



Full Council	Thursday, 21 February 2019	Matter for Information and Decision
---------------------	---------------------------------------	--

Report Title: Medium-Term Financial Strategy and Budget (2019/20)

Report Author(s): Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)

Purpose of Report:	The purpose of the report is to advise the Committee of the projected General Fund base budget position for 2019/20 based upon Local Government Finance Settlement. The report also asks for consideration of a Capital Programme for 2019/20 (excluding carry forwards from 2018/19).
Report Summary:	<p>The report outlines the financial position for the final year of the multi-year local government settlement that ends in March 2020. The Council is proposing to produce a balanced budget.</p> <p>The report also highlights some of the risks that the authority may encounter in a post-2020 environment with particular reference to the future of Local Government funding.</p> <p>Due to the significant risks regarding funding post 2019/20, the strategy for this period will only relate to costs, rather than anticipating Central Government funding mechanisms.</p>
Recommendation(s):	<p>A. That Council approves the Medium-Term Financial Strategy and Budget for 2019/2020 (as set out in the report and at Appendix 1);</p> <p>B. That Council approve the levels of reserves (as set out at paragraph 7 of the report);</p> <p>C. That Council approves the Capital Programme (as set out in Appendix 2);</p> <p>D. That the Housing Revenue Account estimates for 2019/20 be approved (as set out in Appendix 2);</p> <p>E. That Council approves a decrease of 1% in housing rents and increases in other charges of 3.2% (as set out in Appendix 2).</p>
Responsible Strategic Director, Head of Service and Officer Contact(s):	<p>Stephen Hinds (Director of Finance & Transformation) (0116) 257 2681 stephen.hinds@oadby-wigston.gov.uk</p> <p>Chris Raymakers (Head of Finance, Revenues & Benefits) (0116) 257 2891 chris.Raymakers@oadby-wigston.gov.uk</p>
Corporate Priorities:	<p>An Inclusive and Engaged Borough (CP1) Effective Service Provision (CP2) Balanced Economic Development (CP3) Green & Safe Places (CP4) Wellbeing for All (CP5)</p>

Vision and Values:	"A Strong Borough Together" (Vision) Innovation (V4)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	The implications are set out in the report.
Corporate Risk Management:	Decreasing Financial Resources (CR1) Effective Utilisation of Assets/Buildings (CR5) Regulatory Governance (CR6) Organisational/Transformational Change (CR8) Economy/Regeneration (CR9)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	'Medium-Term Financial Strategy 2018/19 and 2019/20' to Full Council on 22 February 2018 'Medium-Term Financial Strategy Update (July 2018)' to the Policy, Finance & Development Committee on 17 July 2018 'Medium-Term Financial Strategy Update (February 2019)' to the Policy, Finance & Development Committee on 5 February 2019 Provisional Local Government Finance Settlement: England, 2019 to 2020 (December 2018)
Appendices:	<ol style="list-style-type: none"> 1. General Fund Budget Summary (2019/20) 2. Capital Programme (2019/20) 3. Housing Revenue Account (2019/20)

1. Introduction

- 1.1 In February 2018, the Council approved a Medium-Term Financial Strategy (MTFS) that balanced for the remaining years of the Multi-Year Local Government Settlement. This was achieved by earmarking savings and efficiency programmes within the 2019/20 budget of circa £400k.
- 1.2 Work has been carried out since then, post the MTFS update in July 2018 and February 2019, to ensure the Council can produce a balanced budget for 2019/20, without making cuts to frontline services. Officers have also worked hard to mitigate the impact of the provisional 2019/20 Local Government Finance Settlement which saw a reduction in some

of the Council's funding streams.

- 1.3 2019/20 is the final year of the Multi-Year Local Government Settlement, and as at the time of writing this report, the Government has given no indication as to how funding post March 2020 will occur, although it is known that there will be changes to Business Rate Retention and the Fairer Funding Model. It is hoped that the Council will have clarification on this by the summer of 2019.

