MEDIUM TERM FINANCIAL STRATEGY 2021-25

Cabinet	14 January 2021
Report Author	Chris Blundell, Director of Finance & Procurement and Deputy S151 Officer
Portfolio Holder	Cllr Rob Yates, Cabinet Member for Finance, Administration & Community Wealth Building
Status	For Decision
Classification:	Unrestricted
Key Decision	Budget and Policy Framework
Reasons for Key (if appropriate)	Significant effect on communities
Ward:	All

Executive Summary:

This document sets out Thanet District Council's Medium Term Financial Strategy (MTFS) for the next four years. The MTFS provides an integrated view of the whole of the council's finances and sets out objectives to be met, risks to be managed and the policies to be applied over the period.

Recommendation(s):

To approve the Medium Term Financial Strategy 2021-25.

Corporate Implications

Financial and Value for Money

The financial implications have been reflected within the body of the report.

Legal

Section 151 of the 1972 Local Government Act requires a suitably qualified named officer to keep control of the Council's finances. For this Council, it is the Deputy Chief Executive and s151 Officer, and this report is helping to carry out that function.

Corporate

Corporate priorities can only be delivered with robust finances and this report gives Members the opportunity to review the Council's current position.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it. Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

There are no equity and equalities implications arising directly from this report, but the Council needs to retain a strong focus and understanding on issues of diversity amongst the local community and ensure service delivery matches these.

CORPORATE PRIORITIES

This report relates to the following corporate priorities: -

- Growth
- Environment
- Communities

1. Introduction and Background

1.1. This document sets out the key issues arising from Thanet District Council's Medium Term Financial Strategy (MTFS) for the next four years, 2021-25. This MTFS broadly consists of two halves; the first sets out the financial and economic context in which the authority is operating in and presents the forecast budget position over the period of the strategy; the second provides detail on the council strategy to respond to this.

2. Macro-economic Position

2.1. The effect of Covid-19 on the public finances has been considerable, delivering the largest peacetime shock to the global economy on record. The UK economy has been hit relatively hard, with Gross Domestic Product (GDP) set to fall by 11% in 2020 – the largest drop in annual output since the Great Frost of 1709.[1]

2.2. The impact on public finances has been considerable, the Office for Budget Responsibility has reported spending in 2020-21 increasing from £883bn in 2019-20 to £1,164bn in 2020-21. A 32% increase. In addition receipts are forecast to be £57 billion lower. Consequently the budget deficit this year has been pushed to £394 billion (19% of GDP), its highest level since 1944-45, and debt to 105 percent of GDP, its highest level since 1959-60.

2.3. Spending is forecast to be much reduced by 2022-23, but it remains significantly higher than projected expenditure before the pandemic.

3. Covid commentary

3.1. The Covid crisis has had a significant financial impact on both the Council and across the district. Since March 2020, the Council's focus has been on the coordinated response to support our residents during the lockdown periods.

3.2. Business rates relief and grants for businesses in the retail, hospitality and leisure sectors have been administered in line with government guidelines helping more than 3,000 businesses in the district, allocating more than £40m of financial support. Additional council tax relief has been given to recipients of council tax support through the government's hardship fund.

3.3. A community hub was set up in collaboration with partners and volunteers to support vulnerable residents, ensuring food and other essential items were delivered to those with particular health conditions. The Council has provided accommodation for all the district's known rough sleepers and continued to provide housing to others where its duty to do so had ceased.

3.4. The Budget Monitoring report included elsewhere on this agenda details the impact of the pandemic on the Council's ability to collect income, both from taxpayers and service users

[1] Office for Budget Responsibility, Economic and fiscal outlook, November 2020
http://cdn.obr.uk/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf

such as car parking. There are also additional cost pressures as the Council responds to the outbreak and provides support to the most vulnerable residents.

3.5. The budget strategy is to treat the cost of Covid as largely one-off in 2020-21 and the 2021-22 budget has been prepared on this basis.

3.6. Assuming that the financial effects of Covid on the Council are largely contained within 2020-21, with any longer term impact in 2021-22 mitigated via the use of reserves and additional Government funding, the primary implication of Covid for the Medium Term Financial Strategy is that from 2022-23 onwards the Council will need to begin to replenish its reserve holdings. The allocation of £3m of reserves to address Covid was agreed by Council 10 September, and whilst it is hoped that the recently improved position will mean that not all of this allocation will be utilised it is still expected that a significant proportion will need to be.

