

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)	A cautious level of underspend has been reported in December, but this could rise depending on the number of reported faults in the remaining three months of the year. A rise in reported faults has been factored in to allow for adverse weather conditions, which may or may not occur.
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.
Common Area Footpath/Wall Improvements	£262,430 (capital)	Works planned to commence on site in March including Thorn Close/Vaughan Road and Higher Barley Mount are dependent on favourable ground conditions and could be delayed in the event of water saturation.
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.
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 form part of a claim to the main contractor.