

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	£1,770,000 (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.
Repairs to Void Properties	£1,172,910 (revenue)	Property turnover and the varying condition of properties when returned to the Council represent a budgetary risk.
Rental Income from Dwellings	£18,810,000 (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. However, rental income after the first 3 months is currently in line with budget expectations.
LAINGS Refurbishment	£640,000 (capital)	The cost of demolishing and re-building the defective LAINGS properties is higher than currently budgeted following the outcomes of a tender process. Capital spend forecasts currently assumes a start on site in January 2018, but the contract cannot be awarded until approval for the necessary budget increase has been secured. Spend of the 2017-18 budget is therefore a budgetary risk.
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.