

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	£1,870,000 (revenue)	The volatility of the level of reported faults due to factors beyond the control of the Council, for example adverse weather conditions represent a budgetary risk. The impact of property inspections undertaken by the Housing Customer Team may also lead to the identification of additional repairs.
Rental Income from Dwellings	£19,110,000 (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	£2,244,050 (capital)	Works identified to date total £944,050, leaving an uncommitted balance of £1.3m in 2016/17. Until all HRA footpaths and walls have been surveyed, the full extent of works is not known. However, based upon survey results to date, it appears that a potential underspend may occur. Actual expenditure is also dependent on favourable ground conditions and could be delayed in the event of water saturation.
Re-roofing Works Shilhay	£660,000 (capital)	This property is located within a conservation area and will require liaison with the planners in respect of the new replacement roof. This may result in a delay on works starting on site.
St Loyes Extra Care	£4,294,120 (capital)	Tenders for the main construction contract have been returned and are now subject to external review. The overall cost of the scheme and cash-flow forecast for the project are pending the appointment of the main contractor.
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.