

2021/22 BUDGET MONITORING

AREAS OF BUDGETARY RISK

The table below notes service-areas that, based on either experience last year or market factors this year, have been identified as having significant budgetary risk within the 2021/22 revenue budgets.

The revenue budget areas of risk are:

| Service | 21/22 Approved Budget | Risk Rating | Risk and mitigation |
|--|-----------------------|---|---|
| City Development, Housing & Supporting People | | | |
| Planning Services Revenue | £782,320 |  | There have 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. |
| Revenues and Benefits Housing Benefit Subsidy | £32,697,040 |  | The Council currently administers over £33 million of Housing Benefit payments for rent allowances and rent rebates. Not all expenditure can be claimed back as subsidy. Certain supported and temporary accommodation costs are not eligible for full subsidy; these claim types will remain in Housing Benefit and not move to Universal Credit. As more Housing Benefit claims move onto Universal Credit the amount of unsubsidised expenditure will be an increased proportion of total expenditure. Errors made by ECC officers are not subsidised in full if they go over a set percentage of total expenditure. As total expenditure reduces due to Universal Credit rollout, the margins within which error payments are subsidised will reduce, increasing the risk of a subsidy loss in this area. |
| Communications, Culture and Leisure Facilities | | | |
| Leisure & Sport (Revenue) | £2,477,380 |  | Leisure & Sport have had a challenging year, with irregular openings, staff shortages leading to facility closures and the continued delay to the opening of St Sidwell's Point. There are early indicators that the situation is improving - staff vacancies are being filled, Riverside opened on time and membership income is on the rise. However, the future is still uncertain, especially in regards to the impact that St Sidwell's Point will have once it opens. |

| Service | 21/22 Approved Budget | Risk Rating | Risk and mitigation |
|--|-----------------------|---|--|
| Markets & Halls (Revenue) | (£370,260) |  | The pandemic had a significant impact in 20/21, especially at the Corn Exchange. Although the event programme has now returned to normal, the first few months of the financial year saw virtually no events hosted and there is still uncertainty amongst promoters, artists and the public which could have an adverse effect later in the financial year. |
| Visitor Facilities (Revenue) | £116,680 |  | Similar to Markets & Halls, the pandemic has had – and continues to have – a significant impact on visitor facilities. In particular, the Underground Passages have remained closed due to concerns about the high risk of infection. Although it is hoped that this facility will be able to reopen later in the year or early in 2022, it is unlikely that this will make a material impact this year. |
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| Net Zero Exeter and City Management | | | |
| Trade Waste Fees & Charges | (£1,294,160) |  | Income from existing trade waste customers has generally recovered well from the impact of the pandemic, however when the budgets were prepared it was anticipated that ECC could secure some significant contracts within the city. Progress on these has been delayed, with few opportunities for making cost savings. |
| Car Parking Fees & Charges | (£8,882,350) |  | <p>The ongoing restrictions during the first quarter of 2021/22 continued to impact upon car park income. There has been an uplift in recent weeks but there is expected to be a long term impact as working from home becomes more commonplace. The assumption made for the remainder of the year is that we will receive 75% of budgeted income.</p> <p>The Sales, Fees and Charges income compensation scheme will help recover a significant proportion of losses incurred during Quarter 1 but there is no further financial support.</p> |
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Risk Rating Key:

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|  | Current forecasts indicate either a favourable variance compared to the budget or no variance at all |
|  | Current forecasts indicate an adverse budgetary variance of between 0% and 5% that will be kept under review |
|  | Current forecasts indicate an adverse budgetary variance of more than 5% and will be monitored closely |