Manchester City Council
Report for Resolution

Report To: Resources and Governance Scrutiny – 12 January 2021

Subject: Housing Revenue Account 2021/22 to 2023/24

Report of: Strategic Director (Growth and Development) and Deputy Chief Executive and City Treasurer

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Purpose of the Report

This report presents members with details on the proposed Housing Revenue Account (HRA) budget for 2021/22 and an indication of the 2022/23 and 2023/24 budgets.

The report outlines a proposed average rent increase of 1.5% for all properties, which is in line with Government guidance.

It is also proposed that the City Council continue with the policy of where rent is not yet at the formula rent level, then the rent will be revised to the formula rent level when the property is re-let.

Given that the test of tenant's opinion has not yet been concluded at the time of preparing this report, the 2021/22 budget has been prepared on the basis that the current years management arrangements continue next year. Once the test of opinion has concluded in early January and the future management arrangements have been agreed then this will require a thorough review of the current proposed expenditure budgets, and any changes that require further approval will be brought back to Members.

Recommendations:

The Committee is invited to review and comment on the proposed HRA Budget and note that the Executive will be requested to consider the proposed HRA Budget at its meeting in February.

Wards Affected: Charlestown, Cheetham, Crumpsall, Harpurhey, Higher Blackley, Moston, parts of Ancoats and Clayton, Ardwick, Bradford and Miles Platting and Newton Heath

Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	A healthy and fit for purpose affordable housing market will support a functioning local and sub regional economy.

A highly skilled city: world class and homegrown talent sustaining the city's economic success	Access to appropriate affordable housing and services will support residents to achieve and contribute to the city.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The supply of affordable good quality homes will provide the opportunity for Manchester residents to raise their individual and collective aspirations.
A liveable and low carbon city: a destination of choice to live, visit and work.	The right mix of affordable quality energy efficient housing is needed to support growth and ensure that our growing population can live and work in the City and enjoy a good quality of life.
A connected city: world class infrastructure and connectivity to drive growth	Affordable social housing plays an important part in ensuring that there are neighbourhoods where people will choose to live and their housing needs and aspirations are met.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Expenditure and income on the provision of Council housing must been contained within the Housing Revenue Account which is a ring-fenced budget separate to the Council's General Fund. Whilst HRA expenditure can exceed income in any given year, the HRA overall cannot go into deficit. The recommendations in this report will determine the financial plan for 2021/22 – 2023/24 and the impact on the overall financial model for the HRA over a 30-year period.

The HRA financial plan covers a rolling period of 30 years and is made up of rental income, Private Finance Initiative (PFI) grant and heating charges, which must be used for the purpose of funding the costs of managing and maintaining HRA assets. The amount of income in the HRA in 2021-22 excluding monies from reserves is forecast to be approximately £87m.

Financial Consequences – Capital

Within the proposed HRA budget a mandatory charge for depreciation is made, and this can be used to either fund capital expenditure or reduce housing debt. The 2021/22 HRA budget includes a forecast depreciation charge of £18m, which will be set aside to fund capital investment.

The assumptions on capital expenditure for the financial years 2021/22- 2023/24 are for expenditure (net of grants) in excess of £87m. This includes schemes that will help the Council to become carbon neutral by 2038.

For the years 2023/24 and 2024/25, the figures used are based average expenditure over the past three years by Northwards, plus planned expenditure on the retained element.

From 2025/26 onwards the HRA budget includes an annual capital budget of c£25m per annum which increases annually in line with CPI.

The HRA budget already allows for the costs and implications of the following new build programmes:-

- Brunswick PFI Extra Care Scheme (30 Units) (2020-21)
- Silk Street (68 properties) (2022-23)
- Collyhurst (130 properties) (2024-25)

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Background documents (available for public inspection):

None

1. Introduction

1.1. The purpose of this report is to approve the Housing Revenue Account (HRA) 2021/22 budget and provide members with recommendations for approval in respect of the 2021/22 tenants' rent, garage rents and communal heating charges.

1.2. This report sets out the HRA budgetary proposals for 2021/22, and the indicative position for 2022/23 and 2023/24. Furthermore, it highlights the current use of reserves, along with the risks that need to be managed going forward.

