care residential placements (children's homes), 3.44 FTE schools placements, 0.40 FTE family assessment placements and 0.00 FTE substance misuse rehabilitation placements. The budget allows for 22.20 FTE social care residential care placements, 6.00 FTE schools placements, 1.50 FTE family assessment placements and 0.60 FTE substance misuse rehab placements. The number of projected children's home placements are slightly higher than the budget although 1.17 FTE of these are in 'semi independence' with a considerably reduced unit cost. Other residential placement types remain low compared with historic averages. Overall the number of placements are currently 2.95 FTE below the budgeted level, and this combined with the unit cost savings described above results in an estimated underspend of <b>£0.654m</b>.</p> <p>The numbers of children placed in independent foster agency (IFA) placements began to fall during 2012/13 and that trend appears to be continuing in 2013/14. Currently there are 165.85 projected FTE placements. Although this represents a reduction of 10.7% on last year, the budget strategy included a target for switching the emphasis from IFA to in-house carers which has</p>	<p>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:</p> <ul style="list-style-type: none"> <li>• implementing a tiered approach to the procurement of placements for looked after children, reducing the proportion of high cost placements</li> <li>• 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.</li> <li>• strengthening early intervention</li> </ul>

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		<p>not yet been achieved. On that basis budget for IFA placements is 154.00 FTE which is currently being exceeded by 11.85 FTE placements resulting in an anticipated overspend of <b>£0.048m</b>.</p> <p>The current projected number of disability placements is 18.55 FTE with an average unit cost of £1,716.81. The number of placements is 5.05 FTE above the budgeted level. The average weekly cost of these placements is £501.46 lower than the budgeted level, and the combination of these two factors together with a projected underspend of £0.041m on respite placements results in an overspend of <b>£0.055m</b>.</p> <p>It is currently anticipated that there will be 0.99 FTE secure (welfare) placements and 1.16 FTE secure (justice) placements in 2013/14. 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 in a projected underspend of <b>£0.181m</b></p>	<p>and preventive services and commissioning a transformation change programme to support the re-structuring of social work services in the Children's Delivery Unit</p>
(160)	Other	Minor underspend variances	

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### Adult Services – Revenue Budget Summary

Month 5 Forecast Variance £'000	Service	2013/14 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
1,834	Adults Assessment	48,095	49,988	1,893	3.9%
762	Adults Provider	14,713	16,013	1,300	8.8%
(9)	Commissioning & Contracts	496	492	(4)	-0.8%
2,587	Total Revenue - Adult	63,304	66,493	3,189	5.0%

### Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		The key variances across Adult Social Care are as detailed below:	Mitigating actions continue to be taken wherever practicable but there remain considerable pressures on the Adult Social Care budget.
<b>Adults Assessment</b>			
see below	Assessment Services	Assessment Services are showing an overspend of £1.893m (3.9% of net budget) at Month 7, broken down as follows: -	
1,350	Corporate Critical - Community Care Budget (Older People)	The pressure on the Older People community care budget relates to the Supported Living and Extra Care Housing savings target of £1.640m jointly commissioned with Housing which is now not expected to be delivered in year. The target includes options around Sheltered Housing, Shared Lives and other accommodation. These options are complex and there are significant service, legal, financial and commissioning considerations to work through for each option that will require a greater lead-in time than originally anticipated. Currently, there is a significant risk that units and/or alternative options will	Corporate strategic work is ongoing to deliver the extra care units required and explore/develop the other options - this includes the proposal for Brookmead, which is unlikely to deliver cost savings until 2014/15 or beyond. Placements are also being managed to contain the potential overspend in 2013/14.

