

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 |
|---------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General Maintenance | £1,850,000 (revenue) | Reduction in the number of reported faults in the first three months of the year (2,970) compared to the same time last year (3,272), if pattern continues it could result in a potential under-spend. |
| Repairs to Voids Properties | £1,270,000 (revenue) | The number of voids and condition of properties vacated may vary during the course of the financial year which may result in a deviation from budget. The number of void properties requiring repairs in the first three months (84) is higher compared to the same time last year (63). |
| 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 and a rise in the amount of rent lost through void properties. |
| Kitchen Replacement Programme | £1,418,880 (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 2015-16 it is planned that 261 kitchens will be replaced. |
| Bathroom Replacement Programme | £1,253,770 (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 2015-16 it is planned that 379 bathrooms will be replaced. |
| Rennes House Structural Works | £485,840 (capital) | The budget is intended for lift replacements at Rennes House; however major capital works at this site are pending the outcome of an updated feasibility study for Rennes House in conjunction with the wider site development. |
| Cob Wave 2 – Whipton Methodist Church | £130,397 (capital) | There is a risk that a budget overspend may occur as a result of additional asbestos removal costs and seeking a European Protected Species licence prior to demolition. Total costs are pending agreement of the final contract sum. |
| 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. |