1.3. As Members are aware there is a review of the future management arrangements currently being considered, and a paper is scheduled to go to Executive later this month setting out more details. For budget setting purposes the current proposed HRA budget has been prepared on an 'as is' basis. If this changes it will not impact upon the proposed rent levels but could impact upon the proposed expenditure categories. Once a decision has been made, work will be done to rework the HRA budget, and this will be brought back to Members.

2. Background

2.1. Since the introduction of Self Financing in April 2012 the Council has had to manage its housing stock on a similar basis to Registered Providers. This has entailed developing a rolling 30-year business plan and reviewing the use of existing assets to ensure that benefits are maximised.

2.2. In developing the 30-year business plan it is essential that the Council considers all risks and ensures that any investment decisions are affordable both in the short and longer term.

2.3. In previous years there has been significant legislative change following the introduction of the Housing and Planning Act and Welfare Reform Act, in addition to this there have been policy changes that have affected the HRA budget, both in the short term, and in future years. In particular, the imposition of a 1% annual rent cut for four years from 1st April 2016 had a significant effect on available resources over the life of the business plan.

2.4. In February 2019, the Government released a policy statement on rents for social housing, which included a direction to the Regulator of Social Housing to have regard for the following when setting the rent standard for registered providers of social housing:

From 1 April 2020, registered providers may not increase rents by more than CPI (at September of the previous year) plus one percentage point in any year.

This followed a consultation paper in which the Government stated that the proposed direction "reflects our announcement in October 2017 that we intend to permit registered providers to increase their rents by up to CPI+1% each year, for a period of at least five years".

2.5 This report is seeking approval for the 2021/22 HRA budget, but as part of the work the longer term (30 year) HRA business plan has been prepared. It should be noted that the longer term budget is based on forecasts and there are many variables that could impact upon the forecasts, in particular the level of future years rent increases. The current business plan shows a healthy level of reserves currently, but the forecasts shows that reserves fall below the c£60m level required to avoid having to pay increased interest charges on debt in 2030/31, and the reserves are forecast to run out by 2038/39. In order to support the desired investment and ongoing activity further savings over the short/medium term will have to be identified and work is ongoing to review all the income and expenditure in the HRA.

3. Statutory Duties in Determining the HRA Budget Strategy

3.1. The rules governing the maintenance of the HRA were established pursuant to the Local Government and Housing Act 1989 and provide that:

- The Council must formulate proposals in respect of HRA income and expenditure for the financial year which, on the best assumptions and estimates that the Council is able to make at the time, ensure that the HRA does not show a debit balance;
- The Council is required to keep a HRA in accordance with proper practice. The Council has the responsibility to determine a strategy that is designed to ensure that the HRA is in balance taking one year with another.
- The HRA continues to be a ring-fenced account, this means that it must, in general, balance on a year-to-year basis, so that the costs of running the Housing Service, which include debt charges, administration costs and maintenance expenditure must be met from HRA income.

4. Budget Position 2020/21

4.1. As at November 2020 the HRA is forecasting that expenditure will be £22.156m lower than budget, which would result in an in year surplus of £3.524m. This will be credited to the HRA reserve. The main reasons for this change are as follows:

- RCCO - £22.302m underspend – due to slippage and delays on a number of schemes, largely due to reduced access to properties and time delays because of the pandemic.
- Private Finance Initiatives - £0.65m underspend – The Brunswick extra care scheme has been delayed until January 2021 leading to reduced expenditure of £0.587m, inflation increases on the PFI contracts were lower than originally forecast and this resulted in net savings in year of £63k.
- Northwards Management Fee - £403k overspend largely due to a combination of the pay award being higher than forecast, additional costs

in respect of Covid support to suppliers and works on the Riverdale Estate.

- Other Income is forecast to be £362k lower than budget this is due to in reduced service charge income, and reduced monies from RSL's in respect of VAT savings on capital works undertaken.
- Other minor overspends totalling £31k.

5. Budget Strategy 2021/22 - 2023/24

5.1. The HRA financial plan has been prepared on the same basis as the current year but takes into account all known changes to housing stock numbers, proposed investment needs and inflationary assumptions in line with the City Council medium term financial plan. It also accounts for the potential impact of Covid-19 and Welfare Reform on rent collection levels through increasing the level of bad debt provision.