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		not be deliverable in time to achieve the savings target for 2013/14.	As mentioned in the main report, available corporate risk provision is being used to mitigate the council's overall position which is primarily due to the pressures detailed here and under Adults Provider services.
(46)	Corporate Critical - Community Care Budget (Learning Disabilities)	Learning Disabilities are reporting an underspend of £0.046m at Month 7, which is a decrease of £0.108m from Month 5. A pressure of £0.070m relates to day services where double running will be necessary until the savings in provider services can be achieved. As highlighted previously, it should be noted that the potential impact from Ordinary Residence 'OR' claims against the budget is £0.755m full year effect, of which £0.127m is included in the forecast. All OR applications need to be reassessed by B&H and are prioritised against risk, therefore there can be a delay in acceptance. Although the majority of applications are legally justifiable, some are disputed successfully.	
715	Corporate Critical - Community Care Budget (Under 65's)	Under 65's are currently showing an overspend of £0.715m; a decrease of £0.015m from Month 5. The underlying pressure is largely due to the full-year effect of the increased complexity (e.g. Acquired Brain Injury) in small numbers of high cost placements against homecare and direct payments. Actual whole time equivalent client numbers are 149 more than budgeted (increase of 22%).	Continuing to explore alternative models of provision and funding.
(55)	Community Care Budget (HIV)	The underspend is a continuation of the activity and spending levels experienced over the last 2 financial years. Consideration needs to be given to realigning budget, given the pressures on other areas described above.	
(71)	Support & Intervention Teams	There is a risk around the delivery of the £0.340m savings target in respect of joint commissioning provider arrangements.	Planning service redesign, however this is unlikely to achieve savings in 2013/14. One off funding relating to a legal case on funding a learning

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Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
			disability placement should cover the pressure for 2013/14 only.
<b>Adults Provider</b>			
1,300	Adults Provider	<p>The forecast overspend includes an assessed risk of £1.000m against the achievement of savings targets totalling £1.640m (2013/14 targets and unachieved targets in 2012/13). Achievement of the savings is dependent on the commissioning review of day options, the corporate VFM programme on transport, the review of options for different service models led by a corporate working group, and the Learning Disabilities accommodation review, all of which are underway.</p> <p>The forecast overspend also includes additional pressures on Adults Provider budgets due to increased staffing in the Resource Centres for Older People (£0.469m). This has been partly offset by one off and recurrent Department of Health Social Care funding (£0.262m) and projected shortfalls on Residents Contributions (£0.066m). There are minor overspends of £0.027m.</p>	<p>The services are working to implement the changes required to deliver the savings and to identify further opportunities to make efficiencies across all the services. There is an ongoing workstream to ensure that all appropriate funding streams are maximised. However, this is unlikely to address the potential overspend of £1.300m. As mentioned in the main report, available corporate risk provision is being used to mitigate the council's overall position which is primarily due to the pressures detailed here and under Adults Assessment.</p>
<b>Commissioning &amp; Contracts</b>			
(4)	Commissioning & Contracts	There is a pressure of approximately £0.040m against delivery of the Community Meals savings target, which is offset against vacancy management savings across the service.	

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### Environment, Development & Housing - Revenue Budget Summary

Month 5 Forecast Variance £'000	Service	2013/14 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
(56)	Transport	(3,985)	(3,728)	257	-6.4%
4	City Infrastructure	28,641	28,819	178	0.6%
40	City Regeneration	1,078	1,098	20	1.9%
98	Planning & Public Protection	4,517	4,554	37	0.8%
86	Total Non Housing Services	30,251	30,743	492	1.6%
392	Housing	15,746	15,754	8	0.1%
478	Total Revenue - Environment, Development & Housing	45,997	46,497	500	1.1%

### Explanation of Key Variances:

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
<b>Transport</b>			
(43)	Corporate Critical – Parking Operations	<p>Overall the corporate critical parking budget is forecast to underspend by £0.043m. The main components of this are shown below and include the anticipated effects of the free parking agreed at Urgency Policy &amp; Resources Committee in November:</p> <ul style="list-style-type: none"> <li>London Road car park is expected to achieve additional income of £0.185m largely as a result of letting an additional 220 season ticket spaces to a large local business.</li> </ul>	



