


<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">9 JULY 2018</p>	
<p>HOUSING REVENUE ACCOUNT 2017/18 OUTTURN</p>	
<p>Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For Information</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Hitesh Jolapara – Strategic Director, Finance and Governance</p>	
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1. EXECUTIVE SUMMARY

- 1.1. The Housing Revenue Account (HRA) provisional outturn variance for 2017/18 is an overspend of £0.052m. This overspend is after the transfer of £6.229m to HRA reserves. As a result, HRA general reserves as at 31st March 2018 are £9.946m and HRA earmarked reserves are £41.929m (of which £34.7m is cashable and £7.2m is non-cashable). HRA reserves in total are £51.875m, equivalent to 43.3% of actual capital and revenue gross expenditure for 17/18 (or 38% of the original budgeted expenditure for the year). Full 2017/18 data should be available for inner London by early August. A detail explanation of the elements that make up the over spend can be found in Appendix 1. A detailed breakdown of reserves is included in paragraph 5.8 of this report.
- 1.2. Expenditure on Health and Safety was £5.04m against total original budgets of £4.9m and against budgets set at Full Council on 18th October 2017 that included Fire Safety Plus of £14.2m.

- 1.3. HRA earmarked reserves are held to cover specific future plans that are not covered by normal budgets. These reserves are held primarily to cover revenue contributions needed to fund the Council's Fire Safety Plus¹ programme (£12.8m), the potential refund to tenants of water charge commission as a result of the Southwark Council judgement (£10m)² and the inherent risk of abortive costs on regeneration and development projects (£6.4m).
- 1.4. The total housing capital programme expenditure for the year 2017/18 is £37.914m.
- 1.5. Section 151 of the 1972 Local Government Act requires the Chief Financial Officer (as the responsible officer) to ensure proper administration of the Council's financial affairs. This report forms part of the conclusion of the Council's budgetary control cycle for 2017/18.

2. RECOMMENDATIONS

- 2.1. To note the HRA provisional overspend of £0.052m, which is after the transfer of £6.229m of underspends to HRA reserves.
- 2.2. To note the overall increase in the HRA cashable reserves of £6.229m resulting in an overall balance of £51.875m as at 31st March 2018, subject to audit.
- 2.3. To note the Housing capital programme outturn in the HRA of £37.914m.

3. REASONS FOR DECISION

- 3.1. To confirm the financial position for the Housing Revenue as at 31st March 2018. This report outlines the provisional revenue outturn position, income and expenditure for 2017/18 for the Housing Revenue Account, and the consequent effect on the Council's levels of Housing Revenue Account general and earmarked reserves. Also, this report outlines the provisional capital outturn position for 2017/18 for the Council's housing capital programme which is known as the Decent Neighbourhoods Programme.

4. HOUSING REVENUE ACCOUNT OUTTURN

¹ The Fire Safety Plus Programme was endorsed in July 2017 by Full Council. It is designed to improve the safety of Council Homes, both tenanted and leasehold, and we are working closely with the London Fire Brigade to ensure the highest standard. Full Council agreed to set aside a budget of £20m to fund the programme on 18th October 2016, this budget is being part funded by existing reserves.

² This is court case that was successfully bought by tenants against the London Borough of Southwark regarding the water charges that the Council passed onto them from Thames Water.

- 4.1. The HRA provisional overspend is £0.052m. This position is after the transfer of £6.229m of underspends to HRA reserves.
- 4.2. The source of the additional funds transferred to reserves is primarily an underspend on a revised revenue budget³ of £4.636m as a revenue contribution to the capital programme which was not required to fund the HRA Capital Programme of planned works including Fire Safety Plus. This is because capital expenditure was a lot less than budgeted mainly due to delays in work starting because of the ongoing compliance checks on the planned programme.
- 4.3. The other main reason is an underspend on the budgeted bad debt provision for rental income for Council homes as a result of a better than forecast rent collections.
- 4.4. Overall, HRA Reserves have increased by £6.229m. This is attributable to the overspend of £0.052m, the budgeted appropriation from the HRA General Reserve of £1.382m, and a transfer to specific earmarked reserves of £8.866m and drawdowns against earmarked reserves of £1.203m. Table 1 below summarises the movement on the HRA General Reserve.