5.2. The HRA budget shows statutory compliance in that a surplus is forecast (before the use of reserves to fund capital works) at the end of each year within the three year budget strategy period. However, due to a number of factors including the Government's imposed 1% rent reduction over four years from 2016/17, the impact of the Grenfell Tower fire disaster, and the Council's ambition to become a zero carbon City, the HRA does not currently remain in surplus over the life of the 30 year business plan based on current assumptions. Costs are regularly reviewed in order that efficiencies can be identified to ensure that reserves are kept at a sufficient level to enable risk to be managed and resources to be available to fund future works required.

Management of Housing Stock and Implications of "Right to Buy"

5.3. The Council continues to own and manage approximately 15,500 properties within the HRA under various arrangements. These include three PFI schemes (c.2,600) and stock managed by either Northwards Housing (c.12,700) or other Registered Providers (RP's) (c200).

5.4. Residents in stock managed by Northwards Housing, the Council's Arms Length Management Organisation (ALMO), have had the opportunity to undertake a Test of Opinion on the current management arrangements of arrangements of the c12,700 properties. The test of opinion follows the report to Executive on 9th September 2020 informing of the outcome of the "due diligence" review of the ALMO, undertaken by Campbell Tickell. The test of opinion ended 4th January 2021, and the outcome will determine the future management arrangements for the stock and impact upon the level of savings that can be achieved in future years. For the purposes of the current business plan the assumption is that the existing arrangements continue, although savings identified by the ALMO as part of the initial due diligence work have been assumed. Once the test of opinion has concluded, and the future arrangements are agreed, the budget will be reworked if the current assumptions need to be revised.

5.5. In the current financial year Right to Buy Sales (RTB) have reduced due to the impact of the Covid-19 pandemic, and sales of around 80 properties are being forecast. This is less than half the number sold in 2019/20 and it is assumed that the number of sales will return to the level in 2019-20 (1.25%) for the next five years of the Business Plan, before dropping back to 1% for the remaining years of the plan. This will reduce the level of rent income achieved and the number of sales will continue to be closely monitored.

5.6. The table at Appendix 1 provides a detailed analysis of the overall proposed 2021/22 budget in order to ensure a balanced budget it is proposed that reserves of £19.495m are drawn down.

5.7 The key budget assumptions used in preparing the HRA budget are as follows:

Rent Income

5.8 Government guidance allows Local Authorities to increase rents by a maximum of CPI plus 1% for the five-year period 2020/21 to 2024/25. CPI at September 2020 was 0.5% and therefore this report seeks approval to increase tenants' rents for all properties will increase by 1.5% in April 2021.

5.9 For those properties where formula rent has not been achieved (app 1,000 properties), if the property becomes vacant the rent can then be increased to formula rent when the property is re-let.

5.10 The budget has been prepared on this basis and would produce an average weekly rent (based on 52 weeks) of:

- General Needs £75.41
- Supported Housing £68.63
- PFI Managed £87.94

Other Income

5.11 Other income is forecast to be around £1.092m in 2021/22, and this is made up as follows:

- Non Dwelling Rents and Other Income includes:
    - Non Dwelling Rents – income from garage rents, rental income from shops and offices, ground rent and telecoms masts
    - Other Income and Contributions – Girobank charges, contributions towards grounds maintenance and solar panel income.
- Recharge to Homelessness – rental income in relation to HRA properties used by Homelessness
- HRA Investment Income – the HRA receives income on balances held within the Council's bank account
- Income from Leaseholders (e.g. contribution to heating, cleaning, and repairs to communal areas)

Private Finance Initiative Allowances

5.12 As part of the PFI negotiations for the Brunswick scheme, the Council agreed to make a capital contribution totaling £24m between 2014/15 and 2019/20 in order to realise longer term savings of c.£48m over the life of the PFI contract, through lower annual Unitary payments. Due to delays to the programme of refurbishment and construction of new dwellings, these payments were spread over a longer period than planned, the final installments are forecast to be completed by the end of March 2020.

5.13 The three stock management PFI schemes in total generate income for the HRA in that income from rents and PFI credits is greater than the unitary charge payments. This budget proposes to continue to charge PFI rents in line with the original rent policy.

