

Medium Term Financial Plan 2021-2026

Council Budget



...an outstanding place to live, invest and bring up families



South Tyneside Council

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SOUTH
TYNESIDE**

Contents	Page
Foreword by the Leader of the Council	1
Shaping Our Financial Future	3
Introduction by the Lead Member Resources and Innovation	5
Investing in our Future	7
What are the Council's revenue spending plans?	9
What are the Council's capital spending plans?	16
2021/22 Minimum Revenue Provision Policy Statement	29
How will the Council manage financial risk?	30
What are the Council's housing revenue spending plans?	33
What are the Tyne and Wear Pension Fund's spending plans?	34
Evaluation and Review	36
Appendix 1A Council Revenue Budget 2021/22	37
Appendix 1B Council Standstill Pressures 2021-26	38
Appendix 2A Council Capital Investment Programme 2021/22	39
Appendix 2B Council Capital External Funding 2021-26	41
Appendix 3 Housing Revenue Account service charges	42
Appendix 4 Glossary	45

Foreword by the Leader of the Council

Foreword by Councillor Tracey Dixon, Leader of the Council

As a Council, setting a balanced budget is one of the most difficult but important responsibilities we have. Each year, we weigh up pressures including increased demand for services, reduced central government funding, and competing commitments, priorities and ambitions.

When we set the budget 12 months ago, we could not have predicted the Covid-19 pandemic, or the added pressures faced by the local authority and our communities. From those involved in the provision of frontline services, including care services, NHS and health services to our schools and local businesses - every sector has been challenged.

It is a challenge that the local authority stepped up to during 2020-2021 and one which we will continue to meet. This is despite our resources still being over 30% less than 10 years ago due to Government grant reductions and before even taking into account additional spending pressures from an ageing population and increases in inflation. Known and anticipated future changes to Government funding will mean that our financial position will continue to remain very tight.

In spite of new challenges to adapt to social distancing requirements, the loss of income-generating services like leisure centres and many more logistical hurdles, South Tyneside Council has continued to deliver key services for residents. These range from continuing to protect and provide for vulnerable older people to supporting families in crisis to collecting household waste and keeping parks and beaches clean and accessible.

The Council's robust financial management has meant that, when facing the unprecedented challenges presented by the pandemic, we have been able to continue to deliver priority services as well as new, agile services such as the 'Covid-19 Community Support Hub' which provides support to our most vulnerable. We were also able to quickly administer support to our business sector, providing advice and support, followed by the payment of business support grants.

We worked with key partners, including accessing personal protective equipment for care homes at a time of constrained supply, due to a high national demand. We've supported key voluntary sector and community partners, including established foodbanks with increased funding during periods of high-demand.

We were not distracted from our ambitious programme, continuing to press forward with schemes like the International Advanced Manufacturing Park and Holborn, which will help to create future jobs. We have also progressed innovative renewable energy schemes like the Viking Energy Network and Hebburn Minewater scheme. We recognise the challenges of changes to our climate and I am committed to the Council focussing its effort and resources in playing its part through our Climate Change Strategy and Action Plan.

We also continue to prepare for the challenges and identify opportunities from the country's departure from the European Union through providing information and support to businesses.

Foreword by the Leader of the Council

As we set the budget for 2021-22, we have incorporated learning from the challenges we have faced this year. Innovation in the use of technology and more agile ways of delivering services will continue into our future.

While we may have to adapt our investment plans to reflect the new demands and needs of communities in a post-pandemic era, we will continue to invest in the future of South Tyneside. These plans will be shaped by our continued engagement with you the residents of South Tyneside so that resources are allocated to meet your priorities.

Despite ongoing financial pressures, with this year's Medium Term Financial Plan (MTFP), we believe we have set out an exciting and innovative way forward, which allows us to continue to deliver for residents, while also remaining able to respond to new challenges and plan and invest for the future.

The coming months will continue to be difficult for everyone. Covid-19 has resulted in the loss of loved ones, disrupted daily living for all ages, and affected the livelihoods of many. The roll-out of the vaccines gives us light at the end of what has been a very long and dark tunnel. Please continue to follow Government guidance on protecting yourself and others against Covid-19 and stay safe.



A handwritten signature in blue ink that reads "Tracey Dixon". The signature is written in a cursive, flowing style.

Councillor Tracey Dixon
Leader of the Council

Shaping our Financial Future

Shaped to deliver our priorities

Our vision is for South Tyneside to be an outstanding place to live, invest and bring up families. We have ambitious plans to regenerate our towns, homes and communities that will help us to attract investment, create jobs, improve health and create greater opportunities for South Tyneside for years to come.

To achieve our overall vision, we have agreed 10 strategic outcomes with partners under the themes of 'People' and 'Place'. These are the things we will achieve over the next 10 years:



Knowing where we are going, being clear about what needs to be done most urgently and taking difficult decisions when we need to is how we remain focused on our priorities.

We have strengthened our organisation structure so that we are Shaped to Deliver our vision for South Tyneside. We are committed to the delivery of high quality, value for money services but we now do this in a different way, taking a corporate approach to reduce overlap and duplication. The changes we have made are now embedded across the organisation and underpin delivery of our priorities.



Focus on Place

Our vision for South Tyneside will only be achieved through investment in the borough. We will continue to create the infrastructure to attract new sustainable businesses to the borough, while also allowing our current businesses to flourish and supporting them through the pandemic. Our ongoing and new partnerships are essential in maintaining South Tyneside as a major player in the North East and beyond.

Shaping our Financial Future

Focus on People

Our ambitious vision can only be fully realised through the people of South Tyneside. Services for children and adults have a key role to play in making South Tyneside an outstanding borough. We have a strong focus on services for children and adults to provide world class services despite the pandemic based around education, health, care and support. Our vision for the future involves raising aspirations and encouraging families to take advantage of new opportunities as they arise.



2021 and beyond

The settlement from Central Government means that the Council will need to save a further £8m in 2021/22. Consequently, we start our budget planning early and consult widely with residents, partners and our staff.

We have made significant progress and delivered over £175m savings over the last 11 years with no major service closures, while also seeing record levels of investment in the borough.

Key messages from our residents and partners in the budget consultation are shown below:

- A 'Regenerated South Tyneside with Increased Businesses and Jobs' remains the priority in the South Tyneside Council Vision that continues to be rated as highest importance. Significant funding within the Capital Investment Programme reflects that priority.
- The high priority placed upon ensuring that our highways and footpaths are adequately maintained. The importance of these issues are reflected in our Capital Investment Programme.
- The importance of affordable housing. Included within the Capital Investment Programme is funding for the direct delivery of new social housing.

This budget plan for 2021 to 2026 focuses on how we will use our limited resources in the best way to ensure that we focus on the things that matter the most.

Introduction by the Lead Member Resources and Innovation

Introduction by Cllr Joanne Bell, Lead Member Resources and Innovation

Everything we do is focused around delivering our vision for South Tyneside:

“South Tyneside will be an outstanding place to live, invest and bring up families”

Realising our vision cannot be achieved in isolation. Service planning, commissioning and delivery must be planned, consistent and joined-up. All of our services must remain focused on improving outcomes for our communities in the most efficient and effective way. Our ability to do that was endorsed in 2017 when a Local Government Association corporate peer review found that:

“South Tyneside is a high performing and ambitious organisation with a track record and reputation for the delivery of outstanding examples of regeneration projects”.

Working with our partners, we have delivered a huge range of services and successful outcomes for both the residents and businesses of South Tyneside, including:

- Emptied **6.5million** bins including domestic waste, recycling, green “garden collections” and business waste & recycling. Less than **0.5%** of household waste now ends up in landfill compared to **66%** of waste in 2010;
- Maintained **564km** of roads and **1,124km** of footpaths and future additional investment planned through our capital programme;
- Provided over **2,800** vulnerable clients with residential care or support to live at home;
- The Council currently holds the title ‘Cooperative Council of the Year’, for its work in partnership with local community organisations to maximise use of all available resources in the area;
- Supported around **3,000** children (including c400 with child protection plans, 315 looked after children and 200 care leavers);
- Multi-award winning library & visitor attraction, The Word, the National Centre for the Written Word has drawn in over **one million** visitors since opening and led to a **43%** increase in book borrowing;
- Our Children’s Services were inspected by Ofsted and received an overall ‘good’ inspection, with an ‘excellent’ rating for our adoption service. The result places South Tyneside in the top **25** of **161** Local Authorities nationally;
- The Council has delivered significant reductions in its carbon footprint through capital investment in environmentally sustainable solutions, including saving **1,765 tonnes** of CO₂ per year through streetlight LED upgrades and the development of the Viking renewable energy network scheme in Jarrow, which will supply heat to Council owned buildings, saving **1,475 tonnes** of CO₂ per year.

Introduction by the Lead Member Resources and Innovation

- Handled over **210,000** customer service enquiries calls through our contact centre;
- Distributed over **£28m** of Government funding to support businesses through the pandemic
- Made over **2,000** hardship awards to support those in financial crisis as a result of the pandemic

All of these outcomes have been delivered at the same time as delivering **£175m** of efficiency savings as a Council to protect and deliver frontline services that are fit for the future.

What is the Medium Term Financial Plan?

This Medium Term Financial Plan (MTFP) outlines our approach to setting out our financial future. This document also sets the Council's budget for 2021/22.

The Medium Term Financial Plan is one of the key Council strategic planning documents. It is fully integrated with and flows from both our partnership plan '**The South Tyneside Vision**' and '**Hello Tomorrow, Change is Happening Council Strategy**', which together sets out our long-term vision, priorities for the next three years and the steps we will take to achieve them.

Our Financial Strategy

We have adopted an overall financial strategy, which commits us to a number of guiding principles. These are:

- Spending should be allocated to our priorities;
- Council Tax should be affordable for our residents;
- Members make real choices about investments;
- Financial planning should be based upon a long term time horizon ensuring appropriate levels of reserves are retained;
- Value for Money is achieved for all our spending.



Councillor Joanne Bell
Lead Member Resources and Innovation

Investing in our Future

The National Financial and Economic Context

1. Despite planned changes in the funding system for Local Government, councils such as South Tyneside remain dependent upon Government funding as a key source of income. Due to uncertain economic circumstances including the economic effects of the Covid-19 pandemic and the terms of the UK's withdrawal from the European Union, funding to Local Government is expected to remain constrained.
2. Our core Government funding has reduced by almost 58% since 2010. Government is currently planning the introduction of a new funding system for local authorities which will reduce direct Government funding and place greater reliance upon local business rates, council tax and fees and charges for councils' resources. The Government's planned spending review in 2021 will also set out future funding allocations for all Government departments from 2022. This is not expected to result in a substantial change to the current level of resources available to the Council unless there is a sustainable funding settlement to deal with the increased pressures around adults and children's social care.
3. The Council receives over 60% of its income from Council Tax payers and retained business rates. Cuts to central government funding and demand pressures have meant that councils now rely much more on local tax revenues for their overall funding. The budget has been calculated incorporating an increase of 3.95% in Council Tax in 2021/22. **3% of the increase relates to the adult social care levy contributing towards the funding gap within Adult Social Care Services.**

The Local Picture

4. The Medium Term Financial Plan is central to achieving our vision. In order to ensure our resources are directed towards the right priorities, we have developed a detailed understanding of the borough and our communities.
5. South Tyneside borough has a population of 150,976. The majority of our population is white British with 4.1% of the total population from Black, Asian, or Minority Ethnicities, mainly Bangladeshi and Indian. The latest population projections (2018) show that by 2040 the population of the borough could be 158,825, but with significant changes within the age profile of the borough, more older people and less working age people.
6. The population is projected to increase overall, but decrease amongst those of school and working age. The rising numbers of older people will have significant impact on how we provide services and represents a major challenge for the future, particularly for adult social care services and the costs of the national concessionary travel scheme. These projections have been factored into our financial planning.