Table 1: 2017/18 Housing Revenue Account Outturn

Housing Revenue Account	£m
Total Reserve including earmarked reserve at 31 March 2017	(45.718)
Budgeted appropriation	1.382
HRA deficit (overspend)	0.052
Drawdowns from Earmarked reserves in the year	1.275
Revenue contributions to specific earmarked reserves	(8.866)
HRA Total Reserve including earmarked reserve 31st March 2018	(51.875)

- 4.5. The detailed reasons for under and over spends are explained in Appendix 1. More detail on the current reserves position and transfers between reserves is set out below.

³ Contribution as revised in Q3 Capital Monitor. This was revised down from a revenue contribution of £9.464m in the budget amendment for Fire Safety Plus put to Full Council on 18th October 2018. The reduction in the requirement is most due to a reduction in Fire Safety Plus predicted expenditure as precise specifications are reviewed in the light of emerging changes to Building Regulations.

5. RESERVES⁴ AND PROVISIONS⁵

- 5.1. Two types of reserves are held within the HRA: **General reserves** and **Earmarked reserves**.
- 5.2. **HRA General reserves** should provide sufficient cover against unanticipated events. The risks facing the HRA must be viewed in conjunction with the level of HRA general reserves held. A prudent level of reserves is important to support long term investment planning in the context of a property portfolio of 17,000 properties with an existing use value of £1.3 billion.
- 5.3. The level of HRA general reserves has been revised in line with this approach and the current level is equivalent to approximately eight weeks rent⁶.
- 5.4. Our level of HRA General Reserves is benchmarked with other central London Authorities, this is shown in Appendix 2. Based on 31st March 2017 levels, relative to revenue turnover, five of the 12 Central London Authorities have general reserves lower than the Council's general reserves at 31st March 2018.
- 5.5. **HRA Earmarked reserves** are funds set aside to cover specific future plans that are not covered by normal budgets (such as the investment in fire safety plus and Hampshire IBC) and risks that are considered highly likely to happen (such as welfare reform and the regeneration reserve). The Council's level of HRA earmarked reserves is also benchmarked in Appendix 2.
- 5.6. Relative to revenue turnover we hold the third highest level of earmarked reserves out of the 12 Central London Authorities. This is primarily because of the large sums we have set aside to fund the Fire Safety Plus Programme and to cover the Southwark Water case risk.
- 5.7. The Council's **total HRA reserves** need to be viewed in the context of the longer term position set out in section 7 of this report. It's currently at a higher level than originally predicted as capital expenditure has been lower than budgeted. Expenditure on planned work to Council Homes in the year has been £23.766m compared to an original budget of £33.5m and an updated budget that included £10m of Fire Safety Plus expenditure, reported to Full Council in October 2017 of £46.5m. This under spend compared to budget has meant we haven't had to make the revenue contributions to capital that we expected.

⁴ Reserves in general are amounts set aside which are for future policy purposes or to cover contingencies. Earmarked reserves are for specific expenditure or projects only.

⁵ A provision is an amount set aside for liabilities anticipated in the future which cannot always be accurately quantified. A provision is for a present obligation as the result of a past event.

⁶ Gross rent plus tenant service charges

**Table 2:
Earmarked Reserves and General Reserve at 31st March 2018⁷**

Reserve	Balance at 31/3/17	Proposed movement	Proposed Balance at 31/3/18
Transformation Reserve	(500)	(792)	(1,292)
IT Recharges	(492)	242	(250)
Regeneration Reserve	(4,208)	(2,205)	(6,413)
Utilities	(9,382)	(1,368)	(10,750)
Sheltered Housing Enhanced Service	(185)	(42)	(227)
Parking Charges Review	(606)	0	(606)
Community Pot	(38)	(22)	(60)
Deed Pack Review	(300)	300	0
Customer Service Improvement Programme	(250)	250	0
HRA Council Tax	0	(54)	(54)
HRA Office Reorganisations	(150)	0	(150)
Hampshire IBC	(300)	0	(300)
Recycling hub loop extension	(99)	22	(77)
Protecting the future of Council Homes	(317)	102	(215)
Welfare Reform	(1,500)	0	(1,500)
Fire Safety Plus	0	(12,845)	(12,845)
HRA General Reserve	(20,129)	10,183	(9,946)
Cashable Reserves	(38,456)	(6,229)	(44,685)
Non Dwellings Impairment	(7,262)	72	(7,190)
Non-Cashable Reserves	(7,262)	72	(7,190)
Total Reserves	(45,718)	(6,157)	(51,875)

5.8. The main movements on earmarked reserves are:

- the establishment of the Fire Safety Plus reserve. The (£12.845m) set aside will contribute towards the costs of the Fire Safety Plus programme agreed by Full Council in October 2017.
- (£2.205m) added to the Regeneration reserve to bring the total balance to (£6.413m). This covers the risk of abortive costs on the councils major development and regeneration projects that are still in progress as at 31st March 2018. A further top-up of (£1.368m) for the Utilities reserve means that the Council has now set aside (£10.0m) for the potential refund of the commission element on water and sewerage costs to tenants as a result of the Southwark judgement refund plus £0.75m to

⁷ The Welfare Reform reserve is money set aside to help us support residents to manage their money so they can afford to pay their rent as the roll out of Universal Credit continues.

cover a risk of refunds as a result of a review of heating charges.

