

## AREAS OF BUDGETARY RISK

## APPENDIX 1

A number of areas of budgetary risk have been identified within the HRA, as follows:

Budget Title	Approved Budget	Risk
Restructure of Housing Services		The financial impact of the proposed restructure of Housing Services is pending the outcomes of Job Evaluation and the time required to complete the recruitment process.
Rental Income from Dwellings	£18,900,000 (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. Rental income is slightly behind profile due to a rise in the level of arrears but this has been partially offset by a reduction in the amount of rent lost through void properties following a reduction in turnaround times.
Damp Ingress Repairs	£500,000 (revenue)	To date, damp ingress works totalling £240k have been committed with priority given to; the worse affected properties, on medical grounds and to properties that are already programmed to have external painting works. In order to gain cost efficiencies it is hoped that remaining properties will be dealt with as part of a contract of works in 2015/16 and therefore the £500k may not be fully spent.
Kitchen Replacement Programme	£2,648,710 (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 2014-15 it is planned that 477 kitchens will be replaced.
Bathroom Replacement Programme	£1,164,850 (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 2014-15 it is planned that 369 bathrooms will be replaced.
Higher Barley Mount – pathway/steps	£34,000 (capital)	The procurement of structural engineering services have led to a delay with these works which may result in slippage into 2015/16
Retaining Walls to Communal Gardens	£55,000 (capital)	The procurement of structural engineering services have led to a delay with these works which may result in slippage into 2015/16
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.
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