4. Local Government Funding

4.1. The previous four year Comprehensive Spending Review (CSR) period came to an end in 2019-20, with the CSR 2020 delayed until the autumn of 2020 because of Covid-19. Due to the significant economic upheaval and uncertainty caused by the pandemic, a one-year spending round was announced by the Chancellor, Rishi Sunak MP, on 25 September 2020.

4.2. On 17 December 2020 the Government announced the Local Government Provisional Settlement, containing the detailed allocations of funding for local government. The immediate 2021-22 impact is detailed within the 2021-22 Budget elsewhere on this agenda. As this was only a one-year settlement, aside from a statement from the Secretary of State, Robert Jenerick MP, of a “desire to have a multi-year settlement for local government” next year, there was very little in the settlement or his statement to inform what the future holds in terms of local government funding.

4.3. In fact, it is unclear whether much of the announced “new” funding for 2021-22, such as the Lower Tier Support Grant, is a one-off allocation or will be a permanent fixture that can be programmed for the medium term. As such, this MTFS assumes that the following funding streams announced in the 2021-22 settlement will be one-year allocations only:

- Local Council Tax Support Grant - this grant will be used in the base budget to offset the reduction in the 2021-22 taxbase
- Lower Tier Services Grant
- Tax Income Guarantee Scheme
- Emergency Covid Grant - Tranche 5
- Co-payment for Sales, Fees and Charges income losses in 2021-22.

Details of how these grants are being applied in 2021-22 is included in the budget report.

4.4. **Funding Reform**

4.4.1. The shape and timing of the implementation of the reform of local government finance remains unknown at this time. There are a number of strands of key finance reform that have been in development for a number of years, and that have been deferred and delayed for various reasons, not just the impact of Covid. These include:

- **Fair Funding Review (FFR)** to examine the relative needs and allocation of resources between authorities. This was initially planned for introduction in 2019-20, but was first delayed due to the Brexit impasse and secondly due to Covid.
- **National move to 75% Business Rates retention**, under the existing system local authorities can retain 50% of the growth in business rates in their locality. This is being considered alongside the FFR.
- **System Reset** This will in effect remove and redistribute the business rate growth that authorities' have generated since the system was introduced in 2013-14. The potential impact on the council is explained below.
- **Fundamental review of Business Rates -** The government committed to conduct a fundamental review of business rates, with the objective of:
    - reducing the overall burden on businesses
    - improving the current business rates system
    - considering more fundamental changes in the medium-to-long term

4.4.2. The implications of this review for Local Government are uncertain, but have the potential to be profound.

4.4.3. The Council's core funding streams across the MTFS are set out in table 1 below.

Table 1: Funding

	2021-22 £000	**2022-23 £000**	**2023-24 £000**	**2024-25 £000**
Council Tax				
Council Tax	(10,740)	(11,120)	(11,510)	(11,920)
Business Rates				
Business Rate (BR) Baseline	(5,054)	(4,562)	(4,644)	(4,728)
Retained (BR) Growth	(856)	(496)	(150)	(200)
sub-total	**(5,910)**	**(5,058)**	**(4,794)**	**(4,928)**
Grants				
Revenue Support Grant	(100)	0	0	0
New Homes Bonus	(125)	(13)	0	0

Lower Tier Funding	(215)	0	0	0
Council Tax Support Grant	(300)	0	0	0
Other Grants	(446)	(110)	(110)	(110)
sub-total	**(1,186)**	**(123)**	**(110)**	**(110)**
Total Income	**(17,836)**	**(16,301)**	**(16,414)**	**(16,958)**
Collection Fund - Business Rates	527	186	186	0
Collection Fund - Council Tax	144	113	113	0
Net Financing	**(17,165)**	**(16,002)**	**(16,115)**	**(16,958)**

4.5. **Council Tax**

4.5.1. As a result of Covid the taxbase will reduce by 0.88% in 2021-22, a reduction of 390 band D equivalent properties. This has arisen due to an increase in unemployment that has been a resultant increase in residents who are now eligible for Local Council Tax Support with paying their council tax bills.

4.5.2. For planning purposes across the MTFS it is anticipated that as the economy recovers, with unemployment falling and housing building regaining traction, the Council Tax base will increase by 1.5% at Band D from 2022-23 onwards.

4.5.3. It is also assumed in the MTFS projections that the referendum thresholds for district councils will remain at the higher of 2% or £5 and that members will approve these increases in future years.

