

# Shaping our Financial Future

MEDIUM TERM FINANCIAL PLAN



**Economic  
Regeneration**



**Families,  
Adults and  
Children**



**Innovation,  
Efficiency,  
Delivery**



**Shaped  
to  
deliver**



**Ambition and Prosperity**

**2011 – 2016  
Council Budget**



**South Tyneside Council**

24th February 2011

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إذا أردت هذه الوثيقة بلغة أخرى أو بطريقة أخرى، أو إذا كنت بحاجة إلى خدمات مترجم، فنرجو أن تقوم بالاتصال بنا.  
Arabic

যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান অথবা যদি আপনার একজন ইন্টারপ্রেটারের প্রয়োজন হয়, তাহলে দয়া করে আমাদের সাথে যোগাযোগ করুন।

Bengali

ਜੇ ਇਹ ਦਸਤਾਵੇਜ਼ ਤੁਹਾਨੂੰ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਜਾਂ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ ਚਾਹੀਦਾ ਹੈ, ਜਾਂ ਜੇ ਤੁਹਾਨੂੰ ਗੱਲਬਾਤ ਸਮਝਾਉਣ ਲਈ ਕਿਸੇ ਫਿਟਰਪੈਟਰ ਦੀ ਲੋੜ ਹੈ, ਤਾਂ ਤੁਸੀਂ ਸਾਨੂੰ ਦੱਸੋ।

Punjabi

यह दस्तावेज़ यदि आपको किसी अन्य भाषा या अन्य रूप में चाहिये, या आपको आनुवाद-सेवाओं की आवश्यकता हो तो हमसे संपर्क करें

Hindi

یہ دستاویز اگر آپ کو کسی دیگر زبان یا دیگر شکل میں درکار ہو، یا اگر آپ کو ترجمان کی خدمات چاہئیں تو برائے مہربانی ہم سے رابطہ کیجئے۔

Urdu

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# **Council Budget 2011 – 2016**

## **“Shaping our Financial Future”**

### **Foreword by Cllr Iain Malcolm, Leader of the Council**

The country continues to face difficult and uncertain economic times and South Tyneside is no exception. The Government have planned substantial reductions in funding across the majority of the public sector as part of its economic policy. We are impacted directly by that policy as are all local authorities due to the Council’s reliance upon Government funding to pay for services provided to you, the residents.

We have known for some time that Government funding would be reduced. However, the scale of reductions announced for local government in October was unprecedented. The figures are stark; South Tyneside Council will receive 17% less core Government funding in 2011/12 compared to the current year and a further reduction of 10% the following year. This is why we are taking a long term strategic view in both shaping the future of the borough and aligning resources tightly to residents’ priorities.

We have an unshakeable vision for the future. We will continue to invest in the areas most important to residents: improved school buildings, better housing and developing opportunities to attract new business and jobs to the area. We are also changing the way in which services are delivered to sharpen our focus upon outcomes. These new models of delivery will allow us to continue transforming the borough as a great place for people to live, work, visit and do business. Shaping a successful future must be built upon sound financial foundations and prudent financial management. This plan sets out how we will allocate our financial resources over the medium term to support and develop a vibrant and prosperous borough for us all.



*Iain Malcolm*

**Councillor Iain Malcolm**  
**Leader of the Council**

## Shaping our Financial Future

We have come through an extremely challenging year. As well as delivering £111m of planned budget reductions, we have had to manage a further £4.5m of in year national government funding reductions. Despite these significant challenges, we are on track to deliver a revenue underspend of over £1m for 2010/11 and we have delivered some significant achievements and progressed some major initiatives including:



### **Excellent exam results**

Our schools reported our best ever GCSE results, which are now above the national average with 78.9% of students gaining five good A\* - C passes. This is in addition to A-level results with an impressive pass rate of 96.3% at grades A-E.

### **Regeneration of the South Shields riverside**

Work has started on a £10.5 million business centre at Harton Staithes to house BT's Local Government operations. The building kickstarts the development of the beautiful New Shore Park, which will ensure that access to the waterfront is maintained, while connecting five new neighbourhoods that are to be created. As the first piece in the jigsaw of our ambitious masterplan for the riverside, the development and completion of the centre will provide workspace for up to 500 professional staff and act as a beacon for inward investment, jobs and regeneration.



