

**OVERALL GENERAL REVENUE FUND FORECAST OUTTURN POSITION FOR**  
**2022/23**

<b>Portfolio</b>	<b>Budget Qtr 3</b>	<b>Annual Forecast Qtr 3</b>	<b>Forecast Variance Qtr 3</b>	<b>Forecast Variance Qtr 2</b>	<b>Variance Movement from Qtr 2</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Children & Learning	59.83	70.85	11.02 A	9.43 A	1.59 A
Communities& Customer Engagement	6.32	6.92	0.60 A	0.71 A	0.11 F
Economic Development	2.63	3.83	1.19 A	1.38 A	0.19 F
Finance & Change	40.00	41.06	1.07 A	2.24 A	1.17 F
Health, Adults & Leisure	85.63	90.17	4.54 A	3.37 A	1.17 A
Housing & the Green Environment	8.55	8.82	0.26 A	0.18 A	0.08 A
Leader	12.89	13.45	0.56 A	0.26 A	0.31 A
Safer City	1.49	1.43	0.06 F	0.07 A	0.13 F
Transport & District Regeneration	0.90	(0.93)	1.82 F	1.40 F	0.42 F
<b>Total Portfolios</b>	<b>218.24</b>	<b>235.60</b>	<b>17.36 A</b>	<b>16.23 A</b>	<b>1.13 A</b>
Levies & Contributions	0.09	0.09	0.00	0.00	0.00
Capital Asset Management	10.73	8.13	2.60 F	2.60 F	0.00
Other Expenditure & Income	(35.91)	(35.61)	0.30 A	0.00	0.30 A
<b>Net Revenue Expenditure</b>	<b>193.15</b>	<b>208.21</b>	<b>15.06 A</b>	<b>13.63 A</b>	<b>1.43 A</b>
Council Tax	(111.24)	(111.24)	0.00	0.00	0.00
Business Rates	(32.78)	(32.78)	0.00	0.00	0.00
Non-Specific Government Grants	(49.13)	(49.15)	0.02 F	0.02 F	0.00
<b>Total Financing</b>	<b>(193.15)</b>	<b>(193.17)</b>	<b>0.02 F</b>	<b>0.02 F</b>	<b>0.00</b>
<b>(Surplus)/Deficit</b>	<b>0.00</b>	<b>15.04</b>	<b>15.04 A</b>	<b>13.61 A</b>	<b>1.43 A</b>
Further in-year savings agreed	0.00	(4.70)	4.70 F	4.02 F	0.68 F
<b>(Surplus)/Deficit after in-year savings</b>	<b>0.00</b>	<b>10.34</b>	<b>10.34 A</b>	<b>9.59 A</b>	<b>0.75 A</b>

NB Numbers are rounded

## EXPLANATIONS BY PORTFOLIO

### 1. CHILDREN & LEARNING PORTFOLIO

#### KEY REVENUE ISSUES – QUARTER 3 2022/23

The Portfolio is currently forecast to have a deficit of **£11.02M**, which represents a percentage variance against budget of 18.4%. The Portfolio forecast variance has moved adversely by **£1.59M** from the position reported at quarter 2.

	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Movement from Qtr 2 £M</b>	<b>% of budget</b>
<b>Portfolio Forecast Outturn</b>	<b>11.02 A</b>	<b>9.43 A</b>	<b>1.59 A</b>	<b>18.4</b>

A summary of the Portfolio forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Variance Movement from Qtr 2 £M</b>
Children & Families First	0.40 F	0.00	0.40 F
Divisional Management & Legal	0.23 A	0.22 A	0.01 A
Education - Home to school transport and property mgt	1.46 A	1.13 A	0.33 A
Education - Services for schools, High Needs	1.42 A	0.21 A	1.21 A
Pathways Through Care	5.97 A	5.57 A	0.40 A
Young Peoples Service	0.15 A	0.10 A	0.05 A
Quality Assurance Business Unit	0.33 A	0.33 A	0.00
Safeguarding	1.88 A	1.81 A	0.09 A
Other	0.02 F	0.06 A	0.08 F
<b>Total</b>	<b>11.02 A</b>	<b>9.43 A</b>	<b>1.59 A</b>