- 5.9. A number of **provisions** are held to provide for financial obligations that the HRA may need to meet. These are set out at Appendix 4.

6. VIREMENTS

- 6.1. In order to produce the final accounts to statutory deadline of 31st July, a number of actions are required that normally need Cabinet approval (final budget carry forwards, use of reserves, budget virements, level of bad debt provision etc.).
- 6.2. In order to meet the deadline, Cabinet delegated decision making in relation to these issues to the Strategic Finance Director in consultation with the Cabinet Member for Finance.

7. LONGER TERM OUTLOOK

- 7.1. Despite the small overspend and the transfer of underspends to reserves, the financial context for the HRA going forward for 2018/19 remains challenging.
- 7.2. This new financial year will see the third of four years of 1% social housing rent reductions, further pressure on revenue budgets as a result of continued investment in compliance while borrowing is constrained by the HRA debt cap.
- 7.3. This means that delivering a balanced budget 2018/19 will depend upon the careful management of risks, the achievement of increased income targets for commercial rents, garages and income from advertising hoardings, attainment of annual savings of £0.374m and the containment of inflationary pressures and agreed budget growth of £2.548m.
- 7.4. The balanced budget presented to Cabinet in February 2018, was based upon a drawdown of £1.835m from the HRA General Reserve and after an assumed £4.563m revenue contribution to capital. The latest capital forecasts now show that this will not be needed in the short term as forecast capital expenditure has reduced. However the business plan shows that there remains a requirement for significant revenue contributions to capital costs in the short to medium term.
- 7.5. In addition the HRA faces a number of other significant risks to its financial stability in the longer term.
- 7.6. These risks include the Government's programme of **Welfare Reform**, which is expected to have a significant impact on the Council's ability to collect rental income and will result in increased bad debt charges to the HRA. All new benefit claims are subject to Universal Credit and it is

anticipated that from 2019 the Government will begin migrating all remaining existing benefit claimants to the Universal Credit. It is difficult to accurately estimate the final full financial impact of this. We know that some Local Authorities and other Registered Providers have experienced reduced rent collection rates following the introduction of Universal Credit, for example LB Croydon's average collection rates dropped from 97.5% in 2015/16 to 93.6% in the first part of 2017/18⁸. So, although because of a very effective rent collection strategy and a slower Universal Credit roll out than anticipated we didn't use £2.17m of the £2.7m 2017/18 budget for bad debts, we have again for 2018/19 included an allowance for this risk in the budget by allowing £2.7m for bad debts.

7.7 The **Housing and Planning Act 2016** which enforced the rent decrease also provided for the enforced sale of high value voids with the sale proceeds being paid over to central Government. Government have been largely silent on when the Council may have to make any payment for high value void sales and have not yet published the detailed regulations so we do not know the size of the payments we may have to make although it was announced that there will be no payment for the 2018/19 financial year. Therefore, given the uncertainty, the long term HRA financial plan still excludes the impact of the high value voids policy; this Government policy represents a significant risk to the HRA financial plan.

7.8 Due to the need to borrow (internally and externally) to fund the programme to 2021/22, **the capital funding requirement (CFR) headroom** (the measure used for the HRA debt cap) is now forecast to fall to £9.5m by the end of 2021/22 after accounting for the Earls Court and other deferred costs. The level of headroom is highly sensitive to the Earls Court project, especially the timing and financing of buybacks required under the contract.

- Earls Court as noted above, there's uncertainty over the timing of development notices under the Conditional Land Sale Agreement makes cash flows and receipt recognition very hard to predict.
- From 2018/19 to 2021/22 the housing capital programme is in part funded by **s106 receipts** (£26.5m). Only £3.6m of this is in hand and the timing of £11.9m of these S106 receipts is still unclear.
- There's a **risk of additional Fire Safety costs** over and above those in the budgets as result of revised building regulations, recommendations for materials to be used for works, specification

⁸ Agenda item 5, section 5.3 on LB Croydon Tenant & leaseholder Panel 17 January 2018 which can be found at <https://democracy.croydon.gov.uk/documents/g401/Public%20reports%20pack%2017th-Jan-2018%2018.30%20Tenant%20Leaseholder%20Panel.pdf?T=10>

for items such as fire doors, and any other recommendations that may come out of the Grenfell Public Enquiry and any associated reviews.