4.6. **Revenue Support Grant (RSG)** is due to be phased out at the same time as the outcome of the Fair Funding Review and Business Rates reform, which we are now assuming will occur in 2022-23. As such, the MTFS assumes RSG of zero from 2022-23.

4.7. **Business Rates**

4.7.1. The current business rate retention system is extremely complex. With a system of shares, tariffs, top-ups and levy payments alongside section 31 grants to compensate for Government policy that influence the collection of rates. This report will not cover in detail all these aspects, but attempt to cover the main issues that can affect the council over the medium term.

4.7.2. When the system was introduced, the government attempted to ensure that each local authority's allocation for the first year (2013-14) was similar to what it would have received in that year had the previous Formula Grant system continued. For this it calculated for each individual local authority a 'funding baseline', largely based on authorities' relative funding needs based on the previous formula grant system. For 2021-22 our funding baseline is

£5.054m. This can be broadly considered as the amount the government thinks the authority needs to be allocated or retained from the system in order to provide its services.

4.7.3. Over and above this baseline funding level, councils are permitted to retain a share of the growth in their business rates base arising from new or expanding businesses. Within the base budget the Council has included **£856k** from this growth source.

4.8. **Business Rates Future Reform and Risk**

4.8.1. As explained above the reform of business rates is expected in 2022-23. This poses two main risks. Firstly that as part of the Fair Funding Review, Thanet's Baseline Funding Level is revised downwards as funding is reallocated and redistributed nationally based on the new assessment. Modelling by the Council's funding advisers forecasts that our funding baseline could fall from £5.054m in 2021-22 to £4.562 in 2022-23 as a result of the FFR.

4.8.2. The other risk posed is the system reset, where accumulated growth retained since 2013-14 is redistributed. The forecasts that the Council's funding advisers have provided estimates that the majority of the £856k of growth included in the 2021-22 base budget would be lost to national redistribution over the medium term.

4.8.3. It must be stressed that at this time these are only broad estimates of how the funding reform may impact on Thanet, as the detail is still unknown at this time. However, it can be seen that there is risk of a substantial reduction in funding in 2022-23 onwards from the reform of the retained business rate system.

4.9. **The New Homes Bonus (NHB)**

4.9.1. NHB rewards local authorities that deliver sustainable housing development. Local authorities receive a New Homes Bonus equal to the national average for the Council Tax band on each additional property built in the area in the preceding year.

4.9.2. However, the end of NHB has been expected for many years. This scheme has been amended in recent years to reduce the cost of it nationally, with the savings largely reallocated to social care pressures.

4.9.3. The 2021-22 provisional settlement allowed for a one-year-only payment of NHB in 2021-22, but none is due to TDC. The MTFS does not anticipate any new NHB apart from a small amount related to affordable housing growth (which is not subject to a threshold).

4.9.4. The Government is likely to introduce a new scheme to incentivise housebuilding as part of its FFR. but this is unknown at this time.

5. Expenditure Pressures

5.1. **Pay**

5.1.1. The Council's pay bill is estimated to be £16.7m for the GF. As such, pay is one of the Council's primary pay pressures across the medium term. It has been assumed that following the 1% pay award considered within the 2021-22 budget that 2% pay awards will resume from 2022-23 onwards, with an annual pressure in the region of £330k.

5.1.2. There are also inflationary pay pressures from the Living Wage rates increasing remuneration for the Council's lowest paid staff at a faster rate than the general inflationary increase described above.

5.1.3. In addition, incremental progression across payscales is forecast to cost approximately £132k per annum.

5.1.4. The combined effect of these pressures is a forecast £2m increase in the cost of pay over the MTFS.

5.2. **Contractual / Essential Price increases**

5.2.1. Contractual and other essential price increases (such as fuel) are forecast to cost £1.121m over the medium term.

5.3 **Table 2 - General Fund - Current Pressures and Anticipated Savings**

	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000
Base budget 20-21	**16,982**	**16,982**	**16,982**	**16,982**
External Pressures				
Contractual Inflation	268	544	828	1,121
Pay and Inflation	301	867	1,468	2,086
Growth	680	785	896	995
Income Generation				
Fees and Charges	(200)	(400)	(600)	(800)
Total Pressures/Savings Required	1,049	1,796	2,592	3,402
Efficiencies				
21-22 MTFS Savings	(865)	(890)	(915)	(915)
Net Service Revenue Budget	**17,166**	**17,888**	**18,659**	**19,469**
Contribution to reserve Grants	526	(113)	(113)	0
Contribution from reserve Covid NNDR	(527)	0	0	0
Projected Budget	**17,165**	**17,775**	**18,546**	**19,469**