The SIGNIFICANT movements between quarter 2 and quarter 3 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 2 and Qtr 3 £M	Explanation:
Children & Families First	0.40 F	The favourable variance movement of £0.40M relates to changes in the funding of the Family Hubs and how this additional grant funding has been used and will be used for the rest of this financial year.
Education - Home to school transport and property mgt	0.33 A	The adverse movement of £0.33M is due to feasibility costs relating to the expansion of SEND school places of £0.08M and energy pressures of £0.24M for a temporary generator relating to the special education needs (SEN) school expansion programme.
Education - Services for schools, High Needs	1.21 A	The adverse movement of £1.21M relates to the Jigsaw service with £1.18M related to pressures in high-cost placements and £0.03M relating to an increase in direct payments due to a rise in the number of children requiring packages of care.
Pathways Through Care	0.40 A	The adverse variance movement of £0.40M relates to increasing placement costs for Residential, Independent Fostering and Pathways children. These higher costing placement types are under constant review to minimise the impact they have on the adverse variance within the Portfolio.

## 2. COMMUNITIES & CUSTOMER ENGAGEMENT PORTFOLIO

### KEY REVENUE ISSUES – QUARTER 3 2022/23

The Portfolio is currently forecast to have a deficit of **£0.60M**, which represents a percentage variance against budget of 9.5%. The Portfolio forecast variance has moved favourably by **£0.11M** from the position reported at quarter 2.

	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Movement from Qtr 2 £M</b>	<b>% of budget</b>
<b>Portfolio Forecast Outturn</b>	<b>0.60 A</b>	<b>0.71 A</b>	<b>0.11 F</b>	<b>9.5%</b>

A summary of the Portfolio forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Variance Movement from Qtr 2 £M</b>
Bereavement Service	0.67 A	0.65 A	0.02 A
Libraries	0.03 A	0.03 A	0.00
Registration Services	0.02 F	0.00	0.02 F
Stronger Communities	0.08 F	0.03 A	0.11 F
Other	0.00	0.00	0.00
<b>Total</b>	<b>0.60 A</b>	<b>0.71 A</b>	<b>0.11 F</b>

There were no SIGNIFICANT movements between quarter 2 and quarter 3 for the Portfolio.

### **3. ECONOMIC DEVELOPMENT PORTFOLIO**

#### **KEY REVENUE ISSUES – QUARTER 3 2022/23**

The Portfolio is currently forecast to have a deficit of **£1.19M**, which represents a percentage variance against budget of 45.3%. The Portfolio forecast variance has moved favourably by **£0.19M** from the position reported at quarter 2.

	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Movement from Qtr 2 £M</b>	<b>% of budget</b>
<b>Portfolio Forecast Outturn</b>	<b>1.19 A</b>	<b>1.38 A</b>	<b>0.19 F</b>	<b>45.3%</b>

A summary of the Portfolio forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Variance Movement from Qtr 2 £M</b>
Facilities Management	0.68 A	0.68 A	0.00
Central Repairs & Maintenance	0.00	0.24 A	0.24 F
Sustainability	0.15 A	0.15 A	0.00
Planning	0.51 A	0.14 A	0.37 A
Economic Development	0.08 A	0.08 A	0.00
Property Services	0.38 F	0.06 A	0.44 F
Property Portfolio Management	0.15 A	0.03 A	0.12 A
<b>Total</b>	<b>1.19 A</b>	<b>1.38 A</b>	<b>0.19 F</b>

The SIGNIFICANT movements between quarter 2 and quarter 3 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 2 and Qtr 3 £M	Explanation:
Property Services	0.44 F	There is a favourable movement on the Property team staffing of £0.44M due to planned recruitment being delayed or appointments being reduced, along with an increase in staffing recharge income.
Central Repairs & Maintenance	0.24 F	The favourable movement in the quarter is due to the previously reported revenue costs associated with the rationalisation of administrative buildings being agreed to be funded out of service savings identified in the budget challenge sessions.
Planning	0.37 A	The adverse movement of £0.37M is due to a forecast reduction in planning fee income. The wider economic slowdown has impacted on applications received particularly major applications which can have a significant impact on income received.

#### **4. FINANCE & CHANGE PORTFOLIO**

##### **KEY REVENUE ISSUES – QUARTER 3 2022/23**

The Portfolio is currently forecast to have a deficit of **£1.07M**, which represents a percentage variance against budget of 2.7%. The Portfolio forecast variance has moved favourably by **£1.17M** from the position reported at quarter 2.