Risk of repayment of Right to Buy receipts: £14.5m of retaining Right to Buy one for one receipts⁹ (RtB 1-4-1 receipts) must be used in 2018/19 or be repaid to the Ministry for Housing, Communities & Local Government. The GLA has recently made an offer to boroughs in its Homes for Londoners funding prospectus, whereby any RtB receipts and interest returned to MHCLG is passed to the GLA and held in a borough specific ring fenced account. The GLA would hold the funding, with LBHF directing how the funding would be spent against an agreed programme. This can be spent on council projects or given to registered providers, which is the same as under current rules. This is considered as an effective mitigation for the RtB risk and at the time of writing officers are in the process of formalising the agreement with the GLA.

- 7.6 Other risks include the impact on net income if the number of Right to Buy disposals increases above 40 per annum, changes in the rules relating to accounting for impairment and revaluation losses leading to an adverse financial impact on the HRA, unpredicted events resulting in additional repairs and maintenance costs, other changes in central Government policy such as those restricting rent levels, increases in corporate service level agreement charges, market risks on costs associated with re-procurement and recruitment as well as the risk to commercial and advertising income of market changes.

8. CAPITAL OUTTURN

- 8.1 Total capital expenditure on the Housing Programme for the financial year was £37.9m against an original budget of £53.1m reported to Full Council in February 2017, a revised budget of £69.7m reported to Full Council in October 2017 and a revised Quarter 3 budget of £49.2m.
- 8.2 Of this, the full year capitalised spend on **Health & Safety related items** was £2.1m against an original full year budget of £3.282m and against a budget reported to Full Council on 18th October 2018 of £12.572m. £1.7m of this spend was on specific fire safety improvement works. In addition to this revenue spend on Health & Safety was £2.94m against a revenue budget for Health and Safety of £1.627m. This included £2.41m on fire safety related costs. **Total expenditure on Health and Safety was £5.04m against total original budgets of**

⁹ These are the additional retained right to buy receipts that the council gets to keep due to the 2012 agreement with the then Department for Communities and Local Government. These receipts can only be used on developing or acquiring additional affordable rented homes and can only contribute towards 30% of the cost of works delivered or acquisitions completed. There is a 3-year time limit to use the receipts, after which they are returned to Ministry for Housing, Communities & Local Government.

£4.9m and against budgets set at Full Council on 18th October 2017 that included Fire Safety Plus of £14.2m.

- 8.3 A summary of capital expenditure and capital financing is included below. Further details can be found in the Capital Programme Monitor and Budget Variations 2017/18 (outturn) report that is also going to July 2018 Cabinet.

Table 3 - Capital Expenditure and Funding Summary 2017/18

Capital Expenditure	2017/18 £'000
Decent Neighbourhood Schemes	14,148
HRA Schemes	23,766
Total Expenditure	37,914

Capital Financing Source	2016/17 £'000 Total
Capital Receipts - Unrestricted	12,208
Capital Receipts - RTB (141)	4,250
Capital Receipts - Sale of new build homes	96
Housing Revenue Account (revenue funding)	-
Major Repairs Reserve (MRR)	16,262
Contributions Developers (S106)	1,880
Contributions from leaseholders	2,553
Insurance claims	665
Total	37,914

- 8.4 The latest housing CFR forecast is shown below. Housing CFR is the measure used by Government for the HRA debt cap. The Council's debt cap is £254.6m. The forecast below shows that by 2021/22 the Council will be within £9.5m of its's HRA debt cap. This needs to be viewed in the context of the risks set out in section 7 of this report.

HRA CFR Forecast	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Closing Forecast HRA CFR (excluding deferred costs of disposal)	204.84	204.85	207.09	218.60	223.25	235.79
Deferred Costs of Disposal	5.83	5.42	6.29	7.18	8.08	9.31
Closing Forecast HRA CFR (including deferred costs of disposal)	210.68	210.26	213.39	225.78	231.33	245.10

9. CONSULTATION

- 9.1. With Departments and Strategic Leadership Team.

