London Borough of Hammersmith & Fulham **CABINET** **1 JULY 2019**	
HOUSING REVENUE ACCOUNT 2018/19 OUTTURN	
Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid	
Open Report	
Classification - For Information **Key Decision: Yes**	
Wards Affected: All	
Accountable Director: Hitesh Jolapara – Strategic Director, Finance and Governance Jo Rowlands – Strategic Director for the Economy department	
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1. EXECUTIVE SUMMARY

1.1. The Housing Revenue Account (HRA) provisional outturn variance for 2018/19 is an underspend of £3.779m. This is equivalent to 4.6% of the gross expenditure budget. This compares with a forecast underspend of £4.490m as reported to Cabinet on 1 April 2019 in the Corporate Revenue Monitor for month 9. A detailed explanation of the elements that make up the underspend can be found in Appendix 1.

1.2. Expenditure on Health and Safety in 2018/19 was £7.992m against a total budget of £13.114m.

1.3. This includes Fire Safety Plus capital works of £0.872m against a budget for 2018/19 of £2.525m and revenue expenditure on Fire Safety of £3.972m against a budget of £4.080m. These fire safety works are proceeding in 2019/20 following the end of the Council's contract with its previous repairs and planned maintenance provider. Fire safety costs in some areas are also awaiting to outcomes of national reviews into fire safety. Urgent fire safety costs have been prioritised.

1.4. HRA earmarked reserves are held to cover specific future plans. They primarily relate to the revenue contributions needed to fund the Council's Fire Safety Plus[1] programme (£12.0m), the potential refund to tenants of water charge commission as a result of the Southwark Council judgement (£11.0m)[2] and the inherent risk of abortive costs on regeneration and development projects (£6.4m). HRA reserves increased during the year by £2.117m (of which £1.795m was an increase in non-cashable reserves). At 31 March 2019, HRA general reserves were £11.890m and HRA earmarked reserves were £42.101m (of which £33.1m is cashable and £9.0m is non-cashable). A detailed breakdown of reserves is included in Table 2 of this report.

1.5. The total housing capital programme expenditure for the year 2018/19 is £20.137m.

1.6. 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 2018/19.

2. RECOMMENDATIONS

2.1. To note the HRA provisional underspend of £3.779m, which is after the transfer of £5.302m of underspends to HRA reserves.

2.2. To note the Housing capital programme outturn of £20.137m.

3. REASONS FOR DECISION

3.1. To confirm the financial position for the Housing Revenue as at 31 March 2019. This report outlines the provisional revenue outturn position, income and expenditure for 2018/19 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 2018/19 for the Council's housing capital programme which is known as the Decent Neighbourhoods Programme.

4. HOUSING REVENUE ACCOUNT OUTTURN

4.1. The HRA provisional underspend is £3.779m. This position is after the transfer of £5.302m of underspends to HRA reserves.

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[1] The Fire Safety Plus Programme was endorsed in July 2017 by Full Council. Full Council agreed to set aside a budget of £20m to fund the programme on 18 October 2017, £12.845m of which is funded from the Fire Safety Plus earmarked reserve. Following capital expenditure on Fire Safety in 2018/19 of £0.872m, this balance has reduced to £11.973m.

[2] This is in respect of a 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.

4.2. The sources of the additional funds transferred to reserves are primarily an underspend on the budgeted bad debt provision for rental income for Council homes as a result of a better than forecast rent collections and funds released from revenue provisions for risk not required during the year.

4.3. Overall, HRA Reserves have increased by £2.117m. This is attributable to the underspend of £3.779m, the budgeted appropriation from the HRA General Reserve of £1.835m, a transfer to specific earmarked reserves of £5.302m, an increase in the non-dwellings impairment reserve of £1.795m and drawdowns against earmarked reserves of £6.924m. Table 1 below summarises the movement on the HRA General Reserve.