5.14 “Smoothing” reserve funds had been established for all the PFI contracts, these are set up to smooth the costs of the PFI over the duration of the scheme. Following the introduction of self-financing and the removal of the subsidy system, PFI rental income and grant can be used to fund the annual unitary charge, which removed the ongoing requirement to contribute towards a smoothing reserve. The current PFI reserve will continue to remain frozen at £10m as at 31 March 2021 and will be used to part fund the outstanding HRA debt.

Communal Heating

5.15 In general, it is intended that gas charges are set to reflect the actual cost of gas consumed. However, there are reasons why in practice this is difficult to achieve:

- Charges are set based on anticipated charges for the following year and consumption from the previous year
- Some of the heating systems are not efficient in operation – work is ongoing to improve these.

5.16 Communal heating gas is sourced as part of the City Council overall gas contract. The existing wholesale gas contract expires shortly, and latest prices indicate that the current wholesale gas price will reduce by 10% with effect from April 2021. The gas supply to the 2-4 bed blocks are part of a separate contract, and the price has not yet been agreed. However, the number of properties affected is currently c100 and reducing as individual boilers are installed, therefore it is proposed that the same reduction in tariff is assumed.

5.17 In order to ensure that the costs of gas used are recovered through the tariffs charged for tenants and residents on a scheme by scheme basis, it would be necessary to apply a range of adjustments to current heating charges.

5.18 Work will continue to review the heating charges, and final figures will be included in the February report to Executive seeking approval.

5.19 There continues to be a programme of capital investment that looks to both improve energy efficiency of homes and reduce carbon. This will include upgrading or replacing existing communal heating equipment. The costs of gas used against the tariffs charged will continue to be monitored to ensure that the rates being charged are aligned.

Depreciation

5.20 Depreciation is a means of charging the cost of an asset to the revenue account over its remaining useful life. In accordance with accounting regulations, it is charged to the HRA as a transfer to Reserves where it can be used to fund capital expenditure or pay off debt. The depreciation charge in 2021/22 is forecast to be £18.435m and this is used to fund capital expenditure.

Debt Financing and Borrowing Costs

5.21 The 2020/21 opening HRA debt is anticipated to remain unchanged at £121.26m, and this is funded through a combination of market loans and c£60m internal funding through the use of reserves. This provides the benefit of reducing the interest costs of borrowing, but it is important that any future investment decisions are carefully considered because if the reserves fall below the level of internally funded debt, then interest charges will increase. This will be considered as part of any investment proposals that require use of the HRA reserves it the scheme appraisal would need to ensure that the increased costs of borrowing are factored into the project costs.

5.22 Following the removal of Councils' HRA debt caps, which means that there is no upper limit to the level of debt that can be held, the only restriction being that the HRA business plan must demonstrate that any debt can be serviced without going into deficit.

5.23 It is currently anticipated that the HRA reserves will fall below the £60m required to continue funding the proportion of debt in 2030/31, this results in an increase in the interest costs charged to the HRA. This assumes no additional capital expenditure over and above what is assumed in the business plan. Unless savings are identified to mitigate the rent reduction, the costs of borrowing within the HRA will increase.

5.24 The HRA is making provision only for the interest repayments in relation to the outstanding debt. Consideration will need to be given to refinancing the debts as and when the debts become repayable this will be considered as part of the treasury management strategy.

Provision for Bad Debts

5.25 Due to a combination of the continued roll out of Universal Credit and Covid 19 and the potential impact on residents' ability to pay their rent the business plan has made provision for an annual increased contribution towards the provision for bad debts. The 2020/21 actual required provision for bad debts is currently expected to be around 1% of rental income, this is in line with the approved budget. The forecast reduced rent collection related to universal credit have not yet materialised, this is in part because of the delays in the rolling out the Universal Credit scheme and also because of the good work undertaken with tenants to provide help and support in order to help tenants manage the impact. Despite the continuing good performance the provision will increase to 1.5% for 2021/22, and will then be increased annually by 0.5% until 2023/24 at which point it will peak at 2.5%, it is then planned to reduce by 0.5% per year until it levels out at 1.5% for the remainder of the plan. This is to reflect the ongoing work that will be done with residents to manage the impact of both the pandemic and welfare reform.

5.26 The full implications of Welfare Reform and the economic downturn and subsequent recovery will be kept under review and the bad debt provision requirements adjusted accordingly.