10. EQUALITY IMPLICATIONS

- 10.1. Cabinet is asked to note the outturn of the Housing Revenue Account for 2017/18. It is not asked to make any decisions nor take any action, hence there are no equality implications arising from this report.

10.2. Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

11. LEGAL IMPLICATIONS

11.1. There are no legal implications contained within this report

11.2. Implications verified/completed by: Adesuwa Omoregie, Principal Solicitor, tel. 020 8753 2297.

12. FINANCIAL IMPLICATIONS

12.1. This report is of a financial nature and the financial implications are contained within, which is subject to audit review.

13. IMPLICATIONS FOR BUSINESS

13.1. There are no implications for local businesses.

13.2. Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.

14. COMMERCIAL IMPLICATIONS

14.1. There are no direct commercial implications in this report.

14.2. Implications verified/completed by: Joanna Angelides on behalf of Simon Davis, tel: 020 7361 2586.

15. IT IMPLICATIONS

15.1. There are no IT implications contained within this report.

15.2. Completed by: Veronica Barella, Chief Information Officer, tel 200 8753 2927.

16. RISK MANAGEMENT

16.1. The report provides details of the main risks associated with the Housing Revenue Account as referenced in section 7 of the body of the report. Revenue reports provide assurance that the risks are monitored so as to ensure that the Council continues delivering high quality customer services and increasing customer satisfaction with services provided in accordance with management of Corporate Risks 11, maintaining reputation and service standards, meeting our community needs and expectations and 14 Compliance with our statutory duties including health and safety and our Council Priority Building shared prosperity.

16.2. Implications verified by: Michael Sloniowski, Risk Manager, tel. 020 8753 2587.

17. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext holder of file/copy	Department/ Location
	Revenue budget monitoring reports 2017/18 – published	Gary Ironmonger Tel: 0208 753 2109	Finance & Governance
	Allocations to, movements between and withdrawals from Housing Revenue Account reserves DIRECTOR DELEGATED DECISION 11 th April 2018 – Exempt report	Kathleen Corbett Tel: 0208 753 3031	Finance & Governance

LIST OF APPENDICES

Appendix 1 HRA 2017/18 Revenue Outturn

Appendix 2 HRA Reserves Benchmarking

Appendix 3 HRA Provisions

APPENDIX 1

DEPARTMENTAL ANALYSIS – HOUSING REVENUE ACCOUNT (HRA) 2017/18 REVENUE OUTTURN

Variance Analysis by Departmental Division

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Housing Income	(78,450)	(763)	<p>Void numbers have been lower than expected for Council homes, therefore void income loss for rents and tenant service charges is less than budgeted (from a budgeted figure of 1.3% to an outturn of 0.98%; (£394k) in total).</p> <p>The better than budgeted performance is also due to:</p> <ul style="list-style-type: none"> • additional income on leaseholder service charges of (£147k) due to more repair work being recharged in the annual service charge bills as opposed to on major works invoices, • commission earned following an agreed variation to the contract with Thames Water (£615k). <p>This is offset by underperformance on advertising hoarding income of £371k due to delays and contractual issues and other minor variances of £22k.</p> <p>An underspend of (£2.17m) on the bad debt provision for rental income for Council homes as a result of a very effective rent collection strategy on the part of the Rent Income team (99.1% collection rate and a 1.4% reduction in current arrears balances), helped by slightly slower roll out of Universal Credit than expected when the budget was set, has been transferred to specific earmarked reserves including the Council's Fire Safety Plus reserve which sets aside funds for future works.</p>

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Finance and Resources	11,819	(200)	This relates mainly to delays in recruitment for the Finance and Resources division (£225k), a delay in a scheme to encourage direct debit take up (£138k), lower legal costs due to effective tenancy sustainment activity reducing the need for possession claims (£186k) within the Rent Income team, IT software and telephony (£182k) and lower than expected pension fund contributions (£130k). These underspends are offset by an increase in the provision for housing service risks of £661k which mostly relates to the need to provide for the potential impact of refunding tenants for water and sewerage charges pending the outcome of a test case elsewhere following the court case against Southwark Council.
Housing Services	13,803	(654)	Lower than expected decant volumes have resulted in a fall in the cost of placing decanted tenants into temporary accommodation (£130k). There is an underspend on incentive payments to encourage tenants to downsize to smaller homes (£148k) which is mainly due to a lack of homes that meet the requirements of potential tenants and lower than expected interest from tenants. Following the completion of the feasibility stages of the Estate Parking Project, there is an underspend of (£97k). There is lower than expected expenditure on resident involvement activities including resident training, activities and events and service improvement groups (£91k), lower than budgeted reactive grounds maintenance works (£100k), an underspend on estate energy costs (£111k) and other minor adverse variances of £23k.

