










2024/25 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 2024/25 revenue budgets.

The revenue budget areas of risk are:




Service	2024/25 Approved Budget	Risk Rating	Risk and mitigation
Chief Executive			
Strategic Management (Revenue)	£794,660		The forecast underspend is due to the recent restructure, which has resulted in a reduction of the number of directors. One Strategic Director post is currently vacant, with two Interim Directors in place until recruitment is completed.
City Development			
Planning Services Revenue	£937,590		<p>Several recent planning decisions have been appealed this year, some of which are very significant. Additionally, at least one case relating to a judicial review of a decision to grant planning permission remains unresolved, and at least one major planning inquiry is expected. This typically necessitates external consultancy and legal advice, which has historically led to significant expenditure in previous financial years.</p> <p>Moreover, there has been a noticeable decline in the number of planning applications submitted, resulting in a forecasted reduction in fee income by £250,000. This drop reflects the broader economic challenges currently faced, including economic uncertainty, rising interest rates, and increased materials and labour costs. This reduction in income poses an additional financial risk, requiring close monitoring and potential adjustments in budget planning.</p>

Service	2024/25 Approved Budget	Risk Rating	Risk and mitigation
Communications, Culture and Leisure Facilities			
Museum Service (Revenue)	£2,435,350		An energy consultant has been employed to identify and implement improvements to environmental systems, which has helped toward reducing energy costs. This work continues for the rest of the financial year and the forecast savings of £172,510 at quarter one is predominantly due to this project. However, there are still challenges facing Museum Services, including reduced sales income from the shop and a current vacancy for a café tenant.
Leisure & Sport (Revenue)	£2,800,430		<p>All leisure centres continue to operate at maximum capacity, despite challenges in areas such as recruitment to permanent positions. The underspend against establishment is being used to cover the use of casual staff and currently, there is no indication that casual use will exceed the underspend due to vacancies.</p> <p>Income is forecast to exceed budget at this time; however, ongoing work on correct VAT recognition may reduce this surplus. The Leisure estate also continues to recognise the costs of premises maintenance, despite the Asset Maintenance team holding the budget. This situation is unlikely to change this financial year.</p>
Net Zero Exeter and City Management			
Trade Waste Fees & Charges	(£1,284,880)		Realignment of Income for Trade Waste this year has made it a realistic proposition that this budget can be achieved. The Q1 forecast is for a 4% underachievement, equivalent to £50,000, but this takes no account of any improvement in debt recovery that can be achieved in year.
Car Parking Fees & Charges	(£9,397,320)		Realignment of Income, both for Season Tickets and Car Park Charges has meant that this risk has been mitigated in full based on performance in Q1 forecast through to the end of the year.

Service	2024/25 Approved Budget	Risk Rating	Risk and mitigation
Control Centre Operations covering CCTV and Home Call Alarm Service Fees & Charges	(£453,730)		The Control Centre Operations, which covers the CCTV and Home Call Alarm Services, has been merged to a single risk area this year. Increased uptake of the CCTV monitoring service has seen expected income rise from £43,000 to £94,000, but this is still not sufficient to balance out ongoing issues with the Home Call Alarm Service where income from all sources, including the Housing Revenue Account, is projected to increase by only some £12,000 from last year's outturn of £230,000..Overall, performance is expected to be at 74% of budget, up from 66% across the same areas last year.
Finance			
Corporate Property – Estates (Revenue)	(£5,206,580)		There are a number of vacant properties within the Estates commercial portfolio, leading to a forecast deficit of rental income against budget. However, new tenants may be found, so this situation will continue to be monitored throughout the year. Savings against the staffing establishment has mitigated this loss and there is currently no forecast for the Guildhall Shopping Centre, which may also reduce the forecast overspend.
Corporate Property – Assets (Revenue)	£1,091,720		Two factors have led to the forecast underspend of £389,370 at quarter one. The new Assets restructure is in the final stages of job evaluation and recruitment can then begin; until this time, there are vacancies with the team. £200,000 has also been reported as a saving; this figure represents the budget that was added in 23/24 to manage the Leisure estate but which currently is not being utilised due to lack of resources. The risk is that the non-Leisure maintenance will overspend and some of this underspend will disappear.

Service	2024/25 Approved Budget	Risk Rating	Risk and mitigation
Revenues and Benefits Housing Benefit Subsidy	£27,641,930		The Council currently administers over £27 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			
Corporate Support (Revenue)	£591,410		As in previous years, vacant space in Phase 1 of at the Civic Centre has caused a significant reduction in rental income. A savings against premises costs slightly mitigates this risk but the reported adverse variance is unlikely to materially change this financial year. Current plans to redevelop the Civic Centre may also potentially impact the forecast; however, it is too soon to identify the extent of this impact.

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