	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Movement from Qtr 2 £M</b>	<b>% of budget</b>
<b>Portfolio Forecast Outturn</b>	<b>1.07 A</b>	<b>2.24 A</b>	<b>1.17 F</b>	<b>2.7%</b>

A summary of the Portfolio forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Variance Movement from Qtr 2 £M</b>
Accounts Payable	0.04 A	0.15 A	0.11 F
Business Support	0.08 A	0.27 A	0.19 F
City Services - Waste Operations	0.81 F	0.50 F	0.31 F
Commercialisation	0.32 A	0.23 A	0.09 A
Corporate Finance	0.11 A	0.11 A	0.00
Corporate Management	0.07 F	0.03 A	0.10 F
Highways Contracts	0.05 F	0.05 F	0.00
IT Services	0.74 A	0.73 A	0.01 A
Local Taxation & Benefits	0.47 A	0.90 A	0.43 F
Risk Management & Insurance	0.16 F	0.00	0.16 F
Supplier Management	0.47 A	0.42 A	0.05 A
Other	0.07 F	0.05 F	0.02 F
<b>Total</b>	<b>1.07 A</b>	<b>2.24 A</b>	<b>1.17 F</b>

The SIGNIFICANT movements between quarter 2 and quarter 3 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 2 and Qtr 3 £M	Explanation:
City Services - Waste Operations	0.31 F	The favourable movement of £0.31M is predominately from an improved position on Trade Waste. Forecast tipping costs decreased due to lower tonnage collected. There have also been reductions on supplies and services based on essential spend. This has been offset by increases on fuel and use of agency staff to cover vacancies.
Local Taxation & Benefits	0.43 F	The favourable movement between Q2 and Q3 of £0.43M has resulted from improvements in the forecast achievement of efficiency savings targets of £0.16M, an improved forecast bad debt provision of £0.07M and the receipt of a partial reimbursement of court cost fee income from the Ministry of Justice of £0.19M. This follows a legal challenge by the Local Government Association (LGA) on behalf of all local authorities regarding court cost charges.

## **5. HEALTH, ADULTS & LEISURE PORTFOLIO**

### **KEY REVENUE ISSUES – QUARTER 3 2022/23**

The Portfolio is currently forecast to have a deficit of **£4.54M**, which represents a percentage adverse variance against budget of 5.3%. The Portfolio forecast variance has moved adversely by **£1.17M** from the position reported at quarter 2

	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Movement from Qtr 2 £M</b>	<b>% of budget</b>
<b>Portfolio Forecast Outturn</b>	<b>4.54 A</b>	<b>3.37 A</b>	<b>1.17 A</b>	<b>5.3 %</b>

A summary of the Portfolio forecast variance and movement since quarter 1 is shown in the table below:

<b>Service Area</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Variance Movement from Qtr 2 £M</b>
Adults - Adult Services Management	0.38 F	0.32 F	0.06 F
Adults - Long Term	1.77 A	1.21 A	0.57 A
Adults - Provider Services	0.27 A	0.28 A	0.01 F
Adults - Reablement & Hospital Discharge	0.73 A	0.66 A	0.07 A
Adults - Safeguarding Adult Mental Health & Out Of Hours	1.46 A	0.88 A	0.58 A
ICU - Provider Relationships	0.17 A	0.63 A	0.46 F
ICU - System Redesign	0.04 A	0.04 A	0.00
Leisure Contracts	0.35 A	0.00	0.35 A
Public Health - Management & Overheads	0.13 A	0.00	0.13 A
<b>Total</b>	<b>4.54 A</b>	<b>3.37 A</b>	<b>1.17 A</b>

SIGNIFICANT movements between quarter 2 and quarter 3 for the Portfolio are

Service Area	Movement in Forecast Variance Between Qtr 2 and Qtr 3 £M	Explanation
Adults - Safeguarding Adult Mental Health & Out of Hours	0.58 A	There is a £0.58M adverse variance movement since Quarter 2 due to a net increase in the numbers of new clients and increase in cost of existing client packages for residential, nursing and direct payments.
Adults - Long Term	0.57 A	<p>There is a £0.57M adverse variance movement since Quarter 2 due to a net increase in the numbers of new clients and increase in cost of existing client packages for residential, nursing and homecare.</p> <p>It should be noted that this adverse movement is net of further one off funding being released during this time period between Quarter 2 and Quarter 3 comprising of:</p> <ul style="list-style-type: none"> <li>- £0.92M – ASC Discharge Fund – grant provision from Central Govt agreed at month 8</li> <li>- £0.56M – Fair Cost of Care funding used to offset the long-term adverse position, as agreed at month 9</li> </ul>
ICU - Provider Relationships	0.46 F	There is a £0.46M favourable variance movement since Quarter 2 mainly due to a number of SCC contract purchased block beds being purchased by the NHS Integrated Care Board (ICB) to use as Discharge to Assess beds until the end of the financial year.
Leisure Contracts	0.35 A	There is a £0.35M adverse variance movement since Quarter 2 due to a review of contract values. This has occurred due to a difference between the estimated inflation costs set as part of the budget process and the actual costs of service delivery during the financial year.