6. Reserves heading into 21-22

6.1 **General Fund Reserves**: The Local Government Finance Act 1992 specifies that precepting authorities, such as Thanet District Council, must have regard to the level of reserves needed for estimated future expenditure when calculating the budget requirement. In order to comply with this requirement each year the council reviews its level of reserves, taking account of the financial risks that could pose a threat to the Authority over the medium term. The general reserve, or contingency, of £2m is considered to be the minimum required for the planning period.

6.2 **Earmarked Reserves:** In addition to the General Reserve, a number of earmarked reserves are set aside for specific purposes. Essentially these allow income and expenditure to be smoothed and funds to be saved over a number of years for large and often one-off items of expenditure, thereby smoothing the impact on the annual budget. Where the exact demand on the reserve is not known sufficiently far enough in advance over the medium term, no estimates are allowed for within the MTFS. The impact of Covid is expected to place additional strain on reserves and in order to meet its liabilities a review of all reserves and the projects they have been set aside to deliver was required.

6.3 Looking longer term, the Council is still working through the level of savings which are going to be needed over the life of the Medium Term Financial Plan, which puts at risk the identification of all the savings needed during this period. Further pressure is going to be placed on the Council's Financial Position as a result of Covid and our current reserves position doesn't provide much room for manoeuvre should the full range of savings not be identified.

7. Budget Gap

7.1. Taking into account the funding and expenditure pressures set out above, the forecast budget gap that needs to be addressed over the MTFS is set out in the table below.

Table 3 - Budget Gap

	2021-22 £'000	**2022-23 £'000**	**2023-24 £'000**	**2024-25 £'000**
Budget	17,165	17,775	18,546	19,469
Net Financing	(17,165)	(16,002)	(16,115)	(16,958)
Gap	**0**	**1,773**	**2,431**	**2,511**

7.2. Table 3 shows a significant budget gap of approximately £1.7m in 2022-23, which then increases to around £2.5m in the last two years of the MTFS. This is primarily driven by the expected funding reform, as shown in detail in table 1, and an expected reduction income. However, it must be stressed the uncertainty that this MTFS has been prepared within is unprecedented.

8. Addressing the Budget Gap

8.1. This section addresses the second half of the MTFS, by setting out the Council's Financial Strategy to address the forecast budget shortfalls and deploy its resources to meet the Corporate Priorities.

9. Corporate Priorities

9.1. The council's Corporate Statement for 2019-24 was approved by Council on 10 October 2019. The plan sets out the council's programme of priorities and identifies three core aims that will help focus efforts towards achieving the vision:

Growth: We will continue to ensure we work to consider new ways to generate income and invest our current resources. Delivering a Council that is financially strong to discharge its services and invest in the growth of the District.

Environment: Having a clean and well-maintained environment remains important to us. We will be clear with our residents on what we will do and what our asks of residents are - cultivating a shared responsibility approach. Delivering a clean and accessible living environment, maintaining an emphasis on prevention but where necessary we will use an enforcement approach.

Communities: Through effective partnership working with both the public sector agencies and the community, we will provide leadership and direction across the district and the region to ensure everyone is working to the same goal. Delivering high-quality housing, safer communities and enhancing the health and wellbeing of our residents.

9.2. Co-existing alongside the Corporate Statement are a number of other service-related plans, such as the Housing Revenue Account (HRA) Business Plan, individual service plans and capital and asset management strategies.

9.3. This MTFS provides a key link between all of these plans. It underpins these other strategic documents by translating the plans, actions and non-financial resources into financial terms so as to evidence their affordability and sustainability.

10. General Fund Financial Strategy and Corporate Priorities

10.1. **Investment and Growth**

10.1.1. In order to create a platform for investment and growth, the council's primary objective has been, and continues to be to stabilise its financial position. This is being achieved by de-risking where possible and gradually building its reserves from a precipitous position five years ago, to a more stable and sustainable level. The Council's reserves were low before the pandemic and it is expected that £1.7m of reserves will be needed to mitigate the impact of Covid on the 2020-21 budget, therefore it will be vital to the council's financial stability for these to be replenished over the life of the MTFS.