Equality and Diversity

7. Equality is embedded throughout all of our services. Whenever we create or review a service, we carry out an Equality Check to make sure we do not discriminate against individuals or groups.

Investing in our Future

Sustainability

8. We are committed to supporting a sustainable borough which deals with the challenges of climate change. This is reflected in the planning and implementation of any new policy or service. To strengthen its commitment to a sustainable Borough, the Council published its Climate Change Strategy and action plan during 2020.

Value for Money

9. Improving value for money is at the heart of everything we do. We always challenge ourselves to make sure our costs compare with others by identifying and challenging areas of high spend. Many of the redirection proposals within our 2021/22 budget will make us work more efficiently and will mean that Council Tax payers get more for their money.

What are the Council's revenue spending plans?

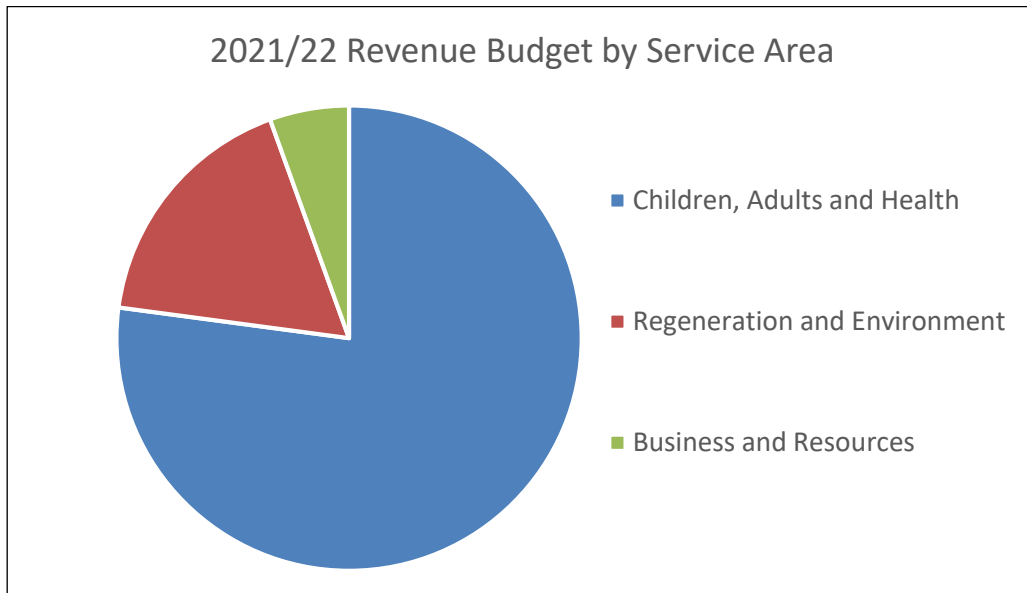
Revenue Spending Plans

10. Each year, we have to identify what we need to spend on Council services in the coming year, and also have to identify our provisional spending plans for future years. Our planning period covers 5 years so that we ensure that our spending plans are affordable and match the money we expect to receive from Government, Council Tax payers as well as use from our own reserves over a longer period. More of the financial risks we face cover longer periods e.g. demand on services from an ageing population and safeguarding of vulnerable adults and children, so it is prudent to extend our planning period.
11. The table below summarises our revenue spending plans for 2021/22 and provisional spending plans for 2022/23 to 2025/26 and how this is allocated across the Council's service teams, as well as identifying the resources that we have available to fund our spending.

Budget	Budget	Provisional Spending			
2020/21 Revenue Spending Plans	2021/22	2022/23	2023/24	2024/25	2025/26
£m	£m	£m	£m	£m	£m
124.325 Base Budget	126.403	129.723	132.258	131.661	131.122
9.077 Budget Pressures	11.292	8.000	8.000	8.000	8.000
(6.999) Redirection of Current Spending	(7.972)	(5.465)	(8.597)	(8.539)	(8.481)
126.403 TOTAL Revenue Spending Plans	129.723	132.258	131.661	131.122	130.641
1.64% Percentage Change in Council budget	2.63%	1.95%	-0.45%	-0.41%	-0.37%
Revenue Budgets					
93.842 Children, Adults and Health	100.027	101.982	101.521	101.106	100.735
22.424 Regeneration and Environment	22.538	22.978	22.875	22.781	22.697
10.137 Business and Resources	7.158	7.298	7.265	7.235	7.209
126.403 TOTAL Revenue Budgets	129.723	132.258	131.661	131.122	130.641
Funded by					
14.905 Revenue Support Grant	14.988	-	-	-	-
14.142 Business Rates Retained	7.984	14.334	14.621	14.913	15.211
34.937 Business Rates Top Up	34.937	51.524	49.978	48.479	47.025
(1.245) Use of (Contribution to) Council Reserves	6.069	-	-	-	-
0.200 Collection Fund Contribution	0.200	0.200	0.200	0.200	0.200
63.464 Council Tax Income	65.545	66.200	66.862	67.530	68.205
126.403 TOTAL Revenue Funding Forecast	129.723	132.258	131.661	131.122	130.641
99.180 Dedicated Schools Grant	104.161	104.161	104.161	104.161	104.161

What are the Council's revenue spending plans?

12. The diagram below shows our revenue budget for 2021/22 by Service Area. Children, Adults and Health includes Adults and Children's social care, Public Health and Education support services. Business and Resources includes the back office services of ICT, Legal, Finance and Human Resources as well as Leisure, Culture, Revenues, Benefits and Customer Services. Regeneration and Environment includes Highways, Waste Services, Planning, Strategic Housing, Environmental Health and Trading Standards, Business Investment and Regeneration.



13. From 2013/14 the Government introduced a new system of funding councils. Each Council is allowed to retain almost 50% of business rates collected. Government grant has been reduced accordingly to reflect this additional income now retained by councils. The next phase of business rates retention is expected to be introduced in 2022/23 whereby each Council will retain 75% of business rates collected with Government grant reduced accordingly.
14. In 2021/22 we will receive 39% of our revenue from Central Government and 61% from Council Tax and retained Business Rates. 2021/22 is a one year settlement following the delay in implementing the Government's spending review. As well as taking decisions about the overall level of funding to provide to councils, the Government will have to take decisions about how that funding should be distributed between them.
15. We have estimated government funding available to us in 2022/23 to 2025/26 based upon national Government anticipated spending plans. Figures for future years will be reviewed once the results of the Government's multi-year spending review are known.
16. From 2017/18 Councils with responsibility for adult social care have been given by the Government the ability to raise council tax by an additional levy to fund a budget shortfall in this area. The increase of 3.95% in 2021/22 includes a 3% increase in respect of Adult Social Care and a 0.95% annual increase. The table at paragraph 11 shows the amount of Council Tax we will collect in 2021/22 with the increase of 3.95%. **For planning purposes only**, we have included the estimated income in 2022/23 to 2025/26, based upon Council Tax revenues increasing by 1%.

What are the Council’s revenue spending plans?

17. The actual increases in Council Tax income in 2022/23 to 2025/26 will depend on circumstances at the time, including the level of actual funding received from Government and income from business rates. This may be higher or lower than these planning assumptions and, as such do not represent commitments by the Council at this time. At our current Council Tax Base, a 1% increase in the Council Tax level would generate an additional £0.655m of income.
18. Schools expenditure is funded from a Dedicated Schools Grant which is ring-fenced. The Schools, Central Schools Services, Early Years and High Needs elements have been confirmed for 2021/22 but the Recoupment figure which is paid over to academy schools will be confirmed in April. The figure quoted in paragraph 11 for Dedicated Schools Grant is shown after the estimated recoupment.
19. Appendix 1A provides more detail on the 2021/22 revenue budgets for each service.

Budget Pressures

20. The Council needs to spend more money to keep services at their current level. We also need to spend money to deliver our vision for South Tyneside by progressing our priorities. To continue to deliver our current services and to deliver our vision we will need to spend an extra £11m in 2021/22, and a further estimated £8m in 2022/23 to 2025/26. These figures have been estimated from forecasted activity / volume levels using specific cost drivers and taking account of changes in specific grant funding. A summary of these pressures is shown in the table below and full details are set out in Appendix 1B.

Revenue Budget Pressures	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m
Inflation	5.485	5.578	5.578	5.578	5.578
Other Standstill Pressures	5.470	2.412	2.412	2.412	2.412
Changes to External Grant	0.337	0.010	0.010	0.010	0.010
TOTAL Revenue Budget Pressures	11.292	8.000	8.000	8.000	8.000

21. Demand for our services, especially adult care and supporting vulnerable children, continues to increase, coupled with rising costs in providing these services and the impact of Covid on income streams means that we need to spend more money just to carry on providing the services we currently offer.

Redirection of current spending

22. The funding we estimate to receive from Government and from Council Tax payers over the next five years is not sufficient to cover our current level of spend plus our new budget pressures. Therefore, to make sure we can continue to focus spending on our priorities, we have identified proposals for reducing spending and increasing efficiency across all of the Council’s services both in the short and medium term. This will mean that our spending plans are affordable, and match the money we expect to receive.
23. Where possible, we have identified where we can reduce spending on support functions by working more efficiently so that we can protect front line services.

What are the Council's revenue spending plans?

24. Plans for reducing spending, delivering new models of service, additional income and increasing efficiency in 2021/22 are shown in the following table.

	Redirection of Current Spending	2021/22 £m
	Adult Social Care	
1	Living Better Lives	0.400
2	Independent Supported Living	0.350
3	Commissioning Review	0.300
4	Direct Services Review	0.150
	Adult Social Care Sub Total	1.200
	Children & Families Social Care	
5	Review of Supporting & Strengthening Families	0.075
6	Review of Adoption Inter-Agency Fees	0.075
7	Review of Specialist Services	0.020
8	Management Review	0.030
	Children & Families Social Care Sub Total	0.200
	Corporate Finance	
9	Changes in Specific Government Funding	4.411
10	Investment Interest	0.100
11	Discretionary Housing Payment	0.100
12	Miscellaneous	0.170
	Corporate Finance Sub Total	4.781
	Economic Growth	
13	Business Centres	0.057
	Economic Growth Sub Total	0.057
	Environment	
14	Garden Waste	0.100
15	Capitalise Fleet Staff Costs	0.030
16	Recycling Village	0.025
17	Miscellaneous	0.020
18	Supplies and Services	0.030
	Environment Sub Total	0.205
	Learning and Early Help	
19	STANLEY's Review	0.070
20	Full Year Effect of Youth Justice Review	0.040
21	Review of Services for Young People into Education & Employment	0.070
22	Realignment of Resources for Hearing Impaired Provision	0.050
23	Post Covid New Approaches	0.020
	Learning and Early Help Sub Total	0.250
	Leisure and Libraries	
24	Reduction in Casual Leisure Staff / Vacant Posts	0.100
	Leisure and Libraries Sub Total	0.100

What are the Council's revenue spending plans?