## 6. HOUSING & THE GREEN ENVIRONMENT PORTFOLIO

### KEY REVENUE ISSUES – QUARTER 3 2022/23

The Portfolio is currently forecast to have a deficit of **£0.26M**, which represents a percentage variance against budget of 3.1%. The Portfolio forecast variance has moved adversely by **£0.08M** from the position reported at quarter 2.

	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Movement from Qtr 2 £M</b>	<b>% of budget</b>
<b>Portfolio Forecast Outturn</b>	<b>0.26 A</b>	<b>0.18 A</b>	<b>0.08 A</b>	<b>3.1%</b>

A summary of the Portfolio forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Variance Movement from Qtr 2 £M</b>
Air Quality Monitoring	0.07 F	0.08 F	0.01 A
City Services – Commercial Services	0.11 A	0.03 F	0.14 A
City Services – District Areas	0.47 A	0.21 A	0.26 A
City Services – Trees & Ecology	0.07 F	0.08 F	0.01 A
City Services - Trading areas (Fleet & Landscapes)	0.74 A	1.27 A	0.53 F
Flood Risk Management	0.08 F	0.08 F	0.00
Housing Needs	0.80 F	1.00 F	0.20 A
Other	0.03F	0.02 F	0.01 F
<b>Total</b>	<b>0.26 A</b>	<b>0.18 A</b>	<b>0.08 A</b>

The SIGNIFICANT movements between quarter 2 and quarter 3 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 2 and Qtr 3 £M	Explanation:
City Services – District Areas	0.26 A	The adverse movement of £0.26M is due to a £0.17M movement on vehicle costs, particularly hire vehicles. This pressure will reduce as new vehicles on order are supplied. There have also been adverse movements on staffing of £0.08M from increased agency cover, £0.08M on disposal costs primarily from having to keep weekend disposal facilities available, £0.07M from fuel, building operating costs and other supplies & services. This is off-set by a favourable movement of £0.14M on income from recharges.
City Services – Trading Areas	0.53 F	The favourable movement of £0.53M relates to the change in charging practices for older vehicles. The impact on Fleet recharge income is less than originally estimated.
Housing Needs	0.20 A	The adverse movement of £0.20M is in respect of increasing homelessness presentations, which is significantly higher than in previous years. The financial pressure arises through additional B&B costs and Housing Benefit costs not fully recoverable through subsidy. This pressure is partially offset by carried forward Homelessness Prevention Grant.

## 7. LEADER PORTFOLIO

### KEY REVENUE ISSUES – QUARTER 3 2022/23

The Portfolio is currently forecast to have a deficit of **£0.56M**, which represents a percentage variance against budget of 4.3%. The Portfolio forecast variance has moved adversely by **£0.31M** from the position reported at quarter 2.

	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Movement from Qtr 2 £M</b>	<b>% of budget</b>
<b>Portfolio Forecast Outturn</b>	<b>0.56 A</b>	<b>0.26 A</b>	<b>0.31 A</b>	<b>4.3%</b>

A summary of the Portfolio forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Variance Movement from Qtr 2 £M</b>
Cultural Services	0.26 A	0.31 A	0.05 F
Democratic Representation and Management	0.19 A	0.02 F	0.21 A
Strategic Management of the Council	0.19 F	0.15 F	0.04 F
HR	0.09 A	0.01 A	0.08 A
Legal Services and Land Charges	0.10 A	0.05 A	0.05 A
Registration of Electors and Elections Costs	0.11 A	0.06 A	0.05 A
<b>Total</b>	<b>0.56 A</b>	<b>0.26 A</b>	<b>0.31 A</b>

The SIGNIFICANT movements between quarter 2 and quarter 3 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 2 and Qtr 3 £M	Explanation:
Democratic Representation and Management	0.21 A	This adverse movement is caused mainly by the reallocation of £0.18M existing Business Services efficiency savings targets to specific services in the council between Quarter 2 and Quarter 3 which were previously forecast in the Finance and Change Portfolio.