Table 1: 2018/19 Housing Revenue Account Outturn

Housing Revenue Account	£m
Total reserves including earmarked reserve at 31 March 2018	**(51.874)**
Budgeted appropriation	1.835
HRA surplus (underspend)	(3.779)
Drawdowns from earmarked reserves in the year	6.924
Revenue contributions to specific earmarked reserves	(5.302)
Increase in non-dwellings impairment reserve	(1.795)
HRA total reserve including earmarked reserves 31 March 2019	**(53.991)**

4.4. The detailed reasons for the underspend are explained in Appendix 1. More detail on the current reserves position and transfers between reserves is set out below.

5. RESERVES[3] AND PROVISIONS[4]

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.

[3] Reserves are amounts set aside which are for future policy purposes or to cover contingencies and risks. Earmarked reserves are for specific expenditure or projects.

[4] 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.

5.3. The level of HRA general reserves has been revised in line with this approach and the current level is equivalent to approximately nine weeks rent[5].

5.4. Our level of HRA general reserves is benchmarked with other central London Authorities, as shown in Appendix 2. Based on 31 March 2018 levels, relative to revenue turnover, only two of the 12 central London Authorities have general reserves lower than the Council's general reserves at 31 March 2019.

5.5. **HRA earmarked reserves** are funds set aside to cover specific plans that are not covered by normal budgets (such as the investment in fire safety plus) 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. Reserves are currently at a higher level than predicted as capital expenditure has been lower than budgeted. Expenditure on planned work to Council Homes in the year has been £12.21m compared to a revised budget of £16.95m which included Fire Safety Plus, reported to Cabinet in February 2019. This underspend has meant we haven't made the revenue contributions to capital that we expected.

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[5] Gross rent plus tenant service charges

Table 2: Earmarked and general reserve at 31 March 2019[6]

Reserve	Balance at 31/3/18	Proposed movement	Proposed Balance at 31/3/19
Transformation Reserve	(1,292)	36	(1,256)
IT Recharges	(250)	217	(33)
Regeneration Reserve	(6,413)	61	(6,352)
Utilities	(10,750)	(250)	(11,000)
Sheltered Housing Enhanced Service	(227)	123	(104)
Parking Charges Review	(606)	500	(106)
Community Pot	(60)	(17)	(77)
HRA Council Tax	(54)	-	(54)
HRA Office Reorganisations	(150)	-	(150)
Hampshire IBC	(300)	-	(300)
Recycling hub loop extension	(76)	28	(48)
Protecting the future of Council Home	(215)	52	(163)
Welfare Reform	(1,500)	-	(1,500)
Fire Safety Plus	(12,845)	872	(11,973)
HRA General Reserve	(9,946)	(1,944)	(11,890)
Cashable Reserves	**(44,684)**	**(322)**	**(45,006)**
Non Dwellings Impairment	(7,190)	(1,795)	(8,985)
Non-Cashable Reserves	**(7,190)**	**(1,795)**	**(8,985)**
Total Reserves	**(51,874)**	**(2,117)**	**(53,991)**

5.8. The main movements on earmarked reserves are:

- Although revenue expenditure of £3.99m has been incurred on fire wardens and funded from the Fire Safety Plus reserve, it has been possible to reimburse the reserve for this from other underspends within the HRA. The net reduction in the reserve of £0.872m to £11.973m relates to Fire Safety Plus capital works costs. The (£11.973m) set aside will contribute towards the costs of the Fire Safety Plus programme in 2019/20 and in future years.
- The write-off of capitalised expenditure of £0.941m on Jepson House and Becklow Gardens and the write off of deferred costs of £0.164m associated with Earls Court are partially offset by a contribution from the HRA underspend of (£1.045m) to maintain the Regeneration reserve at a similar level to that of last year (£6.352m). This balance covers just over two thirds of the risk of abortive and other potential write-off costs on the Council's major development and regeneration projects that are still in progress as at 31 March 2019.