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Property Services	4,062	1,959	<p>The overspend relating to enhancing fire safety for the residents of the Council's homes of £1.413m includes the additional staffing and professional consultancy costs associated with developing and delivering the Fire Safety Plus programme which we have been unable to capitalise under accounting regulations.</p> <p>Property Services core budgets have overspent by £546k and this mainly relates to core staffing costs of £503k for staff put in place to strengthen both the clienting of the repairs contract and focus on compliance, shortfalls in income from rechargeable work of £95k and insurance recovery of £154k, offset by underspends on core service running costs (£124k) and a number of other minor variances (£82k).</p>
Housing Repairs	13,809	1,351	<p>The out of scope element of the repairs contract with MITIE has overspent by £886k. This is due mainly to an increase in the identification by MITIE of the number of chargeable jobs, increases in void costs and increases in the number of disrepair cases.</p> <p>MITIE have charged the Council for additional services costing £465k that, based on the budget, should have been discontinued at the end of last year. Officers are working with MITIE to resolve the situation.</p>
Housing Options	93	(131)	<p>This relates to underspends on hostels for repairs (£46k) and other running costs (£66k). Also, a review of the time spent by the Assessment Team between activities relating to the General Fund and Housing Revenue Account has produced a further (£19k) underspend.</p>
Adult Social Care	48	0	
Regeneration	995	(21)	
Housing Strategy	544	(47)	

Departmental Division	Revised Budget 2017/18	Year End Variance	Explanation of Major Variances (over £100k)
	£000	£000	
Safer Neighbourhoods	678	0	
Capital Charges	33,981	(1,442)	Following a review of the depreciation charge methodology and the useful economic lives assigned to housing assets, there has been a reduction in the depreciation charge this year of (£1.680m). Further, the interest earned from HRA balances has been reduced by £160k as instead the cash has been used for internal borrowing this year with the advance receipts from the Earls Court regeneration programme being used to finance the HRA capital programme. These receipts cannot be recognised and used to reduce the capital financing requirement until the land transfers from the Council to the developer have been completed. There are a number of other minor variances of £78k.
(Contribution to)/ Appropriation From HRA General Reserve	1,382	52	

APPENDIX 2: RESERVES BENCHMARKING

Other Councils have not yet published their 31st March 2018 accounts so the table below is based on 31st March 2017. It will be updated as soon as other Councils' results are available.

Local Housing Authority	Turnover 2016/17	General Reserve at 31st March 2017	General Reserve as a % of Turnover	Earmarked Reserve at 31st March 2017	Earmarked Reserve as a % of Turnover	Total HRA Reserve	Total Reserve as a % of Turnover
	£m	£m	%	£m	%	£m	%
Central London Local Housing Authorities							
Wandsworth	141.1	130.9	93%	190.9	135%	321.80	228%
Lewisham	87.9	5.4	6%	51.7	59%	57.12	65%
Westminster	112.8	41.6	37%	12.3	11%	53.89	48%
Tower Hamlets	92.7	39	42%	0	0%	39.00	42%
Islington	190.6	17.5	9%	53.0	28%	70.54	37%
RBKC	58.6	20.9	36%	0.4	1%	21.30	36%
Lambeth	176.2	35.3	20%	6.8	4%	42.10	24%
Hackney	140.3	10.2	7%	17.4	12%	27.60	20%
Camden	203.7	38.4	19%	n/a	0%	38.40	19%
Greenwich	121.6	12	10%	n/a	0%	12.00	10%
Southwark	299.1	14.3	5%	0	0%	14.30	5%
H&F 2017/18	81.9	9.95	12%	42	51%	51.88	63%
H&F 2016/17	82.6	20.1	24%	25.3	31%	45.40	55%

Note that a key reason for the higher reserves level in H&F is due to the £4.636m budgeted revenue contribution to capital expenditure not being needed in 2017/18. £7.2m of the Council's HRA Earmarked Reserves are non-cashable.

APPENDIX 3: PROVISIONS

	Disrepair	Legal Defence	Disputed Costs	Total
	£000s	£000s	£000s	£000s
Balance at 31 March 2017	(128)	(65)	(554)	(747)
Additional provisions	0	0	0	0
Amounts used	0	0	0	0
Unused amounts reversed	9	0	0	9
Balance at 31 March 2018	(119)	(65)	(554)	(738)