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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		<ul style="list-style-type: none"> <li>• Surplus permit income of £0.157m. This has resulted from an increased demand for permits, partially trader permits where removal of the waiting list has increased demand and also a general migration from on-street parking to permits.</li> <li>• An expected £0.107m surplus on leased car park income.</li> <li>• On-street parking income received to date and the forecast tariff model suggests a potential under achievement of income by approximately £0.062m. Most of this relates to the anticipated impact of the free parking days agreed at Urgency Policy &amp; Resources Committee in November.</li> <li>• There is a forecast under-achievement of income of approximately £0.324m relating to other off street car parks. It is possible that changes in prices have resulted in greater movement to on-street parking. Details of customer activity are being investigated to identify potential reasons for income being less than anticipated in the tariff model.</li> <li>• There is a forecast under achievement of £0.173m relating to Penalty Charge Notice (PCN) income.</li> <li>• There is a forecast underspend of £0.106m on unsupported borrowing costs relating to pay &amp; display machines which have now been fully paid for.</li> <li>• Other minor underspends of £0.047m.</li> </ul>	
172	Highways	At Month 5 pressures of £0.060m were identified. These were mainly in relation to £0.065m for staff	The service will continue to identify potential salary variances and cost recovery to fund the

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		<p>funding and agency costs and £0.005m for counsel costs, partially offset by additional income of £0.024m. Since then the forecast pressure has increased by £0.112m. Of this, £0.100m is in respect of potential pressures on the safety maintenance reactive budget as a result of increased repairs needed following the recent storm damage. A further £0.020m relates to higher than anticipated costs of external specialists to undertake street work inspections required under the New Road &amp; Street Works Act.</p>	highlighted pressures.
128	Highways Engineering	<p>The £0.128m variance relates to Highways Engineers' costs rechargeable to capital. The expected value of works rechargeable to capital is less than the budgeted recovery target. The current forecast has been based on a high level analysis of the expected works during the year.</p>	<p>No reasonable mitigations have been identified and this has been factored into assumptions about service pressure funding requirements for 2014/15.</p>
<b>City Infrastructure</b>			
106	City Clean	<p>An overspend of £0.102m has been reported within the City Clean Operations section. The majority of this relates to the impact of industrial action, which is estimated to result in a cost to the service of approximately £0.078m. Other variances relate to additional costs expected in refuse and recycling due to provisions for new rounds bedding in.</p>	<p>The use of agency staff across the street cleansing service will be reviewed as a potential way of reducing the variance across the remainder of the year.</p>
72	City Parks	<p>There is a forecast £0.065m under-achievement of income at Roedean and Rottingdean golf courses. The leases have come to an end and the sites have been re-marketed. Roedean has been re-let but the rent has reduced reflecting the economic downturn.</p>	<p>Rottingdean has been marketed twice but a suitable tenant is still being sought.</p>
<b>City Regeneration</b>			
20	Sustainability	<p>The main pressure is on income of (£0.015m).</p>	<p>An exercise is being carried out to establish</p>

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
			whether the sustainability budget could be better aligned to reflect actual activity with the regards to the unrecoverable income.
<b>Planning &amp; Public Protection</b>			
(27)	Development Planning	<p>There is a forecast overspend of £0.038m within the Development Management budget of which £0.020m relates to a shortfall of income. The income forecast for the year is based on the anticipated number of applications, and includes an assessment of the likelihood of receiving income from major applications.</p> <p>A further £0.019m pressure has been identified within the Fee-Earning Building Control service. This is a forecasted net position of the service, after considering underspending on the salary budget and underachievement on income. These variances are offset to an extent by a shorter than expected 'Examination in Public' into the City Plan reducing the forecast spend by £0.080m.</p>	Pre-application advice charges for Major Schemes in development control are to be introduced in the autumn. Work to improve income forecasting, supported by the finance team, means that income forecasts are now considerably more accurate. A bid for delivery of ICT database and migration projects should assist with ongoing and unplanned software upgrade and maintenance costs. Use of some agency staff is also due to come to an end by November / early December.
64	Public Protection	The forecast reflects an anticipated overspend of £0.048m on employee budgets as well as small underspends on supplies and services and a minor under-achievement of income. There are potential costs of £0.012m for site investigation of contaminated land in Saltdean, which the council has a duty to investigate. This has not been reported as an overspend at this stage, as the potential of cost recovery is being investigated.	Detailed forecasting across all budgets will be carried out regularly to determine potential for additional income and cost reductions to offset the forecasted overspend.
<b>Housing</b>			
(273)	<b>Corporate Critical Temporary</b>	There is a projected improvement on Housing Benefit collection based on current income levels whilst costs on spot purchase use of Bed &	