2. Medium-Term Financial Strategy (MTFS)

2.1 The MTFS has the following objectives:

- Show how resources support the Corporate Plan;
- Provide a platform to support the decision-making framework;
- Enable the Council to be a proactive organisation;
- To be an enabler, giving indication to the need to revisit and revise priorities;
- Ensure sustainable services and reserves are at sufficient levels;
- Enable development and improvements to our customers experiences;
- Hold a working balance to help manage unexpected occurrences;
- To be responsive and able to manage changing risks and needs;
- Support the Council's service and strategies; and
- Provide indications of future local taxation levels.

2.2 In December 2015, the Government announced an offer to local authorities of a four-year provisional settlement for 2016/17 through to 2019/20. We are now in the final year of this settlement. Pressure continues to increase on local authorities to find further savings in their expenditure on service provision and to look for alternative sources of income as funding from central government continues to reduce.

2.3 The draft budget included in this report highlights the continued reduction in funding as Central Government manages the public sector deficit. It should be noted that Oadby and Wigston Borough Council, like many other Councils, no longer receives Revenue Support Grant. The table below shows the 2018/19 settlement in comparison to the 2019/20 provisional settlement:

2018/19		2019/20
£000's		£000's
360	Revenue Support Grant	0
1440	Business Rates (NNDR)	1298
1800	Provisional Settlement	1298

2.4 As previously reported, Leicester and Leicestershire were successful in their bid to be a Business Rates Pilot for 2019/20. The final allocations have not been included in this table as they have yet to be determined.

2.5 The Government has assumed that local authorities will increase their Band D Council Tax by the maximum amount possible. For 2019/20, this was 3% and for the figures in this report, these are also based upon the maximum increases.

3. New Homes Bonus Scheme (NHB)

3.1 In addition to the aforementioned funding, we also see a continuation of the New Homes Bonus (NHB) Scheme. This is a non-ring fenced grant which is based on the number and type of housing properties brought on to the ratings list each year. The amount of NHB's

generated is split in two tier areas on an 80/20 basis in the favour of Borough Councils.

- 3.2 The Council received a reduction in the level of New Homes Bonus that had been anticipated, reducing the amount of funding by circa £90k. This is due to the fact that anticipated developments that would generate growth above the Governments baseline did not materialise as had been previously expected.
- 3.3 Due to the urban nature of the Borough, the opportunity to develop large scale housing that would increase our NHB funding is severely limited, with the Council receiving one of the lowest levels of funding in the country. However, there is a perverse benefit arising from this with regards to the future of NHB. A large percentage of local authorities “mainstream” the NHB to balance their budgets, as do Oadby and Wigston Borough Council (OWBC). This means that any potential reduction in, or removal of, NHB as a funding stream would have a significant impact upon those authorities who mainstream significant amounts, whereas whilst we mainstream our NHB, the amount is small enough to not be a catastrophic funding failure if the funding were to cease. As soon as an update regarding the funding of NHB is made available, a briefing note will be issued to Members.

4. Business Rates Retention & Council Tax

- 4.1 As set out in February 2018, the Government have removed the main revenue support grant and moved to Business Rate Retention as the main funding stream for the Council. It has been made clear by the Government that a 75% retention rate will be the mechanism moving forward (2020/21 onwards), but have yet to determine how this will be distributed across Councils. This means that, along with the fairer funding review that will be announced later in the year, council’s will not be able to forecast the funding due to them until the announcements.
- 4.2 As previously reported, OWBC, along with all councils within Leicestershire, successfully bid to be a pilot for the 75% Business Rate Retention Pilots in 2019/20. The pilot is expected to bring an additional £13m/£14m into Leicestershire and Leicester City. OWBC are expecting approximately £250k of funding to assist with financial sustainability, enabling us to help meet pressure areas such as homelessness in 2019/20. There is also a large element of the funding that will assist with infrastructure and town centre improvements across the County.
- 4.3 Council Tax is a major source of funding for the Council, making up 64% of funding as a whole. Again, the authority is limited due to its geography as to the increase in the Council Tax base – indeed, the Local Plan and Strategic Growth Plan place the number of new homes in the Borough to be less than 3,000 by 2031. This budget assumes the maximum increase of 3% is applied, equating to £6.52 per Band D household, raising around £114k for the Council.
- 4.4 In relation to Council Tax, it should be noted that the decision made by the Council to take the Governments’ Council Tax Freeze Grant for a number of years has meant that the Council is over £400k worse off today.