	Redirection of Current Spending	2021/22 £m
	Redesigned Support Services	
25	Procurement	0.140
26	Financial Management / Insurance / Internal Audit	0.070
27	Senior Management	0.070
28	Digital & ICT	0.040
29	Business Support / Strategy & Performance	0.030
30	Human Resources	0.030
31	Revenues / Benefits / Customer Services	0.020
	Redesigned Support Services Sub Total	0.400
	Regeneration & Housing	
32	Reduced Energy Costs	0.350
33	Street Lighting LED	0.100
34	Building Cleaning	0.100
35	Middlefields Energy Store	0.059
36	Rating Review	0.050
37	Investment Portfolio	0.025
	Regeneration & Housing Sub Total	0.684
	Transport & Infrastructure	
38	Capitalisation of Staff	0.050
39	Construction Income	0.025
40	Miscellaneous	0.020
	Transport & Infrastructure Sub Total	0.095
	TOTAL Redirection of Current Spending	7.972

Council Tax Income

25. The following section provides further information on our Council Tax levels from 1st April 2021.
26. To fund our spending plans which are inclusive of levies from external bodies to support functions such as transport and flood defence, we need to increase **our proportion of the borough's Council Tax** in 2021/22 to raise **£65.545m**. The overall council tax level set for the borough includes precepts for the Tyne & Wear Fire and Civil Defence Authority and Northumbria Police and Crime Commissioner. From 2017/18 Councils with responsibility for adult social care have been given the ability to raise council tax by an additional levy to cover a funding shortfall in this area. The figures below include a 3% increase in respect of Adult Social Care and a 0.95% annual increase. Due to the pressures within Adult Social Care, there will still remain a significant funding gap.
27. Tyne & Wear Fire and Civil Defence Authority and the Northumbria Police and Crime Commissioner have confirmed a precept increase of 1.99% and 4.99% respectively.

What are the Council's revenue spending plans?

28. The table below identifies the Council Tax for each property band:

2021/22 Borough Council Tax						
	Band Weighting	% of Properties in Each Band	South Tyneside Council £	Fire Authority £	Police & Crime Commissioner £	TOTAL £
Band A Properties	6/9	63.4	1,128.93	57.09	95.89	1,281.91
Band B Properties	7/9	14.2	1,317.07	66.61	111.88	1,495.56
Band C Properties	8/9	11.8	1,505.23	76.12	127.86	1,709.21
Band D Properties	1	6.5	1,693.38	85.64	143.84	1,922.86
Band E Properties	11/9	2.5	2,069.69	104.67	175.80	2,350.16
Band F Properties	13/9	1.0	2,445.99	123.70	207.77	2,777.46
Band G Properties	15/9	0.5	2,822.31	142.73	239.73	3,204.77
Band H Properties	18/9	0.1	3,386.76	171.28	287.68	3,845.72
Percentage increase from 2020/21			3.95%	1.99%	4.99%	3.94%

What are the Council's revenue spending plans?

South Tyneside Council Tax for 2021/22

29. The Council Tax increase for the borough is shown in the table below for each property band.

2021/22 Borough Council Tax	Band Weighting	South Tyneside Council 2020/21	South Tyneside Council 2021/22	Fire Authority 2020/21	Fire Authority 2021/22	Police & Crime Commissioner 2020/21	Police & Crime Commissioner 2021/22	Borough Council Tax 2020/21	Borough Council Tax 2021/22
Band A Properties	6/9	£1,086.02	£1,128.93	£55.98	£57.09	£91.33	£95.89	£1,233.33	£1,281.91
Percentage increase			3.95%		1.99%		4.99%		3.94%
Annual increase			£42.91		£1.11		£4.56		£48.58
Weekly increase			£0.83		£0.02		£0.09		£0.93
Band B Properties	7/9	£1,267.02	£1,317.07	£65.31	£66.61	£106.56	£111.88	£1,438.89	£1,495.56
Percentage increase			3.95%		1.99%		4.99%		3.94%
Annual increase			£50.05		£1.30		£5.32		£56.67
Weekly increase			£0.96		£0.02		£0.10		£1.09
Band C Properties	8/9	£1,448.02	£1,505.23	£74.64	£76.12	£121.78	£127.86	£1,644.44	£1,709.21
Percentage increase			3.95%		1.99%		4.99%		3.94%
Annual increase			£57.21		£1.48		£6.08		£64.77
Weekly increase			£1.10		£0.03		£0.12		£1.25
Band D Properties	1	£1,629.03	£1,693.38	£83.97	£85.64	£137.00	£143.84	£1,850.00	£1,922.86
Percentage increase			3.95%		1.99%		4.99%		3.94%
Annual increase			£64.35		£1.67		£6.84		£72.86
Weekly increase			£1.24		£0.03		£0.13		£1.40
Band E Properties	11/9	£1,991.04	£2,069.69	£102.63	£104.67	£167.44	£175.80	£2,261.11	£2,350.16
Percentage increase			3.95%		1.99%		4.99%		3.94%
Annual increase			£78.65		£2.04		£8.36		£89.05
Weekly increase			£1.51		£0.04		£0.16		£1.71
Band F Properties	13/9	£2,353.04	£2,445.99	£121.29	£123.70	£197.89	£207.77	£2,672.22	£2,777.46
Percentage increase			3.95%		1.99%		4.99%		3.94%
Annual increase			£92.95		£2.41		£9.88		£105.24
Weekly increase			£1.79		£0.05		£0.19		£2.02
Band G Properties	15/9	£2,715.05	£2,822.31	£139.95	£142.73	£228.33	£239.73	£3,083.33	£3,204.77
Percentage increase			3.95%		1.99%		4.99%		3.94%
Annual increase			£107.26		£2.78		£11.40		£121.44
Weekly increase			£2.06		£0.05		£0.22		£2.34
Band H Properties	18/9	£3,258.06	£3,386.76	£167.94	£171.28	£274.00	£287.68	£3,700.00	£3,845.72
Percentage increase			3.95%		1.99%		4.99%		3.94%
Annual increase			£128.70		£3.34		£13.68		£145.72
Weekly increase			£2.48		£0.06		£0.26		£2.80

* Percentage change is inclusive of a 3% increase as permitted by Government towards the rising cost of adult social care

What are the Council's capital spending plans?

Capital Investment Programme

The Capital Investment Programme sets out our investment plans over the next 5 years to support regeneration and achieve our priorities as set out in our South Tyneside Vision. This will be underpinned by our asset delivery model, which uses our resources as efficiently and effectively as possible to ensure services are provided in areas where they are needed.

The programme is financed by a mixture of external funding, Government grants, borrowing and capital receipts from sales of our assets. These receipts are generated through the disposal of Council land and buildings that are surplus to Council requirements. The target level of borrowing is affordable and consistent with our revenue budget forecasts.

External funding streams have been secured to support the funding of the programme. These include regional funds applied locally to support the overarching economic objectives of the wider region. New and innovative funding sources exploiting the value within our assets are being explored to provide the finance to deliver the Council's ambitions.

Strategic Outcome: A regenerated South Tyneside with increased business and jobs

We want South Tyneside to be a place that is attractive, prosperous, well-connected and business friendly. We want new businesses to set up here, existing businesses to grow and more high quality jobs for our residents.

We target our interventions to help unlock the potential of our businesses and sites, and connect all our communities and residents with employment and enterprise opportunities. These will be focused on those sectors and clusters that are strategically important to the economic growth of the borough in terms of increased employment and Gross Value Added (GVA). The key to this investment and growth is our ability to exploit the key strategic assets of the River Tyne, the A19 strategic employment corridor and to maximise the opportunities along the foreshore and within our key urban centres and smaller towns and villages.



The International Advanced Manufacturing Park (IAMP) seeks to expand upon the existing North-East automotive manufacturing hub to enable a step change in South Tyneside's economic growth and continue the strong local track record of high quality, adaptable manufacturing. Work on the site is making good progress and the construction work to install the infrastructure required for the first phase of IAMP is now complete. This included the creation of a 1,500 metre highway with two access points along with the installation of pathways, kerbing, telecoms and utilities.

What are the Council's capital spending plans?

Environmental mitigation works have also been undertaken through drainage and landscaping as well as the creation of four attenuation ponds. As an internationally respected destination for advanced manufacturing and European scale supply chain industries, new occupants have confirmed their location on site.

This National Significant Infrastructure Project will be a planned and sustainable employment location that maximises links with Nissan and other high value automotive industries, including around 392,000m² of commercial space, set alongside new infrastructure and services.

The Council's 'South Shields 365' vision is already improving the appearance and functionality of the town centre and will provide new retail and family leisure facilities, better transport links and improved public spaces. The Word and Market Place completed in phase 1 and the new Transport Interchange completed in phase 2 have been well received by residents and visitors alike. Building on this success, focus now turns to the delivery of Phase 3. The forthcoming year will see the completion of the new DWP building at Mile End Road and the relocation of businesses to alternative premises within the town centre. The next phase of demolition work will also be underway providing the cleared sites required for subsequent phase 3 development work to commence.



In conjunction with the South Shields 365 vision the Council have submitted a business case to the Future High Streets Fund for grant contributions towards the redevelopment of three town centre locations. Firstly, Fowler Street improvement will see the acquisition of empty properties and the demolition of the former Central Library in anticipation of new dwellings construction. The remaining two locations will focus on the revitalisation of King Street and the development of new residential units in the Queen Street area following the acquisition of a block of large,

empty units around the former B&M site. The proposed development will help create a more attractive environment that ensures a diverse range of businesses are attracted to the area, improving economic growth and helping retain and grow the existing retail and leisure core.

What are the Council's capital spending plans?

Key Delivery Priorities

- **Regeneration of Town Centres and Villages**
- **Economic Growth and New High Quality Jobs**
- **Support and Develop Key Sectors**
- **Educate, Retain and Attract Young People**
- **Maximise the Impact of the Riverside Assets and the A19 Corridor**
- **Promote the Area as Best for Business**

South Tyneside Council's vision is to transform Holborn into a vibrant mixed use riverside location on the edge of South Shields Town Centre, incorporating around 355 new dwellings and 200,000 sqft of new Grade A office space. This will see the development of a sustainable business and residential community which broadens the South Tyneside offer and builds



upon the Council's ongoing investment in South Shields Town Centre, Riverside and Foreshore. The site and its surrounds comprise some 10 hectares of land, of which 4.66 hectares are identified as an Enterprise Zone. The first phase of new houses is expected to commence in summer 2021.



Complementing the Holborn development is The Glassworks – an exciting new office development on vacant land at Mill Dam, next to One Harton Quay and Harton Quays Park. Subject to securing planning consent, work is expected to commence in autumn 2021, with the first new tenants being welcomed towards the end of 2022. The building will provide approximately

45,000 sqft of lettable space to provide much needed employment opportunities in South Shields town centre.

Strategic Outcome: Better Housing and Neighbourhoods

We want South Tyneside to be clean, sustainable, green and safe, with a housing market and local services that offer affordability, quality and choice. We want to devolve more power to local communities and encourage residents to get involved in making their communities better.

What are the Council's capital spending plans?

