

AREAS OF BUDGETARY RISK

The table below notes service-areas that have been identified as a budgetary risk within the Place 2018-19 revenue and capital budgets.

The revenue budget areas of risk are:

Budget Title	Approved Budget (Management Unit)	Risk and mitigation
Revenue 81B2: Cemeteries	(256,260)	<p>The income budgets include various sources such as interment fees, rights of burial and headstone fees.</p> <p>Historically the income received has been lower than target. Income levels will be monitored and the issue flagged to senior management if the trend of income continues as in previous years.</p>
Revenue 81D6: Cleansing Chargeable Services	(£287,830)	<p>The majority of the £1,444,690 income is subject to local and national markets with many competitors.</p>
Revenue 81D8: Recycling	£109,690	<p>Recycling income is budgeted at £1,222,550. Although the service actively seeks to trade at the most advantageous price available, this income is subject to fluctuations in the global market, and can be very volatile with even small changes in world prices having a material impact.</p> <p>The Exton Road MRF operates on the basis that some materials too small for us to sort cost-effectively are sent to alternative MRFs to be processed for a fee. Access to these alternative MRFs is becoming more difficult and expensive. The ageing machinery in our MRF is also resulting in more breakdowns and reduced productivity, reducing our ability to extract valuable materials for resale. The Service is preparing a report setting out options regarding the future of the MRF</p>
Revenue 83A3: Car Parking	(£7,577,970)	<p>Car Parking income can be volatile; a 3% shortfall in income would mean a shortfall of £225k against the budget.</p>

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Revenue 83B5: Planning Services	348,640	There has been a number of recent planning decisions which have been appealed. This generally results in a need for external consultancy and legal advice. Significant expenditure has been incurred in this area in previous financial years.
Revenue 83B9: Markets & Halls	(£459,365)	Sources of £1,811,710 income cannot be guaranteed at current or historical levels so there is a risk that the net income budget may not be achieved. The service seeks to minimise risk by taking a pro-active approach to revenue optimisation.
Revenue 83C2 Museum Service	£2,190,660	The amount of Business Rates to be paid by the Council for the main Museum Service building is expected to be decided by a Valuation Tribunal in June. If the Tribunal decides in favour of the City Council, costs of around £75,000 incurred to date will be covered by the Business Rates refund; if the Tribunal finds in favour of the Valuation Office Agency (VOA), a previously agreed 'cost neutral' arrangement with the other party will mean the City Council pays its own costs but not those of the VOA. As this is a national test case, the Museums Manager and Cultural Lead has secured financial commitments from Arts Council England and the National Museums Directors Council as an offsetting contribution to the City Council's costs. The final cost to ECC is therefore not known at this time.