### **£2m transformation of South Shields sea front**

The Sea Change improvement scheme has new performance areas, new seating and four huge illuminated concrete sails. The project will bring more visitors to the borough, help regeneration and complement our existing cultural assets.

# Shaping our Financial Future

## £15m pool at South Shields sea front

As part of the multi-million pound regeneration plan for the whole of the foreshore area, this will provide us with a first-class indoor leisure facility, making our beautiful seafront even more attractive for residents and visitors which in turn will boost local business and the economy of the borough.



## Major investments in housing

- Eco-friendly bungalows in Horsley Hill.
- 21 carbon negative homes.
- Programme to renovate non-traditional homes.
- Older people's bungalows, a sheltered housing scheme and some family housing in Whitburn.
- Over £80 million already invested in Decent Homes programme and awaiting the outcome of a bid for a further £45 million in 2011/12.

## Business and Employment successes

- A £5m project to develop a Green Incubator for businesses in the low carbon and environmental industries sectors.
- 213 businesses supported including financial assistance for start-up and existing businesses, mentoring and procurement advice.
- Creating employment opportunities for local people and supporting our efforts to place South Tyneside at the forefront of the green industrial revolution.



## Spectacular events

2010 saw over 200,000 people attending our world-class events including the 30th Great North Run, the brilliant Summer Festival and spectacular Mouth of the Tyne Festival. During the summer over 1.5 million visitors enjoyed our fantastic seafront attractions and beautiful beaches.



## Shaping our Financial Future

### **Tyne Gateway (child poverty project)**

Working in partnership with North Tyneside Council, we are tackling child poverty by employing Community Entrepreneurs to develop projects to employ people to support families in, or at risk of poverty. The project has won the 4 Childrens Award for supporting children and families and has been shortlisted for the LGC Involving Community award.



### **South Shields Town Hall celebrates Centenary**

The 100th birthday of South Shields Town Hall was celebrated with a series of events in October. A magnificent Grade II listed building, South Shields Town Hall has inspired enormous pride among generations of local people.

### **Extra dedication to cope with poor weather conditions**

Colleagues across the Council worked really hard to keep our roads gritted during the poor Winter weather conditions, helping keep our roads and residents safe and local businesses and our economy moving.



Our external auditors, PriceWaterhouseCoopers, are “very impressed” with the improvements we have made to the management of our finances. Our task now is to continue to deliver the high quality services that our residents expect and deserve during difficult financial times.

### **Shaped to deliver our Priorities**

Knowing where we are going, being clear about what needs to be done most urgently and taking tough decisions when we have to, mean that together with our partners and based on good knowledge of our local communities and their needs we focus strongly on our priorities.

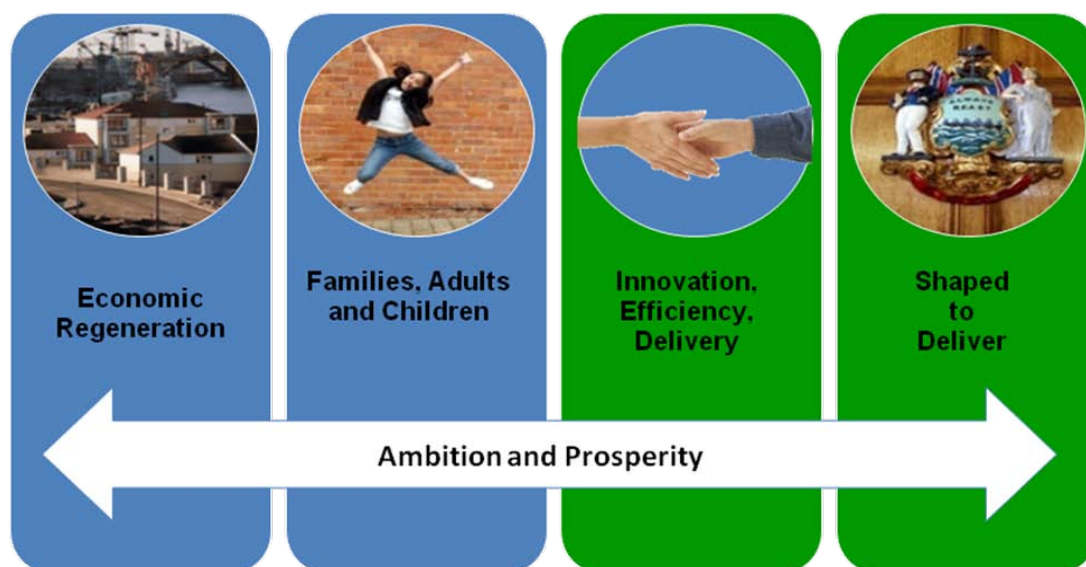
Our revised Sustainable Community Strategy set out 10 long term shared aims for South Tyneside;