In partnership with South Tyneside Housing Ventures Limited, we have built new affordable homes for rent and through the Empty Homes programme, refurbished over 50 derelict properties on housing estates across the borough. This investment not only adds value to our economic growth and regeneration ambitions but also improves the borough as a whole for the people who live here. Our ambition is to meet the demand for up to 10,000 new homes over the next 20 years. A new development of 36 homes has been completed at Whitburn Towers, Whitburn, where tenants have now moved in and are enjoying their fantastic new homes.



Planning was approved for our latest development in Henderson Road, Simonside, and the team are on site now which will see 6 new properties built. Work is well underway with an anticipated completion for Autumn 2021.

The new Council owned housing development company, Centaurea Homes Limited, is developing 62 new family homes on the Lakes Estate in Jarrow for sale. A number of plots have already been secured and a sales area will be completed early in 2021.

The borough will lead the way in the generation of renewable energy, building on existing new build projects and ongoing energy efficiency schemes. We will use our residential and community assets to their greatest effect and will work alongside partner local authorities to lever external investment.



Key Delivery Priorities

- **Housing Integration and Growth**
- **Investment in Neighbourhoods**
- **Reduce the Number of Long-term Empty Properties**
- **Improve Access to Schools, Services and Jobs**
- **Sufficient and Suitable Accommodation for Older People**
- **Reduce Crime and Disorder and Improve Perceptions**
- **Community and Civic Buildings**
- **Reducing Waste to Landfill, Increase Recycling and Reduce Our Carbon Footprint**

What are the Council's capital spending plans?

South Tyneside Council has a clear ambition to start building its own Council homes to help address the housing need in the borough and has a vision to create 250 new homes in the future for rent. The Council would also like to see provision for extra care facilities within the borough, providing future proof care facilities for those residents that need it most and allowing them to remain within the borough.

Since the completion of the Decent Homes works in December 2016, South Tyneside Homes have progressed to a planned maintenance programme to maintain properties at the South Tyneside Decency Standard, which far exceeds that set by the Government.



An integral part of the Housing Capital Programme is to ensure that the homes we maintain are safe for the tenants within them and that they are compliant with all regulations. This investment is complimented by a wide range of environmental improvements on estates throughout the borough and, where necessary, selective demolition of unsuitable properties to aid estate regeneration.

2020-21 delivered investment of £11.7m ensuring that homes are maintained to the South Tyneside Decency Standard and ensuring all our homes are safe. Works included (but not limited to) properties benefitting from replacement kitchens, bathrooms, heating as well as roof and window replacements.

South Tyneside Council will continue to invest in Council owned properties with a programme being developed for 2021-22 which will see around £16.5m invested in areas across the borough to ensure that homes are safe, decent and affordable for our customers, whilst ensuring sustainability across the borough. The stock condition surveying programme, which is underway, will allow more robust investment planning for the next 5 years and even inform the development of a 30 year investment plan for the future to assist the Council in meeting its strategic objectives.

To support the Council's Environmental Agenda, insulation and Energy Performance Surveys are being carried out to a mixed percentage of the housing stock to assist the gathering of information which will inform any future works in the borough and to support external funding bids. The Council's aim is to have all Council housing to be at a Band 'C', or better, for energy rating by 2030.



What are the Council's capital spending plans?

In recent months the Government announced the provision of external funding availability for Local Authorities. The Social Housing Decarbonisation Fund (SHDF Fund) is a £50m programme to support social landlords to demonstrate innovative approaches to retrofitting environmental measures to social housing at scale. There is also the Green Homes Grant, which is a £300m allocation for Local Authorities to deliver targeted energy efficiency measures. This funding is aimed at low income households with E, F or G rated properties and can be either single or a range of measures per household.

Should South Tyneside be successful in securing external funding, this would see homes benefit from additional measures to enhance their energy efficiency, such as a cavity wall insulation programme, "A" rated triple glazed windows and external doors, plus the potential for renewable heat technology for example, solar roofing. The aim is to provide warmer, more energy efficient homes, a reduction in households' energy bills and lower carbon emissions.



The Council's bid to improve our neighbourhoods for its residents includes tackling anti-social behaviour, in particular around Chichester and Tyne Dock Metro stations. The current access to the stations and seating arrangements are potentially exacerbating the problem and so we will be carrying out a number of improvement works to resolve this. In terms of the public realm improvements, the Council will improve access to both Metro stations and reconfigure the seating arrangements. The provision of an increased parking offer to act as a drop off/pick up point, along with formalised

parking provision for taxi operators, will further improve accessibility. Finally we will increase the CCTV coverage within the vicinity of the Metro stations and seek to reduce the existing vegetation to ensure a more comfortable and secure customer experience.

The Council are looking to remodel South Shields Crematorium to compliment recent works already completed on the entrance canopy and the extended car park. The current facility is unable to cope with larger funerals, with mourners having to stand outside and watch services on TV screens. A feasibility study has been carried out on the possible infilling of the internal courtyard which would double the capacity of the chamber, thus allowing the Council to better cater for larger funerals.



What are the Council's capital spending plans?

Our spending plans include a significant increase in funding on resurfacing of roads and the continued flags to flexible programme which is substantially improving the condition of our footpaths. This is recognised as a high priority as expressed by resident feedback.

Strategic Outcome: Clean and Green Environment

On the 18th July 2019, the Council declared a Climate Change Emergency. The motion declared a pledge to take all necessary steps to make South Tyneside Council carbon neutral by 2030. Our commitment towards climate change is strong and focused; implementing strategies that bring about real change, significantly reducing the amount of carbon being emitted, while increasing our renewable capabilities moving to a cleaner, greener renewable source for our energy supplies. Emphasis will also be placed on how residents interact with their neighbourhoods, providing joined up services that promote civic pride and responsible citizenship.

Key Delivery Priorities

- **Reducing emissions from Council buildings**
- **Providing opportunities for increased implementation of renewable and low carbon technologies**
- **Providing opportunities for decentralised energy and heating across the borough**
- **Ensuring the protection and development of a diverse and natural environment**
- **Championing and influencing positive behaviour changes, raising awareness on climate change challenges**
- **Supporting the transformation of travel behaviours, embracing sustainable, active and healthier modes of travel**
- **Raising the profile and implementation of carbon reduction and adaptations across the borough**
- **Championing and supporting the development of a low carbon, sustainable and resilient borough**



The Council are embarking on a number of initiatives to reduce emissions and invest in renewable energy schemes and the main project currently underway is the Viking Energy Network Jarrow. This project redevelops derelict land at Jarrow Staithes into the starting point of a district energy network. This will feed into houses and civic buildings in Jarrow, with scope to expand into other areas.

Drawing low grade heat from the River Tyne, this will then be upgraded using emerging heat pump technology. The project aims to lower fuel costs for council buildings and residents as well as lowering greenhouse gas emissions for public buildings. The scheme has attracted European Funding through ERDF and the Council's 5 year capital programme already includes a further Energy Network to be developed in Hebburn.

What are the Council's capital spending plans?

In a bid to encourage road users towards more sustainable forms of transport the Council is looking at public transport accessibility and intends to bring forward significant improvements in the form of a Strategic Bus Corridor from South Shields through to the Boldon Colliery area which will support and sustain bus journeys into the city centres of Newcastle and Durham. The proposed strategic transport bus corridor involves a number of junction improvements. Further to this, the Council will look to introduce a series of bus lanes which will improve the journey time, reliability and punctuality of bus services.



Street lighting has been a key priority of the Council with significant improvements being delivered through the replacement of existing sodium street lights to light-emitting diodes (LEDs). The previous phase replaced all the high power fittings, including those of heritage and architecturally special design. This next phase will see the replacement of a further 2,700 fittings which will significantly reduce

energy usage, generate cost savings, while adding the benefit of improving visibility to pedestrians and road users, thus improving safety. The whiter light has also left residents with a feeling of improved security and general well-being.

Strategic Outcome: Stable and Independent Families

We want to ensure that children, adults and families in South Tyneside are healthy and happy, with the education, skills and resilience to become the best that they can be. We will support families to ensure that our children and young people have a safe and positive start to their lives.

We want South Tyneside's children and families to get the best start in life, remain healthy and aspire to a brighter future. To ensure everyone reaches their full potential, we will work with partners to provide the best possible learning opportunities, with targeted protection, care and support for those in greatest need.

This is the vision we have developed for children and young people in South Tyneside. Our Best Start in Life Strategy, sets out our commitment and approach to improving the lives of children and families in South Tyneside.

Key Delivery Priorities

- **Safer and Stronger Families in Healthier Communities**
- **Enterprise Learning and Skills**
- **Healthier Communities**

What are the Council's capital spending plans?

At present there is a shortage of places in the borough for children and young people who are looked after by the Council and currently we are compelled to source placements out of borough. This has a significant impact for young people in terms of attachment and personal development as these placements are more likely to break down. To address this the Council are developing plans for a new placement project to provide a safe and supportive home where young people with complex needs can settle well and achieve in education and employment. The facility will be a source of supported accommodation with practical and emotional support for young care leavers to enable them to transition into adulthood. The added benefits for the young people are significant and this model has been shown to achieve the balance of privacy and shared living which enables young people to develop their resilience and skills for independence.



The review of provision for pupils with special educational needs within South Tyneside identified the need for Epinay School to relocate to a larger site. The opportunity has arisen to move the school to the former South Shields School site from its current premises in Jarrow. The building will be partitioned to create an environment suitable for a 4 – 18 year old intake with new outdoor play areas and internal spaces. The expansion of provision for children with special educational needs will help to retain

children who otherwise may have to travel out of borough. This will enable children to be educated closer to home with provision that will support their needs. Epinay School are keen to develop the ancillary green space (and pond) as a wildlife, woodland walk and forest school to provide stimulation for the pupils amongst a variety of ecosystems.

Strategic Outcome: Healthier People

Investment in road safety will continue with a particular focus around pedestrian safety and the introduction of 20mph speed limits. The capital funding will help provide safer routes for all vulnerable road users as well as encourage healthier forms of travel like walking and cycling.

Key Delivery Priorities

- **Giving Every Child A Good Start in Life**
- **Increase Healthy Life Expectancy**
- **Better Employment Prospects for Young People**
- **Reduce Social Isolation amongst Older People**
- **Integrate Health and Social Care Services**

What are the Council's capital spending plans?

- **New Services for Children and Adults**
- **Community and Civic Buildings**

To encourage residents to get active and enjoy the great outdoors the Council have continued its restoration of the North Marine Park to its Victorian splendour. With grant support from the National Lottery Heritage Fund the works have helped deliver a high quality park environment which enhances the tourism offer linked to South Shields 365. It is anticipated that the completion of the park will help to attract more visitors to the foreshore as well as enhancing the tourism offer of the events programme throughout the summer festival.



Innovation and Efficiency

We need to be clear about how we support and underpin the delivery of our priorities by investing in our future and managing our resources effectively. The current economic climate means that achieving value for money and efficiency in our services will be more important than ever. Our new operating model has a clear focus on delivery, and we are innovating and changing how we do things so we can deliver our priorities in the most efficient way.