5. Revenue Budget

- 5.1 The General Fund Budget for the financial year 2019/20 is summarised in the table below. Further details to changes to individual services’ budgets will be found in the annual budget book and the MTFS update issued in February 2019. The budget takes into account key assumptions that are set out later in the report.

(Continued overleaf)

5.2 Budget Summary

2019/20	
Budget Summary	£'000
Total Revenue Budget	6,312
Central Government Grant	0
Other Government Grants	(877)
Retained Business Rates	(1,349)
Council Tax Surplus	(10)
NNDR Surplus	100
New Homes Bonus	(264)
Net Revenue Budget	3,912
Transfers to/from Reserves	0
Savings schemes	0
Council Tax	(3,912)
Funding Gap	0

5.3 The budget shows that the authority is able to produce a balanced budget for 2019/20.

5.4 There are a number of key assumptions that were made in drafting the MTFS, being:

- Council Tax increase of 3%* at Band D;
- Council Tax base increase of 0.6% for 2019/20 and 1.5% for 2020/21 and 2021/22;
- Pay award of 2%;
- Inflation - Contractual 3.6%, General 0%;
- Interest Rates - reflect the recent increase in Bank of England Base Rates;
- Staffing turnover factor of 5%;
- Formula funding as per settlement agreement - 2019/20;
- A 98.5% Council Tax Collection Rate; and
- Fees and charges as agreed at Policy, Finance and Development Committee in September 2018.

*The non-rounded percentage Council Tax increase is 2.99582%.

5.5 In the current climate, revenue growth budgets have been restricted and constrained to areas considered unavoidable, such as changes in legislation. The table below highlights the areas of significant growth (or increased costs) that have materialised since the last MTFS was set and updated in July 2018 (£30k and above).

Description	£'000
Net Cost of Benefit (direct result of increased homelessness)	80
Payments for Homeless Accommodation Increased	45

5.6 As reported in previous MTFS reports, the scale of funding cuts and the increased pressures on local authorities meant that significant financial savings are required. It should be recognised that significant work had been carried out by Officers to ensure that these

pressure were mitigated as far as possible, however, further significant work still needs to be undertaken to ensure the Authority has a balanced budget given the continual financial uncertainty of Local Government Funding. Over those years, the focus has been on protecting front-line services, and so this remains as a key driver.

- 5.7 The aim of the Authority is to provide improved levels of service, whilst reducing the costs and this is recognised in the savings already allocated to 2019/20 and assisting in achieving a balanced budget. The table below lists all of the significant savings the Council has in place, or increased levels of income, that affect the 2019/20 budget.

Changes implemented during 2018/19		
Efficiencies through Customer Services initiatives and improvements	Through various streamlining of work through Customer Services Centre (CSC), this has enabled cashable benefits to be realised now the services have bedded in.	£30,000
Clean and Green Service Review	Utilising efficient ways of working.	£85,000
Post Review	Reviewed posts that have been vacant for over 6 months.	£223,000
Facing the Future Programme (i)	Minor reorganisation.	£215,000
New For 2019/20		
Facing the Future Programme (ii)		Cost neutral, although efficiencies are anticipated to generate savings.
Efficient Investments through active treasury management	Implementation of active treasury management.	Built into the MTFS as part of this paper. Savings total £30k.

6. Capital Budget

- 6.1 The 2019/20 Capital Budget is summarised below. New schemes for 2019/20 include the provision of a 3G Pitch in Oadby (costing around £840,000), an extension to Coombe Park Pavilion (£170,000), a sports pitch improvement programme (£80,000) and the provision to award private sports grants, funded by s106 money (£150,000).

Fund	2019/20	Est c/f from 2018/19	Total 2019/20
	£000's	£000's	£000's
Housing Revenue Account	1,500	643	2,143
General Fund	1,750	1137	2,887
Total Programme	3,250	1,780	5,030

New schemes for the year total £3.25m with approximately £1.8m carried forward from 2018/19. The carried forward schemes will include the completion of the Horsewell Lane

Pavilion and Ervins Lock projects.

A complete list of Capital Schemes is included in **Appendix 2** to this report.