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
	Accommodation & Allocations	Breakfast has been managed below budget. Legal fees are below budget as procurement of the larger leases will occur next financial year and there is a £50k projected reduction in subsidy loss payments taken at year end. In addition Welfare reform has not impacted as much as anticipated this financial year due to the delayed implementation of Universal Credit.	
137	Travellers	The reduction in the projected pressure is largely for Horsdean Transit site and also because the busy season for unauthorised encampments has ended. The £0.041m overspend on Horsdean site is due to major works including plumbing and drainage, essential health and safety works; back dated utility bills, increased security costs and income loss due to the site being closed. The projected overspend has been reduced as a decision has been made to not install a new CCTV system at Horsdean in 2013/14 . We have reduced waste removal costs at Horsdean by introducing City Clean service at the site. There have also been lower than expected legal costs. There is a £0.053m overspend on unauthorised encampments due to fly tipping waste removal costs, increased legal costs and increased costs for the removal and storage of vehicles.	A financial recovery process is in place which has helped to significantly reduce the projected overspend. Efficiencies are being found from office costs, site running costs, negotiated reduced security rates. We are exploring other ways we could prevent expenditure on unauthorised encampments. This is a very reactive service and we are limited in our ability to control expenditure but will be making every effort.
14	Housing Support Services	The £0.014m pressure is due to staffing costs.	We will look to find efficiency services from elsewhere to mitigate this pressure.
130	Other Housing	There is a pressure of £0.170m mainly relating to the capitalisation of legitimate staff costs against remaining private sector renewal / disabled facilities grant capital schemes. A review of these	Potentially capitalising these costs against the relevant projects.

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<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Mitigation Strategy (Overspends only)</b>
		costs is pending and will be reported in the Month 9 TBM report. There are offsetting underspends in Housing Options due to reduced staffing costs, including vacant posts and reduced costs relating to sickness absence.	

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### Assistant Chief Executive - Revenue Budget Summary

Month 5 Forecast Variance £'000	Service	2013/14 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Communications	791	794	3	0.4%
0	Royal Pavilion, Arts & Museums	3,743	3,743	0	0.0%
151	Tourism & Venues	1,565	1,717	152	9.7%
0	Corporate Policy, Performance & Communities	5,876	5,865	(11)	-0.2%
0	Sport & Leisure	891	891	0	0.0%
151	Total Revenue - Assistant Chief Executive	12,866	13,010	144	1.1%

### Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
<b>Communications</b>			
3	Communications	Minor overspend reported at Month 7.	
<b>Royal Pavilion, Arts &amp; Museums</b>			
0	Royal Pavilion, Arts & Museums	Break-even position reported at Month 7.	
<b>Tourism &amp; Venues</b>			
152	Tourism & Venues	Tourism & Venues are reporting a pressure of £0.152m at Month 7, which is broken down as follows: - Venues had an overspend of £0.422m last financial year due mainly to reduced bookings for entertainments. As a result of the action taken to help secure further bookings and maximise future business opportunities the overall pressure reported at Month 7 is much reduced at £0.116m. There is a pressure of £0.035m against Tourism	Further action will be taken to secure further bookings and maximise future business opportunities.

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<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Mitigation Strategy (Overspends only)</b>
		largely relating to the full-year savings target applied to the Visitor Information Centre which did not actually close until October, and reduced advertising receipts against Marketing.	
<b>Policy, Civic ,Performance &amp; Communities</b>			
(11)	Policy, Civic, Performance & Communities	Minor underspend reported at Month 7.	
<b>Sport &amp; Leisure</b>			
0	Sport & Leisure	Sport & Leisure are reporting a break-even position at Month 7. However there is a risk in respect of liabilities for Saltdean Lido until a lease is granted to an external operator. This is nearing completion.	