Over the previous 3 years significant investment has been directed towards the replacement of the Council's refuse collection fleet and 20 new refuse vehicles were delivered from the 26 vehicles required to operate the service. The programme going forward allows for the remainder of the Waste and Highways heavy vehicle fleet and the Council's light van stock to be replenished. This fleet replacement programme will enable us to reduce repair costs and also reduce CO2 emissions both for the Council and for our businesses to whom we provide waste and

recycling collections, as well as providing an improved recycling service, more responsive to local needs. New vehicles will mean less breakdowns and time out of service for repairs and will ensure that waste services can be delivered on the scheduled collection day. The replacement programme covers 5 years and includes the purchase of 8 heavy vehicles and 20 medium/light vehicles. In addition the Council have built plans to invest in new gritters into the capital programme. Due to the nature of the usage of these vehicles they are particularly susceptible to problems arising from the salt in and around the vehicle and so will be replaced so as to maintain safety on our roads.

What are the Council's capital spending plans?

We will ensure that the corporate Digital and ICT infrastructure is refreshed, secure and resilient and that the public, services and employees can access the Information, Digital and ICT systems that they need to deliver services and strategic outcomes. Some of our projects are cyclical and reflect the need to regularly refresh technologies to maintain resilience, performance and security. 2020 has been particularly challenging in ensuring as many staff as possible have been able to access the Council's network from their own home and have the correct hardware to make this possible. The refresh and upgrade (hardware, software and connectivity) has already commenced and the beginning of a transition to an increased use of Cloud infrastructure will be part of the cycle. We will also be procuring and implementing new tools and applications both for the Digital and ICT service and for frontline service provision across the Council to encourage the uptake of digital services so that resources can be redirected into priority service areas.



What are the Council's capital spending plans?

30. The Capital Investment Programme outlined by priority and year is set out in the table below.

Capital Investment Strategy 2021-26							
Strategic Outcome 1 : A regenerated South Tyneside with increased business and jobs							
		2021/22	2022/23	2023/24	2024/25	2025/26	Total
Ref	Project Name	£m	£m	£m	£m	£m	£m
ER01	International Advanced Manufacturing Park	12.818	12.584	10.388	-	-	35.790
ER02	Holborn	9.300	9.300	5.100	5.100	5.100	33.900
ER03	South Shields 365	9.850	11.070	11.070	-	-	31.990
ER04	The Glassworks	8.990	2.500	-	-	-	11.490
ER05	Future High Streets	3.948	3.888	0.955	-	-	8.791
ER06	Jarrow Business Centre	0.233	0.467	-	-	-	0.700
ER07	Major Transport Schemes	0.100	0.100	0.100	0.100	0.100	0.500
		45.239	39.909	27.613	5.200	5.200	123.161
Strategic Outcome 2 : Better Housing and Neighbourhoods							
		2021/22	2022/23	2023/24	2024/25	2025/26	Total
Ref	Project Name	£m	£m	£m	£m	£m	£m
BHN01	Housing Ventures	5.000	5.000	5.000	5.000	5.000	25.000
BHN02	Centaurea Homes	3.000	3.000	3.000	3.000	3.000	15.000
BHN03	Local Transport Plan Budgets	2.351	2.351	2.351	2.351	2.351	11.755
BHN04	Road Resurfacing	2.000	2.000	2.000	2.000	2.000	10.000
BHN05	Flags to Flexible Footway Programme	2.000	2.000	2.000	2.000	2.000	10.000
BHN06	Whitemare Pool Junction Improvements	0.200	4.000	-	-	-	4.200
BHN07	Transport Infrastructure	2.600	-	-	-	-	2.600
BHN08	Healthier/Smarter Metro Stations	1.430	1.080	-	-	-	2.510
BHN09	CAF Environmental Works	0.500	0.500	0.500	0.500	0.500	2.500
BHN10	Litter Bins / Recycling	0.100	0.100	0.100	0.100	0.100	0.500
BHN11	Remodelling of Crematorium	0.250	-	-	-	-	0.250
BHN12	Highway Structures	0.250	-	-	-	-	0.250
HC01	Decent Homes	10.400	11.200	11.150	11.200	10.700	54.650
HC02	Programme Fees - Housing Capital	1.100	1.100	1.100	1.100	1.100	5.500
HC03	Voids	1.000	1.000	1.000	1.000	1.000	5.000
HC04	Disabled Adaptations	0.900	0.900	0.900	0.900	0.900	4.500
HC05	Public Sector Housing Other	3.500	2.600	1.000	0.800	0.800	8.700
		36.581	36.831	30.101	29.951	29.451	162.915
Strategic Outcome 3 : Clean and Green Environment							
		2021/22	2022/23	2023/24	2024/25	2025/26	Total
Ref	Project Name	£m	£m	£m	£m	£m	£m
CG01	Strategic Bus Corridor	1.400	9.650	6.200	-	-	17.250
CG02	Hebburn Mine Water Project	1.665	5.890	0.200	-	-	7.755
CG03	Viking Energy Network Jarrow	1.410	-	-	-	-	1.410
CG04	Intelligent Transport Solutions	0.500	0.500	-	-	-	1.000
CG05	LED Street Lighting	1.000	-	-	-	-	1.000
CG06	Road Safety Improvements around Schools	0.100	0.100	0.100	-	-	0.300
		6.075	16.140	6.500	-	-	28.715
Strategic Outcome 4 : Stable and Independent Families							
		2021/22	2022/23	2023/24	2024/25	2025/26	Total
Ref	Project Name	£m	£m	£m	£m	£m	£m
SIF01	Disabled Adaptations	1.691	1.691	1.691	1.691	1.691	8.455
SIF02	New Placement Project for Children and Young People	1.000	1.250	-	-	-	2.250
SIF03	Schools Devolved Formula Capital	0.339	0.339	0.339	0.339	0.339	1.695
SIF04	Relocation of Epinay School	0.500	-	-	-	-	0.500
		3.530	3.280	2.030	2.030	2.030	12.900

What are the Council's capital spending plans?

Strategic Outcome 5 : Healthier People		2021/22	2022/23	2023/24	2024/25	2025/26	Total
Ref	Project Name	£m	£m	£m	£m	£m	£m
HP01	Playing Fields Strategies	1.000	-	-	-	-	1.000
HP02	North Marine Park	0.158	0.078	0.086	-	-	0.322
HP03	Pedestrian Safety Works	0.050	0.050	0.050	0.050	0.050	0.250
		1.208	0.128	0.136	0.050	0.050	1.572
Innovation and Efficiency		2021/22	2022/23	2023/24	2024/25	2025/26	Total
Ref	Project Name	£m	£m	£m	£m	£m	£m
IE01	Asset Management	2.614	2.614	2.614	2.614	2.614	13.070
IE02	Digital and ICT	2.000	2.000	2.000	2.000	2.000	10.000
IE03	Fleet Vehicle Replacement Programme	1.250	1.250	1.250	1.250	1.250	6.250
IE04	Wheeled Bin Replacement Programme	0.100	0.100	0.100	0.100	0.100	0.500
IE05	Securing Vacant Buildings	0.100	0.100	0.100	0.100	0.100	0.500
IE06	Demolitions	0.100	0.100	0.100	0.100	0.100	0.500
IE07	Fleet Replacement Programme - Gritters	0.190	-	0.190	-	-	0.380
IE08	Resurfacing of Car Parks	0.050	-	-	-	-	0.050
		6.404	6.164	6.354	6.164	6.164	31.250
TOTAL		99.037	102.452	72.734	43.395	42.895	360.513

Capital Funding

31. The table below summarises our capital funding estimates for 2021/22 and provisional funding estimates for 2022/23 to 2025/26.

Capital Programme By Funding	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
Council General Fund Programme						
External Funding	47.102	45.933	30.438	13.995	13.495	150.963
Capital Receipts	3.000	3.000	2.000	3.000	2.000	13.000
Revenue Contribution to Capital	1.000	1.000	1.000	1.000	1.000	5.000
Borrowing	30.035	34.719	23.146	9.400	10.900	108.200
TOTAL Council General Fund Programme	81.137	84.652	56.584	27.395	27.395	277.163
Housing Programme (funded from the Housing Revenue Account)						
Revenue Funding of Decent Homes Maintenance	17.900	17.800	16.150	16.000	15.500	83.350
TOTAL Housing Programme	17.900	17.800	16.150	16.000	15.500	83.350
COMBINED Housing and General Fund	99.037	102.452	72.734	43.395	42.895	360.513

2021/22 Minimum Revenue Provision Policy Statement

32. The Minimum Revenue Provision (MRP) is the charge made to the revenue account to reflect repayment of borrowing over the useful life of the assets that have been funded from that borrowing. The Council has regard to the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003 and any subsequent updates.
33. MRP is charged in the year following that in which an asset is brought into use.
34. MRP will be spread over a period which reflects the life/beneficial use of the asset and is normally no more than 50 years. A longer life may be given if it is deemed by a professional that the asset life will exceed 50 years.
35. These periods are determined for MRP purposes only, and the Council may account for depreciation of assets differently under the Code of Practice on Local Authority Accounting, after having had regard to the different conditions that apply for such accounting purposes.
36. The Council has in place a £65m loan finance facility with South Tyneside Housing Venture Trust Limited. MRP will be charged to match the annuity loan repayment profile from the Company over the life of any loans issued as part of this agreement. Should the Council wish to switch the type of loan repayment profile to Equal Instalments of Principal then the Council reserve the right to do this. The Council also has a £6m finance agreement with Centaurea Homes Limited. MRP will be charged in the year the loans are repaid and will match the value of the principle repayment. For any future finance agreements that the Council enters into, the MRP charged will be matched to the loan repayment profile, including for PFI and finance lease arrangements.
37. The Council also determines that available resources for financing capital expenditure, such as capital receipts and external funding, will be applied to new expenditures in a manner that is considered appropriate in any financial year. For example, it will be considered financially efficient to apply such resources in the first instance to expenditures that have a shorter estimated lifespan. Capital receipts may also be utilised to partially offset some or all of the MRP charge due for the year.
38. It is the Council's intention to either apply housing receipts to appropriate capital schemes or to use them as a means of repaying debt, whichever is deemed more appropriate.
39. In cases where expenditure is incurred on only part of a scheme which is not completed by the year end, any grant or similar financing resources will be either allocated to other new expenditures or carried forward as appropriate. Final decisions regarding the manner in which such resources are to be allocated to schemes will be taken under delegated powers.

How will the Council manage financial risk?

40. Over the medium term the Council faces continuing financial pressures and has refocused its priorities and built challenging budget redirections and savings targets into the spending plans for 2021 to 2026. The Council carefully identifies the things that could go wrong and might undermine the MTFP.
41. To do this an assessment is made of what the impact would be if these things happen and how likely they are to happen. The Council ensures that it has plans in place in case things do not turn out as expected. This is part of our risk management strategy, which underpins all that we do, not just our financial plans.
42. The significant financial risks are identified on the Council's strategic risk register. They have all been assessed as part of the strategic planning process. These risks are being actively managed and the estimated financial implications have been built into this Medium Term Financial Plan.
43. Some of our strategic risks have been assessed as particularly uncertain with a potentially significant financial impact. Reserves have been established for these risks.
44. The following table identifies the key risks to the delivery of the MTFP, the actions taken (within this financial plan) and the actions proposed to reduce the impact of these risks on the Council's future financial position.