[6] 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.

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 3.

6. VIREMENTS

6.1. To produce the final accounts to the statutory deadline of 31 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. To meet the deadline, Cabinet delegated decision making in relation to these issues to the Strategic Director of Finance and Governance in consultation with the Cabinet Member for Finance and Commercial Services.

7. LONGER TERM OUTLOOK

7.1 Despite the underspend and the transfer of underspends to reserves, the financial context for the HRA going forward for 2019/20 remains challenging.

7.2 This new financial year will see the last of four years of 1% social housing rent reductions and further pressure on revenue budgets due to continued investment in the housing service. Whilst the removal of the HRA borrowing cap provides opportunities for investment borrowing may be constrained by the need to maintain a financially sustainable business plan for the HRA in the longer term. Cabinet agreed in March 2018 for temporary growth of £4.1m to support the interim repairs delivery model following the termination of the Council's repairs contract.

7.3 Delivering a balanced budget in 2019/20 will depend upon the careful management of risks and other emerging pressures, the achievement of increased income targets for commercial rents and parking, attainment of annual savings of £0.1m and the containment of inflationary pressures and agreed budget growth of £1.94m.

7.4 The balanced budget presented to Cabinet in February 2019 was based upon a drawdown of £0.222m[7] from the HRA General Reserve and without any revenue contribution to capital. The latest capital forecasts show that no revenue contribution is 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 medium term.

7.5 In addition the HRA faces a number of other significant risks to its financial stability in the longer term.

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[7] This is before the approval from Cabinet to draw down a further £4.1m from the HRA General Reserve for the costs of the interim repairs delivery model in 2019/20.

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. Current expectations are that the natural migration (applicable to clients with a change of circumstances) will be supplanted by the wider managed migration which will commence with a pilot in Harrogate this year. The full managed process across the country is forecast to be completed by December 2023. Our very effective rent collection strategy and a slower Universal Credit roll out than anticipated meant that this year we didn't need to use £2.0m of the £2.7m 2018/19 budget for bad debts, but in view of the approaching risk, we have again for 2019/20 included an allowance for this risk in the budget by allowing £2.2m for bad debts.

7.7 Another key risk relates to the **repayment of Right to Buy receipts:** £9.6m of retained Right to Buy one for one receipts[8] (RtB 1-4-1 receipts) must be used in 2019/20 or be passed (along with interest) to the GLA and held in a borough-specific ring-fenced account. The GLA holds this funding for three years, with the Council directing how the funding would be spent against an agreed programme. This can be spent on council projects or given to registered providers and the Council needs to ensure that plans are in place to use these by the relevant deadlines. To date the GLA are holding £10.1m of the Council's RtB receipts which need to be spent by the following dates:

Table 3: RtB receipts held by GLA and deadline for use

RtB Receipts Held by GLA (net of interest), £m	Deadline for Council to Claim
2.18	30th June 2020
4.80	30th September 2020
3.12	31st December 2020
2.27	31st March 2021
12.37	

7.8 The HRA Asset Management Strategy, which was approved at Cabinet on 3 December 2018, sets out the priorities for investment in the Council's stock, with fire safety and health and safety compliance of primary importance. This will require significant future investment to maintain and replace these assets. In the coming months, officers will

[8] 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.

set out detailed investment plans and there is a risk that the new plans may exceed the currently available funding and could result in the need to delay or change the specification of other works and projects within the capital programme or to review opportunities within the HRA business plan.

7.9 Other risks include, but are not limited to, the impact on income if the number of Right to Buy disposals increases above 20 per annum, 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, additional fire safety costs, other changes in central Government policy such as those restricting rent levels, increases in corporate service level agreement charges (including the increased costs of additional staff members on the establishment of the call centre and DLO and decant premises), market risks on costs associated with re-procurement and recruitment as well as the risk to commercial and advertising income of market changes.