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### Public Health – Revenue Budget Summary

Month 5 Forecast Variance £'000	Service	2013/14 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Public Health	35	35	0	0.0%
0	Community Safety	1,595	1,595	0	0.0%
8	Civil Contingencies	177	184	7	4.0%
8	Total Revenue - Public Health	1,807	1,814	7	0.4%

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
<b>Public Health</b>			
0	Public Health	This is a ring-fenced grant of £18.2m from the Department of Health, which is being provided to give local authorities the funding needed to discharge their new public health responsibilities. The expectation is that funds will be utilised in-year, but if at the end of the financial year there is any underspend this can be carried over, as part of a public health reserve, into the next financial year. In utilising those funds next year, the grant conditions will still need to be complied with.	
<b>Community Safety</b>			
0	Community Safety	Community Safety are forecasting a break-even position at Month 7.	
<b>Civil Contingencies</b>			
7	Civil Contingencies	There is a small pressure being reported due to slightly increased staff costs	Non-pay budget areas will be closely reviewed and savings generated where possible to cover identified pressure.



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### Resources & Finance and Law - Revenue Budget Summary

Month 5 Forecast Variance £'000	Service	2013/14 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
(437)	City Services	13,664	13,188	(476)	-3.5%
0	Housing Benefit Subsidy	(569)	(669)	(100)	16.2%
0	HR & Organisational Development	4,281	4,281	0	0.0%
140	ICT	6,757	7,007	250	3.7%
(218)	Property & Design	4,140	3,798	(342)	-8.3%
(75)	Finance	6,449	6,324	(125)	-1.9%
(9)	Legal & Democratic Services	3,308	3,277	(31)	-0.9%
(599)	Total Revenue - Resources & Finance	38,030	37,206	(824)	-2.2%

### Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
<b>City Services</b>			
(476)	City Services	Revenues and Benefits are forecasting an underspend of £0.658m. This is the first year of budgeting for the new welfare reforms, and the changing timelines and complexities of the schemes have been difficult to project. The underspends have been mostly from payments from the Local Discretionary Social Fund (£0.421m), Council Tax Relief (£0.228m), and other discretionary discounts and payments (£0.086m) due to initial take up being less than anticipated. However, these lower than	

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		<p>expected costs have helped shape the budget planning process for 2014/15. Elsewhere in the service, the strategy to minimise the number of people going to court has meant reductions in court costs charged to customers of £0.049m and there are other net costs of £0.028m due mainly to small ICT pressures.</p> <p>Life Events has some stretched income targets, which it is struggling to meet. However, this month it has continued to reduce its overspend to £0.182m. Pressures from the Crematorium, mostly due to the impact of major works from the Mercury Abatement scheme, are forecast at £0.047m. Plot sales at the Woodland Valley Burial Site are also less than expected, resulting in a shortfall of £0.050m. The Registrars service is also expected to cause a pressure of £0.086m, including a challenging income target, though plans are in place to address this.</p>	<p>A financial recovery plan for Life Events has been drawn up within the service. However it is to be noted that whilst it is hoped that the projections for Life Events will continue to improve during the remainder of this financial year, the full effect of the recovery plan may not be seen until 2014/15.</p>
<b>Housing Benefit Subsidy</b>			
(100)	Corporate Critical - Housing Benefit Subsidy	The Housing Benefit Subsidy budget is expected to achieve a surplus of £0.100m. 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.	
<b>HR &amp; Organisational Development</b>			
0	HR & Organisational	Human Resources & Organisational	

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Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
	Development	Development is still expecting to remain within budget this year. Following an analysis of the service's budget to realign staff estimates and income targets, a pressure of £0.124m was identified. This pressure has now been fully addressed for 2013/14 and it is expected that the service will be able to work within a balanced budget for 2014/15.	
<b>ICT</b>			
250	ICT	<p>The forecast at Month 7 is an overspend of £0.250m which is an increase of £0.110m since Month 5. This increase is due to:</p> <ul style="list-style-type: none"> <li>• Additional staffing costs arising from information security compliance urgent temporary contractors (£0.040m).</li> <li>• Improvements to the Internet feed to enhance internet performance in order to protect core business use (£0.035m).</li> <li>• Review of storage area network due to additional demands on storage and backup relating to security compliance work. (£0.035m).</li> </ul> <p>This is in addition to the previously highlighted pressures on our VFM savings targets (Microsoft Enterprise agreement and telephony) as well as an overspend on our contracts budget due to ongoing security issues.</p>	<p>The service is developing a financial recovery plan in the context of planning the delivery of the ICT Investment Plan and meeting new demands for increased information security following the government's recent announcement of a 'zero tolerance' approach. There will be ongoing costs of the tighter security regime which will be factored into the service pressures assumptions for 2014-15.</p>

