

AREAS OF BUDGETARY RISK**APPENDIX 1**

Although no budget variances are being reported at this stage, a number of areas of budgetary risk have been identified within the HRA, as follows:

Budget Title	Approved Budget	Risk
Rental Income from Dwellings	£18,140,000 (revenue)	Right to Buy sales, number of new tenancies set at convergence rent levels, number of days lost through major works, rent lost in respect of void properties and welfare reform changes (for which an increased bad debt provision has been made) all impact on the annual rental income.
Asbestos Removal	£359,000 (revenue)	Potential under-spend as delays experienced when original contractor went into administration. Contractual issues regarding the removal of low level asbestos also being resolved.
Kitchen Replacement Programme	£2,297,830 (capital)	The number of kitchens which can be replaced within approved budgets may vary dependent upon the cost of associated works such as electrical repairs and re-plastering, which varies per property. For 2013-14 it was planned that 499 kitchens would be replaced.
Bathroom Replacement Programme	£867,990 (capital)	The number of bathrooms which can be replaced within approved budgets may vary dependent upon the cost of associated works such as re-plastering, which varies per property. For 2013-14 it was planned that 322 bathrooms would be replaced.
Communal Areas	£161,530 (capital)	Potential under-spend as planned works to enhance flooring, doors and glazing to communal areas of flats are currently lower than budgeted
Repointing	£50,000 (capital)	Potential under-spend as re-pointing works are subject to referrals following inspections by Technical Officers
Acquisition of Social Housing	£866,268 (capital)	The completion of acquisitions is dependent upon the progress on site by private developers as adverse weather, changes in the housing market etc may impact on the schedule of works
Knights Place	No budget (capital)	Significant works have been required to resolve water penetration issues at Knights Place and the costs and associated lost rental income will form part of a claim from the main contractor.