








2023/24 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 2023/24 revenue budgets.




The revenue budget areas of risk are:

Service	2023/24 Approved Budget	Risk Rating	Risk and mitigation
City Development			
Planning Services Revenue	£824,760		This year there have been a number of recent planning decisions which have been appealed some of which are very significant e.g. Heavitree Road, in addition there is a risk of at least one judicial review of a decision to approve planning. This generally results in a need for external consultancy and legal advice. Significant expenditure has been incurred in this area in previous financial years.
Communications, Culture and Leisure Facilities			
Markets & Halls (Revenue)	(£378,180)		The Matford Centre anticipates another successful year, with surplus to income expected from both Kivell's auctioneers and car parking revenue. There is also a small saving against utilities expected and this will monitored throughout the year to ensure the forecasts stay relevant. The surplus to budget is forecast at £183,860 at this time.
Museum Service (Revenue)	£2,764,840		The new establishment structure was approved during the Summer and it is anticipated that the reorganisation will be complete by Christmas 2023. This has led to in-year savings against staffing costs. As with other areas, a saving against utilities has also been forecast, leading to an overall forecast saving of £277,650 for the year.

Service	2023/24 Approved Budget	Risk Rating	Risk and mitigation
Leisure & Sport (Revenue)	£2,936,100		2023/24 is anticipated to be the first full year that all the centres will be open and operating at capacity, reflecting renewed confidence after the covid pandemic and despite of the cost in living crisis. However, as there is little historic data to compare with, a cautious approach has been taken in forecasting both membership growth (and therefore revenue) and the costs of maintaining older buildings. A £200,000 maintenance budget was added to the Assets team in 2023/24 but a delay in their team restructure has delayed them taking on responsibility for the centres. Therefore an underspend has been recorded in Corporate Property and an overspend in Leisure.
Net Zero Exeter and City Management			
Trade Waste Fees & Charges	(£1,604,640)		There has been a longstanding budget target with respect to Trade Waste which has not been achieved since it was set in 2017. The 2021/22 budget anticipated that ECC could secure some significant commercial waste contracts and so the income targets were further increased. Contracts with the University and Met Office last year improved performance to 76% of budget, but the service has struggled to close the gap any further.
Car Parking Fees & Charges	(£10,058,640)		The Covid pandemic has resulted in ongoing changes to parking, with some commuters working from home during the working week. The income from visitors can also be volatile during holiday periods. Comparing 2023 to 2019, footfall within the city remains 10% down.
Home Call Fees & Charges	(£352,800)		The Control Centre Operations, covering the Home Call Alarm Service and CCTV, have had some positive uptake in client numbers following the marketing campaigns which commenced back in March, but numbers are still below the income target set. The combined service are developing other income streams to offset the shortfall which will commence from Q2.

Service	2023/24 Approved Budget	Risk Rating	Risk and mitigation
Finance			
Revenues and Benefits Housing Benefit Subsidy	£32,720,940		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.
Corporate Services			
Legal Services (Revenue)	£227,380		Revenue income has been adversely affected so far this financial year, with a significant reduction in work carried out for third parties. There is potential for a new revenue stream to be created but this is still in the planning stage so no forecast has been added at quarter one.
Corporate Support (Revenue)	£497,920		Vacant offices at the Civic Centre has caused a significant reduction in rental income and any new tenants which may take up residency are unlikely to make any material impact on this shortfall. There has been a forecast saving against the utilities budget – this will continue to monitored and updated if necessary.

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