Strategic Financial Risk and Risk Management

Risk to the delivery of the MTFP	Risk Managed by:	Risk Rating
Risk that the demand for services (adults and children) could increase further than estimated and that the volatile demand led budgets are not rigorously managed.	Revenue spending is monitored on a monthly basis as part of the Council's corporate performance monitoring framework. Strategies to support independence, choice, early intervention and sustainability have been developed and are being implemented.	High
The Council is unable to deliver its financial plans.	The achievement of the MTFP is imperative and is monitored every month as part of our performance monitoring process incorporating challenge to budget holders and corporate oversight.	Medium
Future government plans to revise the system of funding for local government may result in a reduction in resources greater than already forecast.	Future changes to the funding system will be analysed and the impact on resources will be factored into the MTFP. With partners we are campaigning for fair funding.	Medium
The costs of commissioned care may increase due to the national living wage.	The Council has anticipated cost pressures in this area within its financial plans.	Medium

How will the Council manage financial risk?

Risk to the delivery of the MTFP	Risk Managed by:	Risk Rating
Financial pressures in the national health service resulting in additional social care costs.	Integrated working with health partners across the whole system of health and social care is embedded.	Medium
Risk that South Tyneside Council will be placed at a disadvantage following EU exit in both financial and economic growth terms. The full extent of the impact will not be clear until we know the precise exit terms.	Prudent assumptions around future government funding have been built into the MTFP and we are actively localising our supply chains where possible to reduce risk.	Medium
Uncertainty over the future funding of the capital programme.	We maximise the availability of capital receipts and external funding to support the capital programme thereby reducing the call on Council borrowing. Affordability of borrowing is regularly assessed and monitored.	Medium
Emergency event occurs e.g. major flooding incident / loss of ICT systems / significant traffic incident / flu pandemic which incurs additional unbudgeted costs and loss of income.	During the Covid-19 pandemic we lobbied for and received additional funding from Government. Where additional funding wouldn't be received the Council maintains a Strategic Reserve to meet unforeseen liabilities. This is anticipated to be £3m at April 2021.	Medium

Our risk – based reserves policy

45. The Council aims to establish reserves based on financial risk and limit the use of reserves to support on-going spending. The policy is summarised below:

South Tyneside Council Reserves Policy

- **General Reserve** established to support future spending plans and one-off spending;
- **Strategic Reserve** is established to cover emergency events such as unforeseen financial liabilities or natural disasters. This reserve will be maintained at a minimum of 2% of the Council's net revenue budget. This is the recommended minimum amount of reserves that should be retained by the Council as a contingency;
- **Other Earmarked Reserves** are held to meet possible shortfalls in the Council's revenue budget from the reduction in Government funding expected over the coming years, managing the impact of our strategic financial risks materialising including the impact of Covid-19 and in particular to support the volatile demand led budgets in adult care and services for children as well as to fund the future cost of known liabilities e.g. insurance claims, payments due under PFI contracts and equal pay claims.
- **School Reserves** are cash balances held on behalf of schools;

How will the Council manage financial risk?

46. The level of Council reserves is reviewed annually in line with CIPFA guidance on Local Authority Reserves and Balances (LAAP Bulletin 77 – November 2008). Now updated by LAAP bulletin 99
47. Our forecast of the Council reserves at 31st March 2021 is as shown in the table below.

Council Reserves	General Reserve £m	Strategic Reserve £m	Earmarked Reserves £m	School Reserves £m	Total Reserves £m
Balance as at 31st March 2020	4.898	3.021	34.882	(2.185)	40.616
Planned use of Reserves in 2020/21	-	-	(0.366)	-	(0.366)
Estimated Balance as at 31st March 2021	4.898	3.021	34.516	(2.185)	40.250

48. The following table identifies the planned use of Council reserves during 2021/22 to 2025/26.

Council Reserves	General Reserve £m	Strategic Reserve £m	Earmarked Reserves £m	School Reserves £m	Total Reserves £m
Estimated Balance as at 31st March 2021	4.898	3.021	34.516	(2.185)	40.250
Planned Use of Reserves in 2021/22	-	-	-	0.500	0.500
Estimated Balance as at 31st March 2022	4.898	3.021	34.516	(1.685)	40.750
Estimated Balance as at 31st March 2022	4.898	3.021	34.516	(1.685)	40.750
Planned Use of Reserves in 2022/23	-	-	-	0.500	0.500
Estimated Balance as at 31st March 2023	4.898	3.021	34.516	(1.185)	41.250
Estimated Balance as at 31st March 2023	4.898	3.021	34.516	(1.185)	41.250
Planned Use of Reserves in 2023/24	-	-	-	0.500	0.500
Estimated Balance as at 31st March 2024	4.898	3.021	34.516	(0.685)	41.750
Estimated Balance as at 31st March 2024	4.898	3.021	34.516	(0.685)	41.750
Planned Use of Reserves in 2024/25	-	-	-	0.500	0.500
Estimated Balance as at 31st March 2025	4.898	3.021	34.516	(0.185)	42.250
Estimated Balance as at 31st March 2025	4.898	3.021	34.516	(0.185)	42.250
Planned Use of Reserves in 2025/26	-	-	-	0.500	0.500
Estimated Balance as at 31st March 2026	4.898	3.021	34.516	0.315	42.750

What are the Council's housing revenue spending plans?

49. The Housing Revenue Account (HRA) is required to be maintained by Councils who provide housing accommodation. It records the income and expenditure in relation to the management and maintenance of homes, and keeps this separate from other Council activity.
50. All rents collected are retained in this separate account; they support the management, day-to-day repairs and maintenance, and a capital investment programme which includes planned renewals, improvements to homes and major repairs.
51. South Tyneside Homes Limited have been delegated management of the housing service under the terms of a management agreement with the Council, approved by the Secretary of State under section 27 of the Housing Act 1985.
52. The Council retains a legal duty to set a budget, which avoids a deficit on the Housing Revenue Account, a duty which cannot be delegated. The Council also retains ownership of the homes, sets the level of rents and charges and is the landlord under the tenancy agreements.
53. The following table shows provisional HRA expenditure and income plans for the following 5 years.

Housing Revenue Account	Provisional Budget				
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Expenditure					
Management	19.496	19.868	20.248	20.636	21.033
Repairs & Maintenance	14.982	15.236	15.495	15.758	16.025
Rents, Rates, Taxes, Insurance	1.008	0.985	0.969	0.954	0.948
Provision for Bad Debts	1.160	1.205	1.204	1.389	1.116
Maintenance of Decent Homes	18.400	18.200	18.100	17.900	17.700
Debt Interest	10.717	10.667	10.494	10.523	10.523
Other Capital Charges	0.050	0.051	0.052	0.054	0.055
TOTAL Housing Revenue Account Expenditure	65.813	66.212	66.562	67.214	67.400
Income					
Rents - Dwellings	(61.604)	(62.604)	(63.613)	(65.977)	(65.656)
Income - Other Services / Property	(3.122)	(3.161)	(3.206)	(3.254)	(3.327)
Housing Related Support Charges	(0.293)	(0.296)	(0.375)	(0.379)	(0.382)
Contributions & Interest	(1.374)	(1.373)	(1.372)	(1.371)	(1.305)
TOTAL Housing Revenue Account Income	(66.393)	(67.434)	(68.566)	(70.981)	(70.670)
(Surplus) / Deficit on Housing Revenue Account	(0.580)	(1.222)	(2.004)	(3.767)	(3.270)

Housing Revenue Plans for 2021/22

54. Rent levels are proposed to increase on average in line with government guidelines. Surpluses on the account will be set aside for future investment and to manage income risks arising from welfare reforms such as universal credit.

Service Charges for 2021/22

55. Service charges for 2021/22 will be as set out in Appendix 3.

What are the Tyne and Wear Pension Fund's spending plans?

56. The Council administers the Local Government Pension Scheme for the Tyne and Wear and Northumberland county areas and is responsible for agreeing the Pension Fund budget each year. The cost of the Pension Fund does not fall directly on the Council Taxpayer.
57. As at 1st April 2020 the Northumberland County Council Pension Fund was merged into the Tyne and Wear Pension Fund. One consequence of the merger was the need to revise the budget initially agreed by Pensions Committee in February 2020. On 24th September 2020, a revised Pension Fund Budget was approved. This increased the overall budget from £110,078,400 to £127,788,100.
58. The table below summarises the spending plans for the Fund for 2021/22 and provisional spending plans for 2022/23 and 2023/24. This is due to be presented to the Pensions Committee for approval on 2nd February 2021.

Revised Budget Tyne and Wear Pension Fund 2020/21	Budget 2021/22	Provisional Budgets	
£m	£m	2022/23	2023/24
		£m	£m
122.282 Investment Management Expenses	129.268	133.230	128.047
1.587 Investment Office	1.516	1.345	1.344
123.869 Total Investment Office	130.784	134.575	129.391
3.302 Pensions Office	3.535	3.896	3.647
0.617 Governance and Funding Office	0.609	0.692	0.626
127.788 Total Pensions Service	134.928	139.163	133.664

59. The budget for 2021/22 shows an increase of £7.140m over the revised 2020/21 budget. An increase of £4.235m is projected for 2022/23 and a decrease of £5.499m is projected for 2023/24.
60. Investment management expenses dominate the budget. This budget has been formulated in line with industry best practice and is a full estimate of the fees, expenses and costs associated with the investment management of the Fund.
61. The table below analyses the budget proposal for the next three years.

	2021/22	2022/23	2023/24
	£m	£m	£m
Base Budget	127.788	134.928	139.163
Investment Management Expenses	6.986	3.962	(5.183)
Standstill Pressures	0.175	0.725	(0.489)
Budget Growth/New Initiatives	0.347	(0.051)	0.245
Savings	(0.368)	(0.401)	(0.072)
Revised Budget	134.928	139.163	133.664

62. The increase in investment management expenses is largely attributed to increased costs related to private market investments which typically attract higher fees than quoted assets, but also have produced greater investment returns net of fees. The Fund is expecting to increase its use of these type of investments over the next few years.

What are the Tyne and Wear Pension Fund's spending plans?

63. The Fund has a part ownership, along with ten other local authority pension funds, in an investment management company called Border to Coast Pension Partnership Ltd. This stems from a Government initiative whereby local government pension funds have been asked to combine their assets to create larger investment pools. As assets transfer to Border to Coast, costs are incurred. This however, should be offset by longer term savings and improved investment outcomes.
64. The fall in investment management expenses in 2023/24 is mainly a result of the cost of transferring assets to Border to Coast dropping out of the budget as the transfer of assets is completed.
65. As in previous years the standstill pressure increases in 2021/22 relate mainly to staffing costs and other inflationary increases included within contracts. In 2022/23, £0.500m has been included as the estimated cost of replacing the Pensions Administration System. These system costs relate to one year only and fall out of the budget in 2023/24.
66. Most of the growth in 2021/22 relates to costs that will be incurred on a project to update members pension records as a result of changes in the regulations arising from a legal case called "McCloud". This project should largely be completed in 2021/22 and the costs will therefore, drop out of the budget in 2022/23.
67. The savings shown in 2021/22 are primarily due to the cessation of pension contribution arrears payments following an improvement in the funding level, combined with the completion of a number of computer related projects including the ICT refresh project.

Evaluation and Review

Shaped to Deliver

68. With our strategic and financial plans made, we track our performance over the year and compare it with what we planned to do. We do this from the start to ensure that we can take corrective action, if needed, to get back on target.
69. Our framework includes a robust corporate performance monitoring and reporting system. It ensures we regularly and comprehensively monitor financial performance at service and corporate level.
70. Leadership Teams receive a monthly financial monitoring report from the finance service which reviews capital and revenue spending, and identifies actions to ensure spending remains within budget.
71. Senior officers review financial reports at a monthly performance, improvement and monitoring meeting with reports presented quarterly to Cabinet. Progress in delivering agreed efficiencies is monitored monthly with meetings held between finance staff and senior officers.
72. Regular budget monitoring is an important financial control to ensure that spending during the year is in line with budgets agreed by the Council. Each service budget has a named budget holder responsible for managing the budget and real time access to expenditure and income data.

