









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. However, there was an expectation that St Sidwells Point would have opened in September so targets set at the beginning of the year have not been met, resulting in an overspend against the budget

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. However, the auction house at the Matford Centre has continued to successfully trade lessening the impact on the general fund.
Visitor Facilities (Revenue)	£116,680		The Underground Passages remain closed and will now not open until the new financial year. This is due to a continued water egress issue that has led to flooding. However, the other two facilities are showing a steady increase of visitors
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)		The ongoing impact of the pandemic due to restrictions and changing working patterns has reduced income to 83% of the original budget.
Home Call Fees & Charges	(£278,540)		There has been reduced demand for the Home Call offer from ECC as there are alternative, cheaper services available in the marketplace. A consultant has been engaged to advise on increasing sales, however equipment needs to be digitalised over the next 3 years which will require investment.

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