











2023/24 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 2023/24 revenue budgets.




The revenue budget areas of risk are:

Service	2023/24 Approved Budget	Risk Rating	Risk and mitigation
City Development			
Planning Services Revenue	£824,760		This year there have been a number of recent planning decisions which have been appealed some of which are very significant e.g. Heavitree Road, in addition there is a risk of at least one judicial review of a decision to approve planning. This generally results in a need for external consultancy and legal advice. Significant expenditure has been incurred in this area in previous financial years.
Communications, Culture and Leisure Facilities			
Markets & Halls (Revenue)	(£378,180)		The Matford Centre is showing signs of another successful year, with surplus to income expected from both Kivell's auctioneers and car parking revenue. There is also a small saving against utilities expected. The surplus to budget is now forecast at £231,220.
Museum Service (Revenue)	£2,791,750		The new co-leadership structure is now in place and the restructure has led to in-year savings against staffing costs. As with other areas, a saving against utilities has also been forecast, leading to an expected saving of £252,500.

Service	2023/24 Approved Budget	Risk Rating	Risk and mitigation
Leisure & Sport (Revenue)	£2,936,100		Despite a challenging year, 2023/24 is the first full year that all the centres have been open and operating at capacity. A £200,000 maintenance budget was added to the Assets team in 2023/24 but a delay in their team restructure has delayed them taking on responsibility for the centres, therefore each centre is showing their own maintenance costs. In light of this, an underspend has been recorded in Corporate Property and an overspend in Leisure. Total revenue has surpassed budget; however, adjustments for VAT still need to be done for the year so a prudent approach has been adopted at quarter three.
Net Zero Exeter and City Management			
Trade Waste Fees & Charges	(£1,604,640)		There has been a longstanding budget target with respect to Trade Waste which has not been achieved since it was set in 2017. The 2021/22 budget anticipated that ECC could secure some significant commercial waste contracts and so the income targets were further increased. It has been agreed to reduce this by £400,000 from the start of next year to realign the budget. Contracts with the University and Met Office last year improved performance to 76% of budget, but the service has struggled to close the gap any further and has lost ground against that level of performance as the year has progressed with current achievement being just 66% of the budget value which increased by 10% from 2022/23.
Car Parking Fees & Charges	(£10,058,640)		The Covid pandemic has resulted in ongoing changes to parking, with some commuters working from home during the working week. The income from visitors can also be volatile during holiday periods. Comparing 2023 to 2019, footfall within the city remains 10% down. Realignment of budgets next year will offset £700,000 of the currently forecast £875,000 shortfall from this year that would otherwise have repeated in 2024/25.

Service	2023/24 Approved Budget	Risk Rating	Risk and mitigation
Home Call Fees & Charges	(£352,800)		The Control Centre Operations, covering the Home Call Alarm Service and CCTV, have had some positive uptake in client numbers following the marketing campaigns which commenced back in March 2023, but numbers are still below the income target set. The combined service is developing other income streams to offset the shortfall which were due to commence from Q2 but were slightly delayed and has been reflected in the new year budget.
Finance			
Revenues and Benefits Housing Benefit Subsidy	£32,720,940		The Council currently administers over £32 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.
Corporate Services			
Legal Services (Revenue)	£237,770		Revenue income has been adversely this financial year, principally due to the wind-down of ECL. There were some savings due to vacancies but these will not be repeated in 2024/25.
Corporate Support (Revenue)	£497,920		Vacant offices at the Civic Centre continue to cause a significant reduction in rental income and no new tenants means this is unlikely to change in the foreseeable future. There has been a forecast saving against the utilities budget; however, these budgets have been reduced in 2024/25 so these savings will not be realised in the new financial year.

Risk Rating Key:

	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