Budget Transfers

73. During the year, budget holders may need to transfer budgets from one service area to another to reflect changed service needs or priorities.
74. A budget transfer is defined as a movement of budget between any budget service line identified in Appendix 1A of this report.
75. **Budget transfers between £100,000 and £250,000** must be discussed with the appropriate Cabinet Member(s) before a decision is taken by the responsible Corporate Director.
76. **Budget transfers between £250,000 and £1,000,000** require the approval of Cabinet.
77. **Budget transfers greater than £1,000,000** require the approval of full Council and must be proposed by Cabinet.

Appendix 1A: Council Revenue Budget 2021/22

Line Ref	Council Revenue Budget	Total Cost	Total Income	2021/22 Budget	Staffing 2021/22	
		£	£	£	No of Posts	FTE's
BUSINESS AND RESOURCES						
1	Strategy, Performance & Business Support	5,666,300	(1,635,120)	4,031,180	135	126.30
2	Corporate Finance / Benefits and Customer Services	96,639,170	(103,276,800)	(6,637,630)	158	146.46
3	Digital & ICT Services	5,398,900	(1,270,080)	4,128,820	60	58.47
4	Leisure and Libraries	8,128,600	(6,527,900)	1,600,700	275	183.95
5	Corporate Assurance	1,618,800	(1,212,040)	406,760	7	6.52
6	Legal, Election and Registration Services	2,441,600	(1,403,020)	1,038,580	39	33.07
7	Organisational Development	2,675,100	(1,236,660)	1,438,440	58	52.06
8	Tourism, Culture and Events	1,373,400	(222,600)	1,150,800	10	7.30
SUB TOTAL BUSINESS AND RESOURCES		123,941,870	(116,784,220)	7,157,650	742	614.13
PENSIONS						
9	Pensions Office	134,928,000	(134,928,000)	0	81	74.00
SUB TOTAL PENSIONS		134,928,000	(134,928,000)	0	81	74.00
TOTAL BUSINESS AND RESOURCES		258,869,870	(251,712,220)	7,157,650	823	688.13
REGENERATION AND ENVIRONMENT						
10	Environment	22,637,820	(9,982,390)	12,655,430	206	169.99
11	Economic Growth	6,124,000	(6,040,500)	83,500	28	24.81
12	Regeneration & Housing	23,392,230	(12,489,260)	10,902,970	356	220.71
13	Infrastructure & Transport	8,782,630	(9,886,700)	(1,104,070)	151	107.65
TOTAL REGENERATION AND ENVIRONMENT		60,936,680	(38,398,850)	22,537,830	741	523.16
CHILDREN, ADULTS AND HEALTH						
14	Children and Families Social Care	28,282,400	(5,534,200)	22,748,200	248	216.62
15	Learning and Early Help	128,834,900	(117,574,050)	11,260,850	662	466.43
16	Adult Social Care	90,122,600	(40,437,730)	49,684,870	271	235.23
17	Public Health	13,959,600	(287,500)	13,672,100	14	13.30
18	Commissioning & Quality Assurance	5,173,100	(2,511,600)	2,661,500	61	53.82
SUB TOTAL CHILDREN, ADULTS AND HEALTH EXCLUDING SCHOOLS		266,372,600	(166,345,080)	100,027,520	1,256	985.40
SCHOOLS DELEGATED						
19	Delegated Schools Budget	104,161,000	(104,161,000)	0	0	0.00
SUB TOTAL SCHOOLS DELEGATED		104,161,000	(104,161,000)	0	-	-
TOTAL CHILDREN, ADULTS AND HEALTH		370,533,600	(270,506,080)	100,027,520	1,256	985.40
TOTAL COUNCIL REVENUE BUDGET		690,340,150	(560,617,150)	129,723,000	2,820	2,196.69

Appendix 1B: Council Standstill Pressures 2021-26

Revenue Standstill Pressures / Investment	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Inflation					
Cost of living increase	2.000	1.600	1.600	1.600	1.600
Net Inflation on prices and income	3.485	3.978	3.978	3.978	3.978
TOTAL Inflation	5.485	5.578	5.578	5.578	5.578
Other Pressures					
Changes in employer pension contributions	-	-	1.000	-	-
Revenue Implications of Capital Programme	0.300	0.300	-	-	-
Adult Services Demographic Pressures	1.500	1.500	1.500	1.500	1.500
Children's Services Demand Pressures	1.000	-	-	-	-
Other Demand Pressures	1.144	-	-	-	-
Impact of Covid-19	1.526	-	-	-	-
Forecasted Pressures	-	0.612	(0.088)	0.912	0.912
TOTAL Other Pressures	5.470	2.412	2.412	2.412	2.412
Changes to External Grant					
Changes in External Funding	0.337	0.010	0.010	0.010	0.010
TOTAL Changes to External Grant	0.337	0.010	0.010	0.010	0.010
TOTAL Revenue Standstill Pressures	11.292	8.000	8.000	8.000	8.000

Appendix 2A: Council Capital Investment Programme 2021/22

Line Ref		2021/22 Budget £	External Funding £	Council Funding £
	Council Capital Budget			
	BUSINESS AND RESOURCES			
	Budget Holder			
	Stuart Reid			
1	ICT and Digital Development	2,000,000	-	2,000,000
2	CAF Grants	500,000	-	500,000
	TOTAL BUSINESS AND RESOURCES	2,500,000	-	2,500,000
	REGENERATION AND ENVIRONMENT			
	George Mansbridge			
3	International Advanced Manufacturing Park	12,818,000	12,818,000	-
4	Holborn Riverside Development	9,300,000	9,400,000	(100,000)
5	South Shields 365	9,850,000	-	9,850,000
6	Future High Streets	3,948,000	3,948,000	-
7	Jarrow Business Centre	233,000	218,000	15,000
8	Major Transport Schemes	100,000	-	100,000
9	Highway Structures	250,000	-	250,000
10	Local Transport Plan	2,351,000	2,351,000	-
11	Flags to Flexible Footway Programme	2,000,000	-	2,000,000
12	Road Resurfacing	2,000,000	-	2,000,000
13	Whitemare Pool Junction Improvements	200,000	100,000	100,000
14	Transport Infrastructure	2,600,000	-	2,600,000
15	Healthier/Smart Metro Stations	1,430,000	1,230,000	200,000
16	Litter Bins / Recycling	100,000	-	100,000
17	Remodelling of Crematorium	250,000	-	250,000
18	Strategic Bus Corridor	1,400,000	1,100,000	300,000
19	The Glassworks	8,990,000	3,000,000	5,990,000
20	Hebburn Mine Water Project	1,665,000	833,000	832,000
21	Viking Energy Network Jarrow	1,410,000	-	1,410,000
22	Intelligent Transport Solutions	500,000	400,000	100,000
23	LED Street Lighting	1,000,000	-	1,000,000
24	Road Safety Improvements around Schools	100,000	-	100,000
25	Playing Fields Strategies	1,000,000	-	1,000,000
26	North Marine Park	158,000	60,000	98,000
27	Pedestrian Safety Works	50,000	-	50,000
28	Asset Management	2,614,000	1,114,000	1,500,000
29	Fleet Vehicle Replacement Programme	1,250,000	-	1,250,000
30	Wheeled Bin Replacement Programme	100,000	-	100,000
31	Securing Vacant Buildings	100,000	-	100,000
32	Demolitions	100,000	-	100,000
33	Fleet Replacement Programme - Gritters	190,000	-	190,000
34	Resurfacing of Car Parks	50,000	-	50,000
35	Housing Ventures	5,000,000	5,000,000	-
36	Centaurea Homes	3,000,000	3,000,000	-
	TOTAL REGENERATION AND ENVIRONMENT	76,107,000	44,572,000	31,535,000
	CHILDREN, ADULTS AND HEALTH			
	Shona Gallagher & Vicki Pattinson			
37	Disabled Facilities Grant	1,691,000	1,691,000	-
38	New Placement Project for Children and Young People	1,000,000	-	1,000,000
39	Schools Devolved Formula Capital	339,000	339,000	-
40	Relocation of Epinay School	500,000	500,000	-
	TOTAL CHILDREN, ADULTS AND HEALTH	3,530,000	2,530,000	1,000,000
	TOTAL COUNCIL CAPITAL BUDGET 2021/22	82,137,000	47,102,000	35,035,000

Appendix 2A: Council Capital Investment Programme 2021/22

Line Ref		2021/22 Budget £	External Funding £	Council Funding £
HOUSING CAPITAL PROGRAMME				
SOUTH TYNESIDE HOMES		Paul Mains		
41	Decent Homes	10,400,000	-	10,400,000
42	Programme Fees - Housing Capital	1,100,000	-	1,100,000
43	Voids	1,000,000	-	1,000,000
44	Public Sector Housing Stock (Other)	3,500,000	-	3,500,000
TOTAL SOUTH TYNESIDE HOMES		16,000,000	-	16,000,000
COUNCIL RETAINED		George Mansbridge		
45	Disabled Adaptations	900,000	-	900,000
TOTAL COUNCIL RETAINED CAPITAL PROGRAMME		900,000	-	900,000
TOTAL HOUSING CAPITAL PROGRAMME 2021/22		16,900,000	-	16,900,000
TOTAL CAPITAL BUDGET 2021/22		99,037,000	47,102,000	51,935,000

Appendix 2B: Council Capital External Funding 2021-26

The table below identifies the external funding for the capital programme, the majority of which is secured or probable for the 2021/22 programme. For later years the majority of the funding has been classified as secured as it mainly relates to central government grants.