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Mitigation Strategy (Overspends only)</b>
<b>Property &amp; Design</b>			
(342)	Property & Design	The commercial rent forecasts are being maintained despite the difficult economic climate for rental properties on the high street.	
<b>Finance</b>			
(125)	Finance	The underspend results partially from vacancies and partially from lower than anticipated implementation costs for service developments relating to banking, income and e-Budgeting.	
<b>Legal &amp; Democratic Services</b>			
(31)	Legal & Democratic Services	This is due to extended vacancy control and overachievements in income.	

## Appendix 1 – Revenue Budget Performance

### Corporate Budgets - Revenue Budget Summary

Month 5 Forecast Variance £'000	Unit	2013/14 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
(150)	Bulk Insurance Premia	3,167	3,017	(150)	-4.7%
54	Concessionary Fares	10,144	10,198	54	0.5%
(25)	Capital Financing Costs	9,721	9,696	(25)	-0.3%
0	Levies & Precepts	158	158	0	0.0%
1,355	Corporate VfM Savings	(1,126)	229	1,355	120.3%
0	Risk Provisions	4,059	3,472	(587)	-14.5%
23	Other Corporate Items	(14,919)	(14,881)	38	0.3%
1,257	Total Revenue - Corporate Budgets	11,204	11,889	685	-6.1%

### Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
<b>Bulk Insurance Premia</b>			
(150)	Bulk Insurance Premia	The underspend relates to a lower level of insurance claims expected to be paid during this year.	
<b>Concessionary Fares</b>			
54	Concessionary Fares	There is a projected overspend of £0.054m on concessionary bus fares. Of this, £0.029m relates to increased journey numbers and higher than estimated average fares on services between Brighton and destinations in Mid-Sussex, as well as the impact of an improved service from the end of May on a route to / from Crawley. The remaining £0.025m overspend relates	Underspends on other corporate budgets, notably bulk insurance premia, will be used to mitigate this pressure.

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		to supported bus routes within the city boundaries where there has been a significant increase in journey numbers and slightly higher than anticipated average fares from April. In comparison with earlier years the increased journey numbers are likely to be linked to the good weather experienced over the summer.	
<b>Capital Financing Costs</b>			
(25)	Capital Financing Costs	There is a forecast £0.025m contribution to the Financing Costs Reserve due to higher than anticipated net cash flows for the year resulting in higher investment income and lower short term borrowing costs. This has been partly offset by lower than anticipated investment returns due to lower interest rates in the money markets.	
<b>Corporate VFM Projects</b>			
1,355	Corporate VFM Projects	The overspend relates to the level of uncertain savings resulting from Accelerated Service Redesign (voluntary severance (VSS) scheme) process and IT category spend outside of the ICT service. Details are provided in Appendix 2 (VFM Programme).	Please see Appendix 2 for information.
<b>Risk Provisions</b>			
(587)	Risk Provisions & contingency	<p>The risk provision budget includes the following main items:</p> <ul style="list-style-type: none"> <li>○ Pay and Pension provisions of £2.078m. It is estimated that £0.200m of this will be allocated in year to support pay modernisation. All remaining funds will be transferred to</li> </ul>	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		<p>reserves to support future restructures or anticipated increases in pension contribution costs.</p> <ul style="list-style-type: none"> <li>○ Risk provisions of £1.472m of which £0.885m has been previously committed. Most of this (£0.800m) is in respect of Hollingdean Depot as agreed by this Committee in October 2013. This leaves a remaining balance of £0.587m</li> <li>○ Contingency and other items of £0.509m, mostly relating to Welfare Reform.</li> </ul> <p>As mentioned in the main report, the remaining risk provision of £0.587m will be utilised to partially mitigate the forecast outturn overspend at Month 7. The remaining overspend must be taken into account when setting the 2014/15 budget and will be considered in the associated General Fund Revenue Budget report also on this agenda.</p>	
<b>Other Corporate Items</b>			
38	Other Corporate Items	Variances on unringfenced grants.	