10.1.2. Generating growth in business rates will also be an important source of income for the council. As stated previously, accumulated business rates income growth retained since the system was introduced in 2013-14 is at risk of being lost at the point of a future system reset. As such it is vital the growth in the district's business rates base continues over the medium term so that this income source can be replaced. The Council must also continue to seek alternative and new ways to generate revenue, in light of expected reduction in government financial support.

10.1.3. The council will continue to play an active part in the Kent and Medway Economic Partnership, South East Local Enterprise Partnership, East Kent Opportunities and other regional bodies to maximise growth and development within the policies set out in the Local Plan. One example of this is the commitment to Parkway station, where a maximum of £2m has been set aside in the capital programme as TDC's contribution to the £34m scheme, which will help enable inward investment and economic development. We will encourage the rejuvenation of our high streets by supporting the growth of our creative industries and with partners, bid for funding to support that growth.

10.1.4. As part of the Government's 'levelling-up" agenda, in September 2019 Margate was selected as one of the 100 places invited to develop proposals for a new generation of multi-million-pound Town Deals. A ten-year 'Town Investment Plan' has been submitted to the Ministry for Housing, Communities and Local Government. The Plan identifies £29m of investments that together will, if approved, be transformative for Margate and act a catalyst for future investment.

10.1.5. We will review the asset management strategy, ensuring that community assets are maintained and brought back into use where possible. This will be achieved in part by disposal or transferring ownership to community groups, including town and parish councils. Assets held for investment will be maintained in order to earn a return, with rent reviews being brought up to date. Where the return is considered insufficient, disposal will be considered. The creation of new investment assets, such as new beach huts, will be explored to create additional income.

10.1.6. Operational assets including offices and depots will be made fit for purpose and rationalised where necessary. This will include the Cecil Street offices, where the future needs of the council after consideration of digital and IT infrastructure investment and new and flexible ways of working, coupled with the potential regeneration benefits of the office site, will lead to a long term plan of relocation.

10.1.7. We will continue to look for a viable future for the Port of Ramsgate and the Royal Harbour for the benefit of the town and the wider district, as informed by the feasibility study and resident engagement. In addition, we will look to carry out the work needed to confirm the provisional funding of £2.7m announced for regeneration of Ramsgate from the Future High Streets Fund.

10.1.8. In-sourcing and the expansion or redesign of existing services will be investigated with a view to generating income. These will include:

- Consideration of using the Minor Works team to generate income from selling handyperson services.
- A review of printing services income and expenditure including scope to in-source more printing.
- Growth in income generated from fees and charges.
- Investigation of the appetite with our partners for more shared services including leadership teams.
- Seek to expand the CCTV service to sell to other external organisations.

- Drive to increase the use of direct debits to improve income collection across all chargeable services.

10.2. **Environment**

10.2.1. Following the declaration of a climate emergency, the council plans to implement recommendations arising from the climate change strategy, including a tree planting programme. We will review the recycling service and engage with the community to increase recycling rates; and maximise the use of smart bins to further improve the efficiency of emptying schedules. We will review energy spending in order to reduce energy usage. We will explore an in-house grounds maintenance service for housing works and halt the use of pesticides. A climate change manager has been appointed to implement the above and other initiatives. It is inevitable that further resources will need to be prioritised to deliver the Council's climate change objectives. The Council calls on Westminster to provide the powers and resources to make the 2030 target possible.

10.2.2. In keeping with resident priorities, we will deliver a clean and accessible living environment, maintaining an emphasis on prevention but where necessary we will use an enforcement approach. This will include an examination of fairer ways of charging for refuse and recycling bin replacements; extending the use of mechanical street sweeping equipment; and a full and thorough review of our public toilet facilities including providing incentives for businesses to make good quality facilities available to the public.

10.3. **Communities**

10.3.1. The recent sale of Dreamland to operator and lessee Sands Heritage Limited secures the long-term viable future for the site and it also results in a significant de-risking of the council's asset portfolio. The receipt from the sale will contribute to delivering corporate priorities and enable the council to repay debt related to TDC's past investment in Dreamland, reduce debt repayments to offset the lost car park income, and may allow some additional provision for costs associated with the CPO compensation. Strategically, the disposal will remove liabilities from TDC's balance sheet and create the conditions for the regeneration of that part of Margate.

10.3.2. The council has transferred the responsibility for the management of housing from East Kent Housing to direct control by TDC. This followed an Improvement Plan in January 2019 which was not delivered; and a series of audits and reviews into EKH's management of tenant health and safety. The consequences of the changes and improvements have been factored into the council's HRA. This includes the need to fund the costs of transition and the long term revenue and capital investment in the housing stock, especially in light of a range of health and safety works that have come to light over the last year.