## Shaping our Financial Future

- **A regenerated South Tyneside with increased business & jobs**
- Better transport
- **Better housing & neighbourhoods**
- A clean & green environment
- Less crime & safer communities
- Better education & skills
- Less people in poverty
- Protect children & vulnerable adults
- **Stable & independent families**
- **Healthier people.**

Over the next 5 years four of these aims (in bold text above) will receive particular focus by the Council and its partners as we believe these are the issues where a fundamental shift is required to deliver the best outcomes for local people.

We have made changes to the Council so it is “shaped to deliver” our priorities around economic regeneration and families, adults and children, with ambition and prosperity at the heart.



### 2011 and beyond

Even before the General Election in May 2010, we knew that we would be facing considerable budget pressures for 2011 and beyond, so we started budget planning early, and consulted widely with residents, partners and staff.

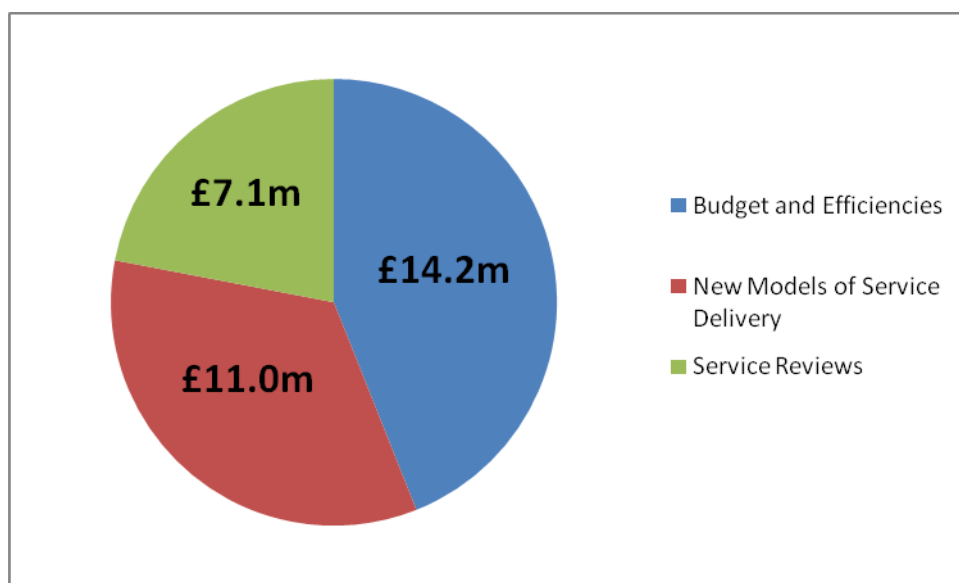
The toughest local government finance settlement in living memory has left South Tyneside Council facing a £32m gap between what we need to spend in 2011/12 and the funding we are going to have. The Council has never before had to find savings of this magnitude.



## Shaping our Financial Future

At the same time we have even greater demand for key services, with more older people to look after, more children in care, the need to create more jobs, grow business and improve health.

This budget for 2011 to 2016 focuses on how we can use our limited resources as efficiently as possible to redirect spending to our priority areas, those areas that you tell us matter most to you. The diagram below indicates how we are redirecting resources to meet the £32m funding gap for 2011/12.



Delivering services with a much smaller budget and fewer staff presents us with a new challenge that we will work through together whilst maintaining our unshakeable vision for South Tyneside.

### **Innovation, Efficiency, Delivery**

As we work to deliver high quality services for the people of South Tyneside, the current economic climate means that achieving value for money in our services will be more important than ever. All avenues such as sharing buildings and providing services in partnership with other Councils and public bodies are being explored. We are also working even closer with the voluntary and private sectors where appropriate, to develop new ways and models for delivering services.

We are developing a new neighbourhood management approach so we can have greater focus on what our residents tell us matters most to them. We are joining up the work of council and partners' services in local neighbourhoods so that we have robust local intelligence and 'rapid response' arrangements to respond to emerging issues.

