







AREAS OF BUDGETARY RISK

APPENDIX 1

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

| Budget Title | 19/20 Approved Budget | Risk Rating | Risk and mitigation |
|------------------------------|-----------------------|---|---|
| General Maintenance | £1,882,010 (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 | £1,142,250 (revenue) |  | Property turnover and the varying condition of properties when returned to the Council represent a budgetary risk. |
| Rental Income from Dwellings | £18,250,000 (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 6 months is slightly behind profile, but payments made during the rent-free fortnights may mitigate. |

Risk Rating:

| | |
|---|--|
|  | Current forecasts indicate either a favourable variance compared to the budget or no variance at all |
|  | Current forecasts indicate an adverse budgetary variance of between 0% and 5% that will be kept under review |
|  | Current forecasts indicate an adverse budgetary variance of more than 5% and will be monitored closely |