Northwards Management Fee

5.27 As part of the 2020/21 budget Executive approved an increase in the current financial years management fee to reflect the additional staffing costs that Northwards would incur during the year, which equated to a rise of 1.55%.

5.28 The amount payable for the management of stock currently managed by Northwards will change once the future arrangements have been agreed. For the purposes of the business plan, the fee for 2020-21 has been used, although this has been adjusted to reflect the initial savings identified by Northwards as part of the due diligence work when identifying options. If it is agreed that the future management arrangements change, then the budget will be revised and further approvals sought if necessary.

The other assumptions used for managements costs are:

- Increase to the Repairs and Maintenance budget of £4.2m per annum, rising by CPI inflation.

Other Expenditure

5.29 Details of other expenditure as shown in appendix 1 is as follows:

- Retained Stock Maintenance & Repairs – this covers repairs to offices, environmental works, and some lift maintenance
- Supervision & Management – this covers the City Council costs of managing the HRA, including the cost of staff in Strategic Housing (HRA related), corporate, central and departmental recharges, and other miscellaneous costs.
- Other management arrangements – stock management fee to the two Tenant Management Organisations (415 properties), Guinness Partnership (171 properties in West Gorton) and Peaks and Plains (11 properties in Alderley Edge)
- Council Tax – on properties held empty for demolition

- Insurance costs – The annual contribution to the HRA insurance reserve
- Revenue Contribution to Capital Outlay – this is where funds held within the HRA are set aside to contribute towards the cost of capital works (in addition to Depreciation).

Inflationary Assumptions

5.30 The HRA budget includes inflationary assumptions in line with the Council's current assumptions in relation to pay and prices. The majority of inflation in the business plan is linked to the consumer price index rate (CPI), which the Office for Budget Responsibility has forecast will dip to 1.9 per cent in 2021, returning to the 2 per cent target thereafter. The business plan assumes a 2% CPI rate for each of the next 30 years.

This inflationary increase will only be applied to costs that are not already known, currently the rent income, the PFI unitary charges, and the Northwards management costs are known for 2021/22, so the 2% will only apply to a small proportion of the HRA costs.

6. Garage Rents

6.1 It is proposed that 2021/22 garage rents increase by 1.5% in line with the proposed increase for dwelling rents, and the impact of the increase is shown in the table below:

	Annual Charge 2020/21	Weekly Charge 2020/21	Proposed Weekly Charge 2021/22	Proposed Weekly Increase
Site Only	£98.80	£1.90	£1.93	£0.03
Prefabricated	£219.49	£4.22	£4.28	£0.06
Brick Built	£257.94	£4.96	£5.03	£0.07

7. Reserves Forecast

7.1 Current projections show the HRA will not generate sufficient annual surpluses over the duration of the business plan to service the debt and maintain a positive balance. Based on the current assumptions within the plan, the HRA continues to hold sufficient surpluses in its reserves to avoid paying an increased amount of interest for the next ten years, but after that it incurs additional costs and moves into an unsustainable position in 18 years time.

7.2 The table below sets out details of the anticipated HRA reserves position, over the next three years if there are no additional investment proposals above the approved amounts included for RCCO and the contribution towards Brunswick capital costs. Given the low interest rates payable on balances, the HRA is currently using around £60m of its own reserves to internally fund part of the HRA debt rather than take out external borrowing. This provides annual interest savings of around £2.4m per annum. The continuation of this arrangement will need to be considered if any investment proposals are to be funded using reserves. The current plan shows reserve levels falling to zero in 2038/39.

Reserves Forecast 2020/21 to 2023/24

7.3 The table below sets out the forecast reserves position for 2020/21 and the next three years. Based on the November 2020 forecast position the HRA closing reserves are forecast to be £116.8m, but these are forecast to reduce by over £19m in 2021/22 and further reductions in the following two years. The reductions in reserves relates predominantly to the ongoing capital investment proposals.

