









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
City Development, Housing & Supporting People			
Planning Services 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.
Revenues and Benefits 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.
Communications, Culture and Leisure Facilities			
Markets & Halls (Revenue)	(£401,410)		The third quarter of 22/23 has continued to be productive for the Matford Centre – income from both the livestock market and car parking being forecast above budget. The full impact of the current energy crisis is yet to be realised but optimism is high for a successful fourth quarter.

Service	22/23 Approved Budget	Risk Rating	Risk and mitigation
Leisure & Sport (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 was presented in November, which reviewed revenue projections, revised establishment costs and a capital improvement plan.
Communications (Revenue)	£415,230		As in the second quarter, advertising revenue continues to be strong. However, as with other areas, the impact of the current economic situation has yet to be determined so forecasting is being approached with caution.
Net Zero Exeter and City Management			
Trade Waste Fees & Charges	(£1,316,850)		There has been a longstanding budget target with respect to Trade Waste which has not been achieved since it was set in 2017. 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. The University contract extension and the Met Office contract beginning in September will not be sufficient to meet the shortfall, but will improve performance from 71% to 76% of budget.
Car Parking Fees & Charges	(£8,896,430)		The Covid pandemic resulted in ongoing changes to working patterns and commuter parking. The income from visitors can also be volatile during holiday periods. Q3 performance was strong, but not as strong as the budget phasing anticipated so the current projections assume 94.6% of the original budget will be achieved.
Home Call Fees & Charges	(£320,730)		There has been a reduction in the Home Call client base over the last 3 years. A marketing strategy has been developed which will seek to raise the profile of this service area and seek to increase the customer base over 2023. The marketing strategy will see a leaflet in all council tax bills in March, as well as promotional materials in doctors' surgeries and other selected publications.

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