External Capital Funding Forecast	2021/22	2022/23	2023/24	2024/25	2025/26	Funding TOTAL
	£m	£m	£m	£m	£m	£m
Capital Grant from Government and other Agencies						
Local Enterprise Partnership - Enterprise Zone	10.782	12.584	10.388	-	-	33.754
Housing Ventures	5.000	5.000	5.000	5.000	5.000	25.000
Centaurea Homes	3.000	3.000	3.000	3.000	3.000	15.000
Local Transport Plan	2.351	2.351	2.351	2.351	2.351	11.755
Transforming Cities Fund	2.730	8.930	-	-	-	11.660
Enterprise Zone	9.400	-	-	-	-	9.400
Disabled Facilities Grant	1.691	1.691	1.691	1.691	1.691	8.455
Future High Streets Fund	3.948	2.699	0.955	-	-	7.602
DfE Schools Capital Maintenance	1.114	1.114	1.114	1.114	1.114	5.570
Network Rail	-	-	4.000	-	-	4.000
European Regional Development Fund	0.833	2.945	0.100	-	-	3.878
Highways England	0.100	3.500	-	-	-	3.600
Homes England	-	1.500	1.500	0.500	-	3.500
NELEP - Getting Building Fund	3.000	-	-	-	-	3.000
Local Enterprise Partnership - Local Growth Fund	2.254	0.280	-	-	-	2.534
DfE Devolved Formula Capital	0.339	0.339	0.339	0.339	0.339	1.695
DfE Basic Need	0.500	-	-	-	-	0.500
Heritage Lottery Fund	0.060	-	-	-	-	0.060
Council Capital Programme	47.102	45.933	30.438	13.995	13.495	150.963
External Funding Secured and Provisional						
External Funding Secured	25.709	13.775	13.495	13.495	13.495	79.969
External Funding Probable	14.615	17.029	15.988	0.500	-	48.132
External Funding Possible	6.778	15.129	0.955	-	-	22.862
TOTAL External Capital Funding Forecast	47.102	45.933	30.438	13.995	13.495	150.963

Appendix 3: Housing Revenue Account service charges

Landlord Charges - Services & Facilities		No	Current Charge £/wk	Inflation Increase / Decrease	Proposed Revised Charge £/wk
Garage Rents	General	2,524	£6.50	1.5%	£6.60
Tenant Heating Charges	Newtown 1-bed	67	£3.90	1.5%	£4.00
	Newtown 2-bed	75	£10.75	1.5%	£10.90
	Jarrow Card Price		£20.75	1.5%	£21.10
Housing Plus - Landlord Charges for Scheme Managers and Communal Facilities					
Service Charges	Purpose built flats with scheme manager & communal facilities	695	£13.70	1.5%	£13.90
	Group dwellings with scheme manager & nearby communal facilities	383	£6.15	1.5%	£6.20
Guest Room Charges	Charges for overnight stay or emergency situations per night		£12.55	1.5%	£12.70
Furnished Tenancies	New Tenancies supplied with a package of furniture and Electrical Goods - Option 1 Points up to 110		£23.88	0.0%	£23.88
	New Tenancies supplied with a package of furniture and Electrical Goods - Option 2 Points up to 160		£31.82	0.0%	£31.82
	New Tenancies supplied with a package of furniture and Electrical Goods - Option 3 Points up to 200		£39.74	0.0%	£39.74
	New Tenancies supplied with a package of furniture and Electrical Goods - Mini Option Points up to 60		£15.23	0.0%	£15.23
	Decent Homes decant properties supplied cookers		£6.21	0.0%	£6.21

Caretaker and Concierge Charges	Caretaker		Concierge	
	Cost per Prop per wk	Cost per Prop per wk	Cost per Prop per wk	Cost per Prop per wk
	2020/21	2021/22	2020/21	2021/22
Durham Court	£3.00	£3.00	£10.60	£10.80
Ellen Court	£7.50	£7.60	£10.60	£10.80
Monastery Court	£7.50	£7.60	£10.60	£10.80
Wilkinson Court	£7.50	£7.60	£10.60	£10.80

Support Service Charges - Supporting People		No	Current Charge £/wk	Inflation Increase	Proposed Revised Charge £/wk
Community Alarms - Support					
Council Tenants	Standard - Hardwired or Solo Unit	884	£3.15	1.5%	£3.20
Council Tenants	Enhanced - Hardwired or Solo Unit	1	£4.80	1.5%	£4.90
Scheme Managers - Support					
Council Tenants	Scheme Managers - Support Services	1,064	£11.85	1.5%	£12.00

Other Specific Service Charges		No	Current Charge £/wk	Inflation Increase	Proposed Revised Charge £/wk
Council - HRA Temporary Accommodation - existing					
		7	£26.95	1.5%	£27.40
		3	£37.95	1.5%	£38.50
		12	£55.35	1.5%	£56.20

Appendix 3: Housing Revenue Account service charges

Tenants - Housing Plus Heating Charges	2020/21			2021/22		
	Cost per property per wk. - Bed Sit	Cost per property per wk. - 1 Bed	Cost per property per wk. - 2 Bed	Cost per property per wk. - Bed Sit	Cost per property per wk. - 1 Bed	Cost per property per wk. - 2 Bed
Davies Hall	£0.00	£11.16	£13.43	£0.00	£11.16	£13.43
McIntrye Hall	£0.00	£12.43	£0.00	£0.00	£12.43	£0.00
Birch Grove	£0.00	£13.28	£0.00	£0.00	£13.28	£0.00
Calf Close	£0.00	£10.58	£12.71	£0.00	£10.58	£12.71
Porlock House	£0.00	£10.13	£12.20	£0.00	£10.13	£12.20
Bishop Ramsey	£0.00	£11.02	£13.22	£0.00	£11.02	£13.22
Farding Lake	£0.00	£10.45	£0.00	£0.00	£10.45	£0.00
Prince Ed Court	£0.00	£9.37	£11.22	£0.00	£9.37	£11.22
Blenkinsop House	£6.45	£7.16	£0.00	£6.45	£7.16	£0.00
Borrowdale House	£0.00	£7.31	£0.00	£0.00	£7.31	£0.00
Huntcliffe House	£0.00	£7.94	£0.00	£0.00	£7.94	£0.00
Inskip House	£0.00	£9.80	£0.00	£0.00	£9.80	£0.00
Wingrove House	£0.00	£9.73	£11.74	£0.00	£9.73	£11.74
Clayside House	£0.00	£8.39	£0.00	£0.00	£8.39	£0.00
Glenthorpe House	£0.00	£10.92	£13.15	£0.00	£10.92	£13.15
Hallgarth House	£0.00	£10.51	£12.65	£0.00	£10.51	£12.65
Julius Court	£0.00	£8.59	£0.00	£0.00	£8.59	£0.00
Thomas Bell SA	£0.00	£11.26	£0.00	£0.00	£11.26	£0.00
Patrick Cain House	£0.00	£8.72	£10.51	£0.00	£8.72	£10.51

Tenants Heating Charges

Freeze on all Housing Plus establishments for 2021/22

Leaseholder Charges		
Management Fee	Cost per property per annum 2020/21	Cost per property per annum 2021/22
All Leaseholders	£134.60	£134.60

Appendix 3: Housing Revenue Account service charges

Tenant Communal Cleaning Charges	Cost per property per week 2020/21	Cost per property per week 2021/22
HIGH RISE PROPERTIES		
Durham Court	£1.75	£1.80
MID RISE PROPERTIES		
Dean Road	£2.87	£2.90
Laygate & Trinity	£2.79	£2.80
Whiteleas	£2.87	£2.90
Green Lane	£5.80	£5.90
Tyne Dock	£3.93	£4.00
Galsworthy Road	£2.87	£2.90
River Drive	£0.89	£0.90
Mowbray Road	£1.33	£1.40
Stewart & Fulwell	£0.79	£0.80
SHELTERED HOUSING		
Birch Grove SA	£7.40	£7.50
Bishop Ramsay SA	£8.17	£8.30
Blenkinsop House SA	£3.97	£4.00
Borrowdale House SA	£6.97	£7.10
Calf Close House SA	£5.81	£5.90
Cheviot House SA	£6.41	£6.50
Clayside House SA	£5.80	£5.90
Curren House SA	£9.45	£9.60
Davies Hall SA	£9.17	£9.30
Farding Lake SA	£6.78	£6.90
Fernyhough Hall SA	£5.29	£5.40
Glenthorpe House SA	£5.81	£5.90
Hallgarth House SA	£5.43	£5.50
Henley House SA	£7.07	£7.20
Huntcliffe House SA	£7.93	£8.10
Inskip House SA	£7.04	£7.20
Julius Court SA	£5.43	£5.50
Lincoln Court SA	£8.17	£8.30
McIntyre Hall SA	£7.29	£7.40
Patrick Cain House SA	£8.36	£8.50
Porlock House SA	£6.03	£6.10
Prince Edward Court SA	£9.09	£9.20
Thomas Bell SA	£6.51	£6.60
Wingrove House SA	£5.43	£5.50

Appendix 4: Glossary

Capital Expenditure – Spending on the acquisition of property, plant and equipment or intangible asset, or which enhances the value of an existing asset. Other types of expenditure can be capitalised but only with the express permission of the Secretary of State.

Capital Receipts – These receipts are generated by the disposal of fixed assets. Part of the monies received from Right to Buy sales are paid over to Central Government. The remainder of the receipts generated both from Right to Buy and the sale of other assets can be retained by the Authority and used to finance capital expenditure or repay debt.

Collection Fund – Section 89 of the Local Government Act 1988 requires each Council with the power to raise Council Tax bills (a billing authority) to maintain a collection fund. Council Tax is held in this fund and it should be sufficient to cover expenditure relating to the precepts of the Tyne and Wear Fire and Civil Defence Authority and Northumbria Police and Crime Commissioner and the net expenditure of the billing authority, after taking account of Business Rate income and Government Grants.

Council Tax – The Local Government Finance Act 1992 introduced Council Tax with effect from 1st April 1993 and is based upon property values. There are eight valuation bands for chargeable dwellings ranging from Band “A” (the lowest valued properties) to Band “H” (the highest valued properties). The Council levies the tax based upon Band D properties; the actual charge will depend upon the banding of the individual dwelling – i.e. those properties in Bands A to C will pay less Council Tax whilst those in Bands E to H will pay more.

Dedicated Schools Grant (DSG) – A ring fenced grant of which the majority is used to fund individual school budgets.

Earmarked Reserves – Amounts set aside by the Council to meet future financial liabilities.

General Fund – The General Fund includes the expenditure and income relating to the services provided by the Authority but excluding the Housing Revenue Account activities. The net expenditure on the General Fund is compared to the charge levied upon the Collection Fund and results in a surplus or deficit that will increase or decrease the reserves of the Council.

Housing Revenue Account (HRA) – The provision, management and maintenance of Council house accommodation is required by law to be accounted for separately in a Housing Revenue Account. The account records the net cost that needs to be met by Council tenants. In general the Council cannot transfer sums between the General Fund and the Housing Revenue Account.

Medium Term Financial Plan (MTFP) – The process of identifying and aligning service pressure, corporate priorities and objectives as well as available resources over the medium term (5 years) and budgeting accordingly.

Minimum Revenue Provision (MRP) – The amount of money the Council must statutorily set aside in line with the MRP policy adopted by the Council as part of its Medium Term Financial Plan to support the repayment of debt.

Appendix 4: Glossary

National Non-Domestic Rates – Non-domestic properties must pay these Rates (NNDR) and they are based upon property valuations, as undertaken by the District Valuer, and a nationally set multiplier figure. The Local Authority is responsible for the collection of NNDR and keeps almost 50% of monies collected. The remaining element is paid to Central Government and repaid to Councils as a top-up grant to reflect individual spending requirements.

Precept – In the calculation of the Council Tax for a particular year, precepts levied by appropriate bodies must be taken into account. In the case of this Authority, the precepting bodies are Northumbria Police and Crime Commissioner, Tyne and Wear Fire and Civic Defence Authority and the borough council itself who all charge the Collection Fund with the estimated sums required to cover their net expenditure, in part or in entirety.

Private Finance Initiative (PFI) – A method of procuring assets and services over a longer term period, usually 25 years. The financial risks involved are usually shared between the Council and the PFI operator.

Reserves – Amounts set aside for purposes falling outside the definition of Provisions are considered as Reserves – expenditure is not charged direct to any Reserve.

Revenue Expenditure – Money spent on the day to day running costs of providing the various services. It is usually of a constantly recurring nature and produces no permanent asset.

Revenue Support Grant – A Government Grant in aid of Local Authority services generally. It is based upon the Government assessment of how much a Local Authority needs to spend to provide an average level of service.