## 8. SAFER CITY PORTFOLIO

### KEY REVENUE ISSUES – QUARTER 3 2022/23

The Portfolio is currently forecast to have a surplus of **£0.06M**, which represents a percentage variance against budget of 4.2%. The Portfolio forecast variance has moved favourably by **£0.13M** from the position reported at quarter 2.

	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Movement from Qtr 2 £M</b>	<b>% of budget</b>
<b>Portfolio Forecast Outturn</b>	<b>0.06 F</b>	<b>0.07 A</b>	<b>0.13 F</b>	<b>4.2%</b>

A summary of the Portfolio forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Variance Movement from Qtr 2 £M</b>
Community Safety	0.08 F	0.08 F	0.00
Environmental Health	0.18 F	0.06 F	0.12 F
Licensing	0.02 A	0.00	0.02 A
Port Health & Trading Standards	0.19 A	0.21 A	0.02 F
Other	0.01 F	0.00	0.01 F
<b>Total</b>	<b>0.06 F</b>	<b>0.07 A</b>	<b>0.13 F</b>

There were no SIGNIFICANT movements between quarter 2 and quarter 3 for the Portfolio.

## 9. TRANSPORT & DISTRICT REGENERATION PORTFOLIO

### KEY REVENUE ISSUES – QUARTER 3 2022/23

The Portfolio is currently forecast to have a surplus of **£1.82M**, which represents a percentage variance against budget of 203.2%. The Portfolio forecast variance has moved favourably by **£0.42M** from the position reported at quarter 2.

	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Movement from Qtr 2 £M</b>	<b>% of budget</b>
<b>Portfolio Forecast Outturn</b>	<b>1.82 F</b>	<b>1.40 F</b>	<b>0.42 F</b>	<b>203.2%</b>

A summary of the Portfolio forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Variance Movement from Qtr 2 £M</b>
Parking & Itchen Bridge	0.15 A	0.24 A	0.09 F
Transportation	1.97 F	1.64 F	0.33 F
<b>Total</b>	<b>1.82 F</b>	<b>1.40 F</b>	<b>0.42 F</b>

The SIGNIFICANT movements between quarter 2 and quarter 3 for the Portfolio are:

Service Area	Movement in Forecast Variance Between Qtr 2 and Qtr 3 £M	Explanation:
Transportation	0.33 F	The movement in the forecast relates to additional income for backdated inflation from the advertising contract of £0.40M and a £0.07M S106 contribution towards the cost of the bus subsidy schemes. This is offset by an increase in the cost of the bus subsidy schemes of £1 evening fares and 5 for £5 of £0.10M as these have been extended to the end of the financial year, and £0.04M for additional temporary staff in the Courier service to cover sickness and ensure statutory requirements are met.

## **10. NON-PORTFOLIO EXPENDITURE & INCOME**

### **KEY REVENUE ISSUES – QUARTER 3 2022/23**

Non-Portfolio budgets are currently forecast to have a surplus of **£2.32M**, which represents a percentage variance against budget of 1.1%. The forecast variance has moved adversely by £0.30M from the position reported at quarter 2.

	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Movement from Qtr 2 £M</b>	<b>% of budget</b>
<b>Non-Portfolio Forecast Outturn</b>	<b>2.32 F</b>	<b>2.62 F</b>	<b>0.30 A</b>	<b>1.2%</b>

A summary of the Non-Portfolio budgets forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Variance Movement from Qtr 2 £M</b>
Levies & Contributions	0.00	0.00	0.00
Capital Asset Management	2.60 F	2.60 F	0.00
Other Expenditure & Income	0.30 A	0.00	0.30 A
Council Tax	0.00	0.00	0.00
Business Rates	0.00	0.00	0.00
Non-Specific Government Grants & Other Funding	0.02 F	0.02 F	0.00
<b>Total</b>	<b>2.32 F</b>	<b>2.62 F</b>	<b>0.30 A</b>

The SIGNIFICANT movements between quarter 2 and quarter 3 for the Non-Portfolio budgets are:

Service Area	Movement in Forecast Variance Between Qtr 2 and Qtr 3 £M	Explanation:
Other Expenditure & Income	0.30 A	The adverse variance is due to an increase in general homelessness expenditure that doesn't attract housing benefit subsidy