## Appendix 1 – Revenue Budget Performance

### Housing Revenue Account - Revenue Budget Summary

Month 5 Forecast Variance £'000	<b>Housing Revenue Account</b>	2013/14 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
30	Employees	8,594	8,608	14	0.2%
(37)	Premises – Repair	11,028	11,032	4	0.0%
(4)	Premises – Other	3,363	3,192	(171)	-5.1%
39	Transport & Supplies	2,201	2,224	23	1.0%
92	Support Services	2,034	2,126	92	4.5%
(3)	Third Party Payments	147	144	(3)	-2.0%
0	Revenue contribution to capital	20,774	20,774	-	0.0%
(231)	Capital Financing Costs	8,148	7,917	(231)	-2.8%
(114)	Net Expenditure	56,289	56,017	(272)	-0.5%
17	Dwelling Rents (net)	(49,235)	(49,218)	17	0.0%
(64)	Other rent	(1,269)	(1,333)	(64)	-5.0%
24	Service Charges	(4,932)	(4,837)	95	1.9%
(15)	Supporting People	(465)	(480)	(15)	-3.2%
2	Other recharges & interest	(388)	(386)	2	0.5%
(36)	Net Income	(56,289)	(56,254)	35	0.1%
<b>(150)</b>	<b>Total</b>	<b>-</b>	<b>(237)</b>	<b>(237)</b>	



## Appendix 1 – Revenue Budget Performance

### Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
<b>Housing Revenue Account</b>			
14	Employees	Employees costs have increased mainly in the Tenancy Services area, in particular providing support for Welfare Reform changes, such as support for mutual exchanges.	This is currently being managed within the service by underspends elsewhere in the HRA.
4	Premises-repairs	Costs of servicing lifts and door entry systems are forecast to overspend by £0.098m but these extra costs are off-set by an underspend on repairs to the Housing Centre.	
(171)	Premises-other	The forecast expenditure for gas and electricity has reduced by £0.168m due to lower contract inflationary increases and less usage than budgeted for.	
23	Transport & Supplies	Additional costs of £0.020m for supporting regeneration at Kingswood and Milner, working with families of multiple deprivation.	This is currently being managed within the service by underspends elsewhere in the HRA.
92	Support Services	Additional Legal support, £0.070m and Human Resources, £0.030m is required by Housing Services due to additional work requirements resulting from welfare reform, capital programme major projects and review of various Housing management services. This has been offset by a small underspend in the charge for the community alarm service	This is currently being managed within the service by underspends elsewhere in the HRA.
(231)	Capital Financing Costs	This forecast underspend is due to a reduction in interest costs as a result of lower levels of borrowing than budgeted.	
(64)	Rents-Other	This over achievement of income relates to an increase in car park income from private users and an over achievement of income for commercial rents due to rents being revised after the budget was set.	

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
95	Service Charges	There is a reduction in the service charges to leaseholders income of approximately £0.070m which relates to the actual cost of services for 2012/13 (recently billed) being lower than estimated. It has previously been reported that TV Aerial income is forecast to be £0.020m less than budgeted as a result of charges to a further group of tenants not being applied at 1 <sup>st</sup> April 2013. This is due to a dispute over whether installations have been completed as expected.	This is currently being managed within the service by underspends elsewhere in the HRA. Leaseholder Service charges budgets are reviewed annually as part of the budget setting process to incorporate changes to services and forecast spends.