7.10 The strategic financial objectives for the HRA include being ruthlessly financially efficient. The implementation of a culture of ruthless financial efficiency is ensuring that budget holders and finance officers work together to embed tighter financial discipline to squeeze more value from our assets and contracts - there will be a focus on this as part of the management of the interim repairs delivery model and the longer-term solution for repairs and maintenance. Officers will maximise commercial and investment opportunities such as through the creation of a long-term investment plan for residents' homes and the development of affordable housing. By continuing to seek opportunities to raise additional income, find further efficiencies which do not impact on service delivery and to build financial acumen and leadership among budget holders, this will mitigate against the risks and challenges facing the HRA in the years to come.

8. CAPITAL OUTTURN

8.1 Total capital expenditure on the Housing Programme for the financial year was £20.1m against an original budget of £31.2m reported to Cabinet in February 2019.

8.2 A summary of capital expenditure and capital financing is included below. Further details can be found in the Capital Programme Monitor and Budget Variations 2018/19 (outturn) report that is also going to July Cabinet.

Table 4 - Capital expenditure and funding summary 2018/19

	2018/19 Revised Budget (Q3) £'000	Total Variations (Q4) £'000	**Outturn 2018/19 £'000**
Approved Expenditure			
Decent Neighbourhood Schemes	14,258	-6,331	7,927
HRA Schemes	16,948	-4,738	12,210
Total HRA Capital Expenditure	**31,206**	**-11,069**	**20,137**
Available and Approved Resource			
Capital Receipts - Unrestricted	7,885	(6,628)	1,257
Capital Receipts - RTB (141)	6,124	(3,709)	2,415
Major Repairs Reserve (MRR)	9,436	(1,264)	8,172
Contributions Developers (S106)	716	83	799
Repayment of NHHT loan	270	(270)	-
Contributions from leaseholders	4,250	(1,700)	2,550
Use of reserves (Fire Safety EMR)	2,525	(1,653)	872
Internal Borrowing	-	4,072	4,072
Total HRA Capital Funding	**31,206**	**-11,069**	**20,137**

8.3 The Decent Neighbourhood Schemes variance is explained as follows:

- There was an underspend on Earls Court buybacks of £1.6m as the project team were not approached by as many leaseholders with a demonstrable need to sell as predicted.
- There was budget reprofiling to future years of £2.4m on the Affordable Housing Delivery Framework schemes of grant funded Housing Association sites. £2m of this was down to no further sites being identified and progressed from quarter 3. The remaining £0.4m is due to a combination of works at Emlyn Gardens not progressing as quickly as anticipated and the delay in finalising the lease and grant funding agreement for the Fulham North office site.
- £1.1m of the property acquisition budget has been re-allocated to the White City Regeneration budget to allow for the purchase of a Health Centre on the Estate owned by NHS Property Services which is now expected to complete in 2019/20 due to ongoing negotiations.
- The Spring Vale development contract award has to be made by Cabinet rather than the initially planned Cabinet Member Decision as the budget requirement had increased - hence start on site and £0.5m of works slipping to 2019/20.

8.4 The variance on the HRA schemes is mainly down to budget reprofiling as schemes have not progressed as quickly as anticipated due to the ongoing compliance checks required for health and safety works and the requirement to procure alternative contractors for the schemes that were previously to be undertaken by Mitie. Some of the budget reprofiling was offset by scheme overspends as well as a £0.7m overspend on capitalised responsive repairs.

8.5 The funding variances are mainly due to the aforementioned budget reprofiling however the two largest variations of capital receipts (-£6.6m) and internal borrowing (+£4.1M) is also down to a change in accounting policy. The Ministry for Housing, Communities and Local Government have advised that housing capital receipts cannot be combined with RtB receipts. Therefore, where this was previously budgeted for, capital receipts have been replaced with internal borrowing. However, the council can use available housing capital receipts to pay off the internal borrowing. As there are sufficient housing capital receipts to do this there has been a net nil impact on overall borrowing.