6.2 Funding for the programme is likely to be as follows:

Funding	£000's
Borrowing (General Fund)	1,425
Borrowing (HRA)	803
Grants and Contributions	876
S106 Funding	436
Usable Capital Receipts	140
Major Repairs Reserve	1,340
Total	5,030

6.3 The proportion of the financing of the Capital budget is 28% or 44% of the new programme for 2019/20. The Council is currently developing a capital strategy which will be bought before Members later in the year. Schemes to be carried forward will be assessed and bought to members after year end.

7. Reserves

7.1 The Local Government Act 2003 requires the Council's Section 151 Officer to report on the robustness and sustainability of the estimates included in the budget and the adequacy of the reserves for which the budget provides. The Council's policy is to carry out an annual review of all reserves as part of the budget-setting process. This review includes identifying the reserves purpose and advising the appropriate level for each reserve. This work is being undertaken and will be completed when the draft budget is put to Council in February 2019.

7.2 Additionally, the Section 151 Officer has reviewed the level of General Fund Balances. The Council has, historically, utilised reserves to balance the budget, with a significant depletion of reserves between 2014/15 and 2017/18 and this is a trend that can no longer be continued. The 2019/20 budget also does not utilise them. Given the current financial uncertainty, the Council needs to maintain and potentially increase its reserve base to mitigate against such uncertainty, build resilience and help fund future development.

7.3 It is the opinion of the Section 151 Officer that General Fund Reserves should:

- Not drop below 10% of net expenditure;
- Not be used to plug budget gaps; and
- Be used to mitigate against unforeseen risks.

7.4 Therefore, the Council's General Fund Balance should remain at £600k. Members will note that it is best practice to only use reserves in support of one-off revenue items and support capital expenditure. Reserves are not used to support ongoing revenue expenditure.

7.5 Officers are investigating options that would allow for debt provision to be reorganised and generate funds that would supplement our reserves table, giving added stability to the organisation. This work will be undertaken by the summer of 2019.

7.6 General Fund Reserves Summary Table

1 April 2018	Type of Reserve	1 April 2019	1 April 2020
£000's		£000's	£000's
615	General Fund Reserve	615	615
1,169	Other General Reserves	970	970
579	Earmarked Revenue Reserves	490	350
2,363	Total Revenue Reserves	2,075	1,935
1,218	Capital Reserves	703	925
1,550	Capital Grants Unapplied	1,086	525
5,131	Total Usable Reserves	3,864	3,385

8. 2020 and Beyond

- 8.1 As mentioned earlier in the report, Local Government is in the dark with respect to funding post the 19/20 financial year. Recent information regarding "Fairer Funding" indicated that OWBC could be better off proportionately in the 2020/21 financial settlement due to the removal of the deprivation factor from the funding formula blocks, which has traditionally reduced our funding requirement. Whilst this has yet to be confirmed, this could be viewed as positive financially. However, the key to this is that Local Government does not know the size of the funding pot, so even if the Council were to receive an increased share of the funding, this is likely to be from a smaller funding pot, meaning there is a likelihood that our funding would still be reduced, albeit on a much smaller scale than other Leicestershire authorities.
- 8.2 It would be remiss to issue a report that did not acknowledge that the Council would have funding pressures irrespective of the potential settlement. It is therefore prudent to outline the 2020/21 – 2021/22 budget at cost, utilising a "standstill" funding regime.
- 8.3 Utilising this methodology, and the general lack of direction given currently regarding funding, the authority based upon the following criteria would have a budget shortfall of circa £250k/£300k in 2020/21, and a further £300k in 2021/22.
- A 98.5% Council Tax Collection Rate
 - Council Tax increase of 3% at Band D;
 - Council Tax base increase 1.5% for 2020/21 and 2021/22;
 - Pay award of 2%;
 - Inflation - Contractual 3.6%, General 0%;
 - Interest Rates - reflect the recent increase in Bank of England Base Rates;
 - Staffing turnover factor of 5%;
- 8.4 This "standstill" model allows for us to identify further areas of work to address these issues, particularly surrounding income generation and this is an area that the authority will work on to ensure balanced budgets for both of these years.