## Appendix 1 – Revenue Budget Performance

### Dedicated Schools Grant - Revenue Budget Summary

Month 5 Forecast Variance £'000	Dedicated Schools Grant (DSG)	2013/14 Budget Month 7 £'000	Provisional Outturn Month 7 £'000	Provisional Variance Month 7 £'000	Provisional Variance Month 7 %
0	Individual Schools Budget (ISB) <i>(This does not include the £7.114m school balances brought forward from 2012/13)</i>	125,166	125,166	0	0.0%
0	Early Years Block (excluding delegated to Schools) including Private Voluntary & Independent (PVI) <i>(Early Years 3 &amp; 4 year old funding for the 15 hours free entitlement to early years education)</i>	11,867	11,852	(15)	-0.1%
(18)	High Needs Block (excluding delegated to Schools). <i>(This includes the £1.089m underspend brought forward from 2012/13)</i>	13,261	13,301	40	0.3%
(291)	Exceptions and Growth Fund	4,604	3,950	(654)	-14.2%
0	Grant Income	(153,809)	(153,809)	0	0.0%
(309)	Net DSG Budget	1,089	460	(629)	-57.8%

### Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
<b>Early Years Block</b>			
(15)	Funding for Two Year Olds	This relates to a slightly lower than anticipated take up of early years free entitlement for 2-year olds.	
<b>High Needs Block</b>			
123	Sick Children	Estimated overspend in the budget for educating children who are unable to attend school due to illness and are taught in hospital.	
(80)	Educational Agency	Costs in children's education agency placements being	

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
	Placements	less than anticipated due to a lower than budgeted number of placements.	
(18)	Education of Looked After Children	Average unit costs are lower than originally budgeted.	
15	Various	Other minor overspends.	
<b>Exceptions &amp; Growth Fund</b>			
		The total underspend of £0.654m in this area relates to items specifically approved by the Schools Forum and is therefore not available for general DSG spending.	
(350)	Early Years	This relates to increasing the capacity of providers and must be spent on this subsequently in 2014/15.	
(159)	Exceptions	This central budget is held to meet historical commitments, for example, schools' equal pay and combined services costs, together with other statutory items paid on behalf of schools. The allocation of the Exceptions budget is approved by the Schools Forum. This small underspend relates to the currently unallocated exceptions budgets.	
(130)	Carbon Reduction Commitment (CRC)	£0.130m relates to the CRC underspend in 2013/14.	
(58)	Admissions & Transport	Staff savings.	
43	Various	Other minor overspends.	

## Appendix 1 – Revenue Budget Performance

### NHS Trust Managed S75 Budgets - Revenue Budget Summary

Month 5 Forecast Variance £'000	<b>S75 Partnership</b>	2013/14 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
228	Sussex Partnership Foundation NHS Trust (SPFT)	11,429	11,649	220	1.9%
61	Sussex Community NHS Trust (SCT)	641	704	63	9.8%
289	Total Revenue - S75	12,070	12,353	283	2.3%

### Explanation of Key Variances

Key Variances £'000	Service	Description (Note WTE = Whole Time Equivalent)	Mitigation Strategy (Overspends only)
<b>Sussex Partnership Foundation NHS Trust</b>			
220	SPFT	Sussex Partnership NHS Foundation Trust are reporting an overspend of £0.440m at Month 7 (a decrease of £0.016m from Month 5), reflecting pressures from a lack of affordable residential and nursing placements across the board, potentially leading to increased use of high cost placements and waivers within Older People Mental Health. There continues to be a pressure from an increase in need and complexity in Adult Mental Health and forensic services within residential and supported accommodation. Overall activity shows that there are 79 whole time equivalent clients more than budgeted (increase of 9%). In line with the agreed risk-share arrangements for 2013/14 any overspend will be shared 50/50 between SPFT and BHCC and this has been reflected in the overspend of £0.220m reported here.	Ongoing scrutiny at Panel and identifying appropriate funding streams. The BHT Start project has been extended. Move on activity to remain a key element of work for Transitions team and Recovery services.
<b>Sussex Community NHS Trust</b>			
63	SCT	The pressure of £0.063m against the Integrated Community Equipment Store (ICES) budget reflects the continued increased demand for equipment and is a continuation of the trends seen in last financial year.	Options on service models were reported to Adult Care & Health Committee in September.