Reserve Description	**2020/21 (Forecast) £000**	**2021/22 £000**	**2022/23 £000**	**2023/24 £000**
General Reserve (including Major Repairs reserve)	80,789	61,294	46,365	50,621
Insurance Reserve	2,059	2,059	2,059	2,059
Residual Liabilities Fund	24,000	24,000	24,000	24,000
PFI Reserve	10,000	10,000	10,000	10,000
Total Reserves	**116,848**	**97,353**	**82,424**	**86,680**

7.4 The Residual Liabilities Fund was established to cover any potential environmental and other risks associated with the large and small scale voluntary transfers that have taken place during the past 15 years. There is no reason to change the level of reserve from that recommended in an independent report previously commissioned, and therefore the fund balance will be held at £24m for 2021/22.

7.5 Within the general reserve there is also a separately held HRA Insurance Reserve. This is required to ensure compliance with the ringfencing requirements. The balance required is determined by the likely liabilities arising from claims settled in any one year, there is an annual contribution to the reserve assumed within the current proposed HRA budget.

8. Conclusions

8.1. The proposals contained in this report seek to ensure that the HRA business plan provides a sound basis of managing the existing stock, whilst also identifying the potential risks that need to be monitored on an ongoing basis.

8.2. The budget proposals will allow for continued service delivery and investment within the existing stock and development of new HRA stock within the confines of the available resources.

8.3. Under the provisions of the Local Government and Housing Act 1989, the Authority must ensure that the HRA does not result in a debit balance. The proposed budget for 2021/22, together with the indicative budget for the following two years, is attached at Appendix 1 and shows this provision being met (before proposed use of reserves to fund capital works).

8.4. The HRA continues to hold a prudent level of reserves that enables continued savings on HRA costs through self-funding part of the HRA debt. There is also an increase in the planned level of capital works over the 2 year period 2021/22 – 2022/23 that is partly funded from the existing HRA reserves.

8.5. Based on forecasts, over the next three years the HRA can continue to fund existing debts, together with the ongoing management and maintenance costs whilst also maintaining a positive reserves position. The reserves provide longer term benefits to the HRA through debt financing, reducing the overall interest payable, and contributing towards increased resources available for further investment in the longer term.

9. Key Polices and Considerations

(a) Equal Opportunities

The rents have been set in line with the Government's guideline rent.

(b) Risk Management

Under the provisions of the Local Government and Housing Act 1989, the Authority must ensure that the Housing Revenue Account does not result in a debit balance. The proposed change in rents and identification of savings within this report, together with regular budget monitoring will assist in managing this risk over the short term. Work will continue to ensure that the HRA remains viable in the longer term.

(c) Legal Considerations

The City Solicitor has reviewed this report and is satisfied that any legal considerations have been incorporated within the body of the report.

Appendix 1 - Housing Revenue Account Budget 2020/21 – 2023/24

	2020/21 (Forecast) £000	**2021/22 £000**	**2022/23 £000**	**2023/24 £000**	**See Para.**
Income					
Housing Rents	(61,027)	(61,617)	(62,813)	(64,034)	5.8
Heating Income	(624)	(533)	(543)	(554)	5.15
PFI Credit	(23,374)	(23,374)	(23,374)	(23,374)	5.12
Other Income	(919)	(1,093)	(1,066)	(1,044)	5.11
Funding from General HRA Reserve	4,977	(19,495)	(14,929)	4,256	7.1
Total Income	**(80,967)**	**(106,112)**	**(102,725)**	**(84,750)**	
Expenditure					
Northwards R&M & Management Fee	21,603	25,720	23,609	23,989	5.27
PFI Contractor Payments	34,096	32,698	33,054	32,303	5.12
Communal Heating	607	532	542	553	5.15
Supervision and Management	5,233	5,256	5,323	5,392	5.30
Contribution to Bad Debts	547	930	1,263	1,610	5.25
Depreciation	17,371	18,435	18,602	18,790	5.20
Other Expenditure	1,192	1,103	929	950	5.29
RCCO	(2,461)	18,675	16,673	(1,539)	
Interest Payable and similar charges	2,779	2,763	2,730	2,702	5.21
Total Expenditure	**80,967**	**106,112**	**102,725**	**84,750**	
Total Reserves:					
Opening Balance	(111,871)	(116,848)	(97,353)	(82,424)	7.4
Funding (from)/to Revenue	(4,977)	19,495	14,929	(4,256)	
Closing Balance	**(116,848)**	**(97,353)**	**(82,424)**	**(86,680)**	