9. Risk Assessment and Management

- 9.1 Oadby and Wigston Borough Council has a commitment to managing risk and its exposure to the various risks it faces. Key to the management of this risk is identifying operational risk when we are developing our service plans, as well as taking a holistic and strategic view when considering the risks at a corporate level. The Council has a strong record of financial

management, but further improvements were recommended by both our Internal and External Auditors to continue in this manner, and to reduce the impact of financial risks to the Authority. Therefore, changes have been made to the budget setting process (including regular and detailed updates throughout the year) but also changes need to be made as to how we monitor and manage risks.

- 9.2 The more fundamental financial risks over the next two years have been highlighted below and have been ranked (Red/Amber/Green) according to their likelihood of occurrence and the potential scale of their impact. The first square indicates the risk rating in 2018; the second square indicates the current risk rating.

9.3 **Formula Central Government Funding** 2018 2019

As detailed earlier in the report, whilst we have relative certainty for 2019/20 in the provisional settlement, it still remains unclear as to exactly how funding will work from 2020/21 and beyond. The details surrounding the removal of deprivation from the funding block is positive news for the Council, there is no indication that this will show an increase in our "real" cash funding levels. Obviously, the factors that impact on the amount of monies available to local authorities depends on the Treasury's decision on how much Local Government is funded in total, and then how that funding is allocated to pressures and priorities such as Social Care.

9.4 **New Homes Bonus** 2018 2019

The continuing changes to the delivery of funding regarding the New Homes Bonus scheme can provide troublesome forecasting. However, due to the Authority's size and nature of its geography, the limited amount of development eases the ability to forecast. However, the inability to deliver significant numbers of new homes reduces our income generation ability with regards to this. As this report highlights, the authority received a lesser amount than last year, but also a lesser amount than our most likely scenario had planned for. Therefore the authority is taking a prudent approach to forecasting future NHB income. The future of NHB is also under threat as part of the Fairer Funding review. A number of local authorities mainstream a significant value into their budgets through NHB and if this were to disappear, then this would cause significant issues for those authorities. Whilst OWBC mainstreams the full amount of NHB into its budget, the amount is not one that would be deemed catastrophic if it were to disappear. It should be noted that indication from Central Government is that the "legacy" payment elements of NHB will continue, meaning there would be little impact upon OWBC.

9.5 **Business Rate Retention Scheme** 2018 2019

The Authority is exposed to an element of risk of reduced income levels if the amount of business rates contracts. There are also a number of other risks associated with this scheme. Firstly the ability to generate new income - as with NHB, the geography of the Borough means that the ability to generate new business rate income is limited, but work within economic regeneration and local plans is going some way to address this. Another significant risk relates to the factors that can impact on the amount of business rates collected. For example, mandatory relief that can be back dated. Business rates revaluation came into effect from April this year, and a centrally held reserve held by the LLEP is set aside to help mitigate any risks arising from this.

In addition to this element of the risk, the government has announced that they are looking to move to a 75% retention scheme by 2020/21 (as opposed to the 100% retention scheme initially indicated). However, there is still no detail as to how such a scheme would operate, but consensus across local authority treasurers is that District Councils would be no better off than in the current scheme.

9.6 **Income Generation** 2018 2019

The Authority currently has limited streams of income generation. Work is being carried out to identify ways of maximising our income streams - ranging from the potential for charging for discretionary services to generating new business streams to supplement income. Local authorities need to become more commercial in their thinking and operating as the creation of income will enable service protection and improvement. The authority has been successful with the implementation of its Garden Waste Scheme, and other areas of income generation should be investigated for implementation post April 2020.

9.7 **Homelessness** 2018 2019

The increase in the homeless population across the country has put an increasing pressure on local authorities and their resources given the changes in legislation over the previous years. The Authority is actively managing the issue, and is in receipt of minor government grants to assist with this. The authority has ring-fenced reserves specifically to support this issue, and allocated additional revenue funding to the 2018/19 budget to continue to support this area and manage this increasing pressure. The Council will also, as part of the "Facing the Future" programme of work, increase the capacity within the housing team to aid those who find themselves at risk or actually homeless.

This work is looking at purchasing appropriate properties and increasing service capacity within the borough to ensure families stay within the Borough, standards of living remain relatively good and savings are afforded to the authority.

