







## AREAS OF BUDGETARY RISK

## APPENDIX 1

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

| Budget Title                 | 2023/24 Approved Budget | Risk Rating   | Risk and mitigation   |
|------------------------------|-------------------------|---|---|
| General Maintenance          | £2,680,580 (revenue)    |    | <p>The volatility of the level of requested repairs due to factors beyond the control of the Council, for example adverse weather conditions, represents a budgetary risk. The impact of property inspections undertaken by the Tenancy Services Team may also lead to the identification of additional repairs. Spend at the end of month 9 is 95% spent and the final quarter of the year tends to be a higher proportion, so the projected spend could be 130% of the budget.</p> <p>Mitigation measures include contract meetings with the Contractor which include budget review and work in progress updates. Other supporting measures include weekly Surveyors meetings to highlight repair demand pressures.</p> |
| Repairs to Void Properties   | £1,346,000 (revenue)    |    | <p>Property turnover and the varying condition of properties when returned to the Council represent a budgetary risk as this makes costs difficult to predict. The number of voids at month 9 was almost the total for the whole of 2022/23. High volumes over the summer resulted in some voids being sub-contracted at a slightly higher cost.</p> <p>Mitigation includes property inspections by Housing Officers which highlight sub-standard property conditions wherever possible and are an early alert to issues.</p>   |
| Rental Income from Dwellings | (£21,012,110) (revenue) |  | <p>Right to Buy sales, number of new tenancies set at convergence rent levels, number of days lost through major works, and rent lost in respect of void properties all impact on the annual rental income.</p> <p>Rental income after the first nine months is approximately 5% down on budget, although there is another rent free fortnight at the end of the financial year when this may reduce.</p>   |

### Risk Rating:

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