

## 2022/23 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 2022/23 revenue budgets.

The revenue budget areas of risk are:

Service	22/23 Approved Budget	Risk Rating	Risk and mitigation
<b>City Development, Housing &amp; Supporting People</b>			
<b>Planning Services</b> Revenue	£824,010		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.
<b>Revenues and Benefits</b> Housing Benefit Subsidy	£32,206,040		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.
<b>Communications, Culture and Leisure Facilities</b>			
<b>Markets &amp; Halls</b> (Revenue)	(£401,410)		The opening quarter of 22/23 has proved to be busy for the Matford Centre with auctioneers and car parking income both being forecasted above budget. However, the impact of the current economic situation has yet to be witnessed therefore forecasting is cautious.

Service	22/23 Approved Budget	Risk Rating	Risk and mitigation
<b>Leisure &amp; Sport</b> (Revenue)	£2,935,380		The new year has started positively with the opening of St Sidwell's Point, resulting in the rise of memberships and footfall volume, showing that post-Covid confidence may be restored. However, there are still challenges to be faced such a lack of skilled leisure professionals and the current cost of living crisis, which may have a detrimental effect on memberships. A three-year strategy will be presented in November, which will review revenue projections, revised establishment costs and a capital improvement plan.
<b>Communications</b> (Revenue)	£415,230		Advertising revenue has been strong in the first quarter of 22/23, as pre-lockdown activity levels resume. However, as with other areas, the impact of the current economic situation has yet to be determined so forecasting is being approached with caution.
<b>Net Zero Exeter and City Management</b>			
<b>Trade Waste Fees &amp; Charges</b>	(£1,316,850)		There has been a longstanding budget gap within Waste and Recycling income budgets. When the 2021/22 budgets were prepared it was anticipated that ECC could secure some significant commercial waste contracts and so the income targets were increased. Although the University contract has been extended and the Met Office contract begins from September this is not likely to be sufficient to meet the shortfall.
<b>Car Parking Fees &amp; Charges</b>	(£8,896,430)		The Covid pandemic has resulted in ongoing changes to working patterns and commuter parking. The income from visitors can also be volatile during holiday periods, so the current projections assume 90% of the original budget.
<b>Home Call Fees &amp; Charges</b>	(£320,730)		There has been reduced demand for the Home Call offer from ECC in recent years as there are alternative, cheaper services available in the marketplace.

**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