9.8 **Brexit** 2018 2019

In the two years since Brexit was confirmed, the country has seen various changes. Whilst exports have increased sharply due to the devaluation of the pound, issues linked to the economy are still to be addressed. These issues range from the long term implications on pension funds to capital funding resources that were available from Europe as members of the European Union (EU).

We are now but weeks away from the 29 March and there is still no agreement in place to transition from being members of the European Union. The authority, like all local authorities, has assessed the risks the Council may face, and on a financial basis, the risk of a "No Deal" Brexit poses a moderate financial risk to our Borough, given we are unlikely to see major movement of businesses from the Borough, reducing the amount of monies collected through business rates.

9.9 **Interest Rate Movements** 2018 2019

Interest rates rose in 2018 due to the expected increase in inflation that is above the Bank of England's expectations. However, the inflation levels didn't reach their anticipated levels, and the latest inflation figures are close to the Bank of England's target. To that regard, the Authority takes a prudent approach when setting interest budgets.

9.10 **Universal Credit** 2018 2019

The Universal Credit (UC) programme went live in the Borough in June 2018. Since then, there have been delays to the transfer of existing claims from existing benefits to Universal Credit (managed migration). The revised timetable is for testing in small numbers to start in July 2019 (originally planned from January 2019) and then testing larger numbers from November 2020 (originally planned from late 2019/early 2020) with completion of managed migration by December 2024 (originally planned during 2023). There have been no details provided on how this will happen or exactly when it will happen yet, making it difficult for

planning and preparation in the Borough (and all other Councils).

The Government has also highlighted possible changes to help claimants moving to UC, and these changes would be beneficial for claimants (and indirectly to Oadby and Wigston). Whilst the Council has both an active and a watching brief, the implications of a full UC rollout are unknown, and the Council is taking action to both mitigate the risks to the Council, but also to the service users who receive or are moving on to UC.

10. Housing Revenue Account (HRA)

Since to 2016/17, the Council have reduced housing rents by 1% on a year on year basis in line with government rent policy. The Council has seen its rent base reduce by around £200,000 during this period, however, despite this the HRA will reach 2020/21 in a relatively healthy state with its general balance over the £300,000 agreed in its original business plan and with rents set to increase again by CPI +1% from 2020/21.

This combined with the scrapping of the High Value Voids Levy and a relaxation of borrowing restrictions gives the HRA a generally optimistic outlook. Further details are contained in **Appendix 3**.

10.1 HRA Operational Budget

	2018/19 Budget	2018/19 Rev Budget	2019/20 Proposed Budget
	£	£	£
EXPENDITURE			
Management	1,543	1,815	1,757
Repairs and maintenance	1,414	1,289	1,256
Council Tax	9	9	15
Debt Management	10	10	10
Depreciation (MRA cont.)	1,273	1,273	1,305
Provision for Bad Debts	109	109	109
Gross Expenditure	<u>4,358</u>	<u>4,505</u>	<u>4,452</u>
INCOME			
Rents - Dwelling	(4,699)	(4,699)	(4,620)
Rents - Non Dwellings	(87)	(87)	(89)
Charges for Services and Facilities	(198)	(198)	(202)
Gross Income	<u>(4,984)</u>	<u>(4,984)</u>	<u>(4,911)</u>
Interest payable	579	556	562
Interest Receivable	(5)	(10)	(12)
Revenue Contribution to Capital	0	0	0
Transfers to/(from) Reserves	52	0	0
Total Capital Charges and Appropriations	626	546	550
(Surplus)/Deficit for the Year	<u>0</u>	<u>67</u>	<u>91</u>
Opening Balances			
Housing Revenue Account	(645)	(645)	(578)
Major Repairs Reserve	0	0	0
Regeneration Reserve	(361)	(361)	(361)
Housing Levy	(192)	(192)	(140)
Universal Credit Reserve	(140)	(140)	(140)
Bad Debt Provision	(141)	(141)	(250)
Closing Balances			
Housing Revenue Account	(645)	(578)	(487)
Major Repairs Reserve	0	0	0
Regeneration Reserve	(361)	(361)	(361)
Housing Levy	(244)	(140)	(140)
Universal Credit Reserve	(140)	(140)	(140)
Bad Debt Provision	(250)	(250)	(359)