







AREAS OF BUDGETARY RISK

APPENDIX 1

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

Budget Title	2024/25 Approved Budget	Risk Rating	Risk and mitigation
General Maintenance	£2,545,320 (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. This budget includes spend on damp and mould. Spend to month three is ahead of profile and will be closely monitored for the rest of the year, however at this point a £1m overspend is projected.</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 at Quarter 1 spend is broadly in line with the budget.</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	(£21,633,420) (revenue)		<p>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 the decant of Rennes House all impact on the annual rental income.</p> <p>Rental income after the first 3 months is largely in line with profile.</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