10.3.3. In addition to these strategic plans, the council is planning:

- The development of Community Wealth Building, a "buy local" strategy based on the Preston Model. It is designed to maximise the benefit of council spending on local businesses, employment and the environment. The government has published a Procurement Policy that will allow the public sector to exercise additional freedoms on contract spend on goods, services and works contracts with a value below the applicable thresholds not subject to international trade rules. These new rules will support small and medium-sized enterprises (SMEs) by opening up new opportunities for them to win contracts. It is anticipated that future procurement policy changes will also allow us to include wider social benefits of the supplier, such as economic, social and environmental factors, when assessing who to award a contract to, while also still considering value for money. We plan to work more closely with businesses and public sector partners to encourage local spending and increase the capacity of local businesses to respond to the initiative.

- Investigate the possibility of contactless donations in public areas to help fund good causes such as help for the homeless or other local services. It would not be the intention to use any donations to replace TDC funding.
- To review the council's governance structure. This will consider alternatives to the current Cabinet model, including a committee structure; it will investigate the best way in which councillors can support any changes; and consider any changes needed to the council's constitution. This work was delayed in the current year due to the exceptional pressures brought about by Covid, but will begin in 2021-22.

11. HRA

11.1. The Housing Revenue Account is used by the council to record the income and expenditure relating to the provision of its council dwellings and related services. The Housing Revenue Account has to be budgeted and accounted for separately and strict rules govern what can be charged to this account.

11.2. The main source of income into the HRA is the rental income from the properties let by the council. Rents are calculated in line with government guidance. It is proposed in the budget report to increase social rents by CPI+1% in 2021-22 and a freeze for affordable rent tenants. This increase will help ensure the HRA has sufficient funding to maintain and expand its housing stock. The increase is also necessary to ensure a sustainable long term HRA financial position.

11.3. The HRA Business Plan has been reviewed in light of the decision by Cabinet in February 2020 to bring the council's housing stock under direct managerial control and the additional investment needed to fund a raft of health and safety issues. This has resulted in it running at a deficit which will put pressure on previously built up reserves, this trend is anticipated to continue to at least 2030-31 when the business plan is set to generate a surplus.

11.4. The four-year revenue budget for the HRA is set out below:

DRAFT - HOUSING REVENUE ACCOUNT BUDGET				
	2021-22	**2022-23**	**2023-24**	**2024-25**
	£'000	**£'000**	**£'000**	**£'000**
Income				
Dwelling Rents (gross)	-13,346	-13,737	-14,009	-14,557
Non-dwelling Rents (gross)	-227	-227	-227	-227
Charges for services and facilities	-540	-550	-560	-570
Contributions towards expenditure	-397	-397	-397	-397

Income Subtotal	**-14,510**	**-14,911**	**-15,193**	**-15,751**
Expenditure				
Repairs & Maintenance	4,160	4,101	4,168	4,236
Supervision & Management – General	4,103	4,155	4,100	4,154
Supervision & Management – Special	781	781	782	782
Rents, rates, taxes and other charges	259	269	279	290
Bad or doubtful debts provision	233	233	234	252
Depreciation/impairment of fixed assets	4,310	4,390	4,470	4,550
Capital Expenditure funded from HRA	300	300	300	300
Debt Management Costs	9	9	9	9
Expenditure Subtotal	**14,155**	**14,238**	**14,342**	**14,573**
Net Costs of Services Sub Total	**-355**	**-673**	**-851**	**-1,178**
Share of Members and Democratic Core	148	148	148	148
HRA Investment Income	-15	-15	-38	-113
Debt Interest Charges	888	923	917	873
Government Grants and Contributions	0	0	0	0
Adjustments made between accounting basis and funding basis	479	609	690	720
(Surplus)/Deficit on HRA	**1,145**	**992**	**866**	**450**
Housing Revenue Account Balance:				
Estimated Balance at Beginning of Year	**-7,297**	**-6,152**	**-5,160**	**-4,294**
(Surplus)/Deficit for Year	1,145	992	866	450
Estimated Balance at End of Year	**-6,152**	**-5,160**	**-4,294**	**-3,844**

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Corporate Consultation

Finance: N/A
Legal: Estelle Culligan (Director of Law and Democracy)