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 2018/19. 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: Fawad Bhatti, Social Inclusion Policy Manager, tel. 07500 102613

11. LEGAL IMPLICATIONS

11.1 The Council has an obligation to keep a Housing Revenue Account (HRA), a landlord account, recording expenditure and income arising from the provision of housing accommodation. Part IV of the Local Government and Housing Act 1989 ("the Act") provides that it is a "ring-fenced" account of certain defined transactions, relating to local authority housing, within the General Fund. Section 76 of the Act places a duty on the Council to budget to prevent a debt balance on the HRA and to implement and review the budget.

11.2 Implications completed by: Janette Mullins, Acting Chief Solicitor (Litigation and Social Care), tel: 0208 753 2744

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.

12.2. Implications verified by: Emily Hill, Assistant Director, Corporate Finance, telephone 020 8753 3145.

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 by: Joanna Angelides, tel: 020 8753 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; 020 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 of holder of file/copy	Department/ Location
	Revenue budget monitoring reports 2018/19 – published	Gary Ironmonger Tel: 0208 753 2109	Finance & Governance

LIST OF APPENDICES

Appendix 1 HRA 2018/19 Revenue Outturn
Appendix 2 HRA Reserves Benchmarking
Appendix 3 HRA Provisions

APPENDIX 1

DEPARTMENTAL ANALYSIS – HOUSING REVENUE ACCOUNT (HRA) 2018/19 REVENUE OUTTURN

Variance analysis by departmental division

Departmental division	Revised budget 2018/19	Year end variance	Explanation of major variances (over £100,000)
	£000	£000	
Housing Income	(76,841)	0	An underspend of (£2.0m) on the bad debt provision for rental income for Council homes as a result of the Rent Income team's very effective rent collection, helped by slightly slower roll out of Universal Credit than expected. This has been largely transferred (£1.8m) to the Council's Fire Safety Plus reserve which sets aside funds for future works. An increase in income from commercial properties (£210,000) and from parking on estates (£55,000) is offset by lower than expected income from garages of £138,000 and advertising hoardings of £36,000, lower commission from Thames Water of £111,000, a shortfall against budget of leasehold service charges of £114,000 and other minor variances of £66,000.
Finance and Resources	8,266	314	This includes underspends resulting from the release of balances no longer required (£340,000), legal costs (£173,000) and staffing costs (£115,000). These underspends are offset by an increase in the provision for housing service risks of £942,000 which mostly relates to the need to provide for the Fire Safety Plus programme and strategic regeneration and housing development projects.
Housing Management	5,256	(17)	

Departmental division	Revised budget 2018/19	Year end variance	Explanation of major variances (over £100,000)
	£000	**£000**	
Property Services & Compliance	3,055	279	As a result of reprofiling of housing capital programme budgets, it has not been possible to capitalise staffing costs causing an overspend of £279,000.
Housing Repairs & Voids	14,820	424	The use of other repairs contractors has increased to meet demand as the MITIE contract was been winding down and until the interim repairs model was implemented and fully operational, resulting in an overspend of £167,000 on housing repairs related expenditure. Also, an increase in the number of housing disrepair cases has resulted in the need to increase the disrepair provision by £257,000.
Adult Social Care	48	0	
Safer Neighbourhoods	664	40	
Place	7,405	(219)	This relates mainly to delays in recruitment to vacant posts (£75,000), lower than expected costs of running the Edward Woods Hub office (£37,000), an underspend on expenditure on play sites (£73,000), and other minor variances (£34,000).
Growth	275	207	An increase in valuation costs for the Homebuy service of £70,000 is due to a change in the way internal legal and property services charge for their time. Additionally, the variance includes the costs associated with the affordable housing related element of the Education City regeneration project of £133,000[9] plus other minor variances of £4,000.
Operations	2,891	211	This relates to additional costs associated with asset management and mobilisation of the interim repairs delivery model.
Direct Delivery	1,438	275	As a result of reprofiling housing capital programme budgets, it has not been possible to capitalise staffing costs causing an overspend.