## **Shaping our Financial Future**

We will help citizens and communities make better choices for themselves by providing them with information and advice. Our area teams will lead on this agenda, and developing community capacity will have an important role to play as we review our community assets.

### **Economic Regeneration**

Delivering our ambitions for Economic Regeneration will require us to play a more prominent role in the region.

We must continue to invest for the long term. Major schemes such as the Foreshore Promenade improvements, two new swimming pools, continuing our schools modernisation programme, our ambitious regeneration programme, including the Harton Staithes development and our Strategic Waste Partnership with neighbouring Councils are long term investments that will help us to create jobs, improve health and create greater opportunity in the borough for years to come.

We will continue our drive to bring new jobs to the borough. Our riverfront and position on the 'A19 corridor' gives us a great opportunity to capitalise on the encouraging growth of offshore and renewable industries in the region. Our partnership with BT has been a huge success to date and we look forward to working with them as key partners in our economic regeneration plans.

Good quality housing is crucial, whether you choose to rent or buy. We are investing £250 million over five years to progress the Decent Homes Programme and additional investment in new Council house build projects. We are sharing the risk in new ventures with private house builders by supporting them to buy and develop land in South Tyneside.

### **Families, Adults and Children**

Services for children and families have a key role to play in securing the safety, prosperity and wellbeing of all our residents. We are looking at ways in which we can accelerate improvements for our most deprived families more cost effectively. We want to offer a shared care environment with a whole life approach to care and support to meet individual needs.

Improving early intervention is crucial to getting better outcomes for our most vulnerable people, and we are looking at new assessment teams and commissioning models, as well as consolidating area based services for young people. We are also reviewing our early years provision so there is more focus on our most vulnerable families.

We are developing an Education and Learning Partnership to encourage greater cross-school collaboration and joint commissioning of services, and to help us align what goes on in our schools and college with the future economic priorities of the borough.

## **Shaping our Financial Future**

For Adult Social Care, the government's personalisation agenda is seeing a shift from wholesale to retail provision as services are increasingly 'sold' directly to individuals. Following the Big Care Debate where we asked people for their views, we are looking to improve our reablement services to keep people independent, while reviewing how we provide day services and dementia services.

Public health responsibility will transfer to local Councils from 2013 and we are looking to develop strong relationships with emerging GP Consortia through the creation of a new 'Health and Wellbeing Board'.

## Investing in our Future



**Councillor Ed Malcolm**  
Lead Member Resources

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

**“South Tyneside will be a great place for people to live, work, visit and do business”.**

2. Realising our vision cannot be achieved in isolation and as we move forward, we recognise that service planning, commissioning and delivery must be planned, consistent and joined-up. All of our services must remain focused on improving outcomes for all of our communities.

### **What is the Medium Term Financial Plan?**

3. We are committed to providing the best possible services for **everyone** in South Tyneside. This Medium Term Financial Plan outlines our approach to setting out our financial future. This document also sets the Council’s budget for 2011/12.
4. The Council’s Medium Term Financial Plan is one of the key Council strategic planning documents. It is fully integrated and flows from our joint Sustainable Community Strategy.

### **Our Financial Strategy**

5. The Council has adopted an overall 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;
  - Financial planning be based upon a long term time horizon;
  - Value for Money is achieved for all our spending;
  - Members make real choices about investments.

### **The National Financial and Economic Context**

6. The Council is dependent for a significant part of its funding upon the allocation of resources from Government (64% in 2011/12).

## Investing in our Future

7. The Government carried out a Spending Review in 2010 that set the spending priorities for the next four years. Local Authorities received a definite funding allocation for 2011/12 and indicative funding allocation for 2012/13. In this spending review, we will receive 17% less core government funding in 2011/12 compared to the current year, representing the toughest local government finance settlement in living history.
8. Under this settlement, the national average decrease in funding for 2011/12 is 9.9%. South Tyneside has received the highest reduction of any Council in the North East and the 18<sup>th</sup> highest reduction in England. This is due to the complete removal of specific funding streams such as Working Neighbourhood Fund and Local Enterprise Growth Initiative.
9. Our planning has assumed further reductions in funding over the period 2012/13 to 2015/16.
10. The Council receives 36% of its income from Council Tax payers. The budget has been calculated incorporating no increase in Council Tax in 2011/12.
11. The economic downturn has significantly impacted on the cost pressures for the Council. Interest rates for borrowing are anticipated to continue to be higