

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		'Despite a challenging start to the year and sector, the leisure facilities are making steady progress in recovering lost time – a robust recruitment drive is filling vacant posts and membership income is continuing to rise with an expected spike in the New Year. Certainty around St Sidwell Point's opening date won't be known until the start of December. In addition there could be new Covid-19 restrictions implemented as the autumn and winter progresses. At this half-way point in the year, forecasting is cautious with a break-even position being predicted; quarter three review should give a much better indication of final outturn

Service	21/22 Approved Budget	Risk Rating	Risk and mitigation
Markets & Halls (Revenue)	(£370,260)		Covid restrictions may have lifted but recovery has been slow especially at The Corn Exchange. Many events have been affected and there is still uncertainty amongst promoters, artists and the public, resulting in reduced tickets sales and a significant amount of refunds. Also, performances are being postponed until further in the year, in the hope that confidence in the industry will be regained and attendance numbers return to a level of normality. It is still too early to accurately forecast how the rest of the year will progress although it is hoped that quarter three will provide a better picture.
Visitor Facilities (Revenue)	£116,680		The Underground Passages remain closed. It had been hoped that it could reopen after a safe period of time after covid restrictions were lifted but there has been water leaks leading to some flooding in the passages. This is now being investigated so it is not yet known when it can reopen to the public; however, it is unlikely to make a material impact in 21/22.
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>

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