[9] A Leader's Urgency report approved the £133,000 to be funded from the HRA General Reserve. All of the variances shown in this report are ultimately funded from or will contribute to the HRA General Reserve.

Departmental division	Revised budget 2018/19	Year end variance	Explanation of major variances (over £100,000)
	£000	£000	
Capital Charges	23,610	(716)	The charge for depreciation this year was lower than budgeted by (£279,000) following the annual revaluation of the Council's homes as at 31st March 2018. The interest payable on housing debt was lower than budget by (£139,000) and the interest receivable on housing balances was higher than expected by (£298,000) due to an improved interest rate of 0.72% (up from a forecast of 0.45%) and lower than expected internal borrowing.
SLA recharges	6,385	(17)	
Revenue Contribution to Capital	4,563	(4,560)	A revenue contribution to capital was not necessary due to a low level of capital spend within the HRA capital programme. This was mainly due to many schemes being in the planning phase and the time taken to gain the necessary approvals under the Council's Standing Orders. There has also been a degree of uncertainty and a need for compliance checks to inform the planned programme especially around the long-term Fire Safety Plus programme.
(Contribution to)/ Appropriation from HRA General Reserve	**1,835**	**(3,779)**	

APPENDIX 2: HRA RESERVES BENCHMARKING

Other Councils have not yet published their 31 March 2019 accounts so the table below is based on 31 March 2018. It will be updated as soon as other Councils' results are available.

Local Housing Authority	Turnover 2017/18	General Reserve at 31st March 2018	General Reserve as a % of Turnover	Earmarked Reserve at 31st March 2018	Earmarked Reserve as a % of Turnover	Total HRA Reserve	Total HRA Reserve as a % of Turnover
	£m	£m	%	£m	%	£m	%
Central London Local Housing Authorities							
Wandsworth	139.5	132.8	95%	200.3	144%	333.1	239%
Lewisham	90.2	70.2	78%	38.5	43%	108.7	120%
Westminster	103.5	25.4	25%	9.2	9%	34.5	33%
Tower Hamlets	91.0	47.6	52%	5.5	6%	53.1	58%
Islington	192.8	17.5	9%	113.9	59%	131.4	68%
RBKC	54.9	19.9	36%	0.6	1%	20.4	37%
Lambeth	177.5	10.8	6%	44.4	25%	55.1	31%
Hackney	140.9	10.2	7%	20.2	14%	30.4	22%
Camden	184.2	31.1	17%	18.8	10%	49.9	27%
Greenwich	119.6	18.6	16%	10.6	9%	29.2	24%
Southwark	254.5	20.0	8%	10.9	4%	30.9	12%
H&F 2018/19	81.4	11.89	15%	42.1	52%	54.0	66%
H&F 2017/18	81.9	9.95	12%	42.0	51%	52.0	63%

Notes

1. The Earmarked Reserve figure includes the Major Repairs Reserve for all authorities with the exception of Westminster, RBKC and Hackney
2. A key reason for the higher reserves level in H&F is due to the £4.563m budgeted revenue contribution to capital expenditure not being needed in 2018/19.

£9.0m of the Council's HRA Earmarked Reserves are non-cashable.

APPENDIX 3: HRA PROVISIONS

	Disrepair £000s	Legal defence £000s	Disputed costs £000s	R&M disputed costs £000s	Total £000s
Balance at 31 March 2018	**(128)**	**(65)**	**(554)**	**0**	**(747)**
Additional provisions	(268)	0	0	(1,905)	(2173)
Amounts used	20	0	0	0	20
Unused amounts reversed	0	0	0	0	0
Balance at 31 March 2019	**(376)**	**(65)**	**(554)**	**(1,905)**	**(2,900)**