

2025/26 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 2025/26 revenue budgets.

The revenue budget areas of risk are:

Service	2025/26 Approved Budget	Risk Rating	Risk and mitigation
Operations			
Environment & Waste (Revenue)	£5,755,960		There have been significant challenges in recruiting permanent members of staff, resulting in large underspends across both Environmental Health & Licensing and the Waste services. Agency staff are being employed to fill these gaps and more overtime is being approved to cover weekend shifts but there is no indication at this time that these costs will exceed staff savings. Once the new kerbside collection rounds are introduced to meet the deadline of 31st March 2026, additional recruitment may result in vacancies being filled. Income generated at the MRF is forecast to remain strong, although the sale of materials is market dependant and the materials are often held until prices are more favourable. This means there is a risk that income forecasts may fluctuate throughout the year so this will be monitored as the financial year progresses.
General Fund Asset Maintenance	£1,954,600		This budget includes rental income and service charges from tenants at the Civic Centre. However as there continue to be a number of vacancies there is likely to be significantly less income received than budgeted, and current projections are in line with the actual rents received in 2024/25.

Service	2025/26 Approved Budget	Risk Rating	Risk and mitigation
Corporate Resources			
Corporate Property – Estates	(£4,815,730)		There are a number of vacant properties within the Corporate Property - 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. The Guildhall Shopping Centre has been impacted by rent reviews and a net income slightly adverse to Budget is expected however any surplus that may be generated cannot be used for General Fund expenditure.
Parking Services	(£7,158,280)		Achieving the Budgeted income is at risk due to higher Business Rates from rezoning, lower season ticket income and higher payment charges from increased use of debit and credit cards and RingGo. Initiatives are being undertaken to reduce payment charges. An increase in car parking charges is to be implemented later in the year ahead of the busy Christmas period which could contribute to a more favourable uplift than currently factored into the forecast.
Revenues and Benefits Housing Benefit Subsidy	£28,654,800		The Council currently administers over £29 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.

Service	2025/26 Approved Budget	Risk Rating	Risk and mitigation
Place			
Leisure & Sport (Revenue)	£2,375,160		At quarter two, the forecast overspend in Leisure has reduced to £385,970. This is mainly due to two centres (Northbrook Swimming Pool and Exeter Arena) having their annual budgets removed as part of the 25/26 budget setting process. Northbrook was closed by the end of September and handed back to the Northbrook Trust on the first October. Therefore, all costs associated with the closure that ECC are liable for should all be recognised now. As Arena remains within ECC's estate, it has been forecast to achieve the same out-turn as last year, meaning that budgeted savings won't be achieved. Plans to increase income through facilities hire are currently being worked on and will be included in future forecasts if they are material. However, these may not be significant enough to improve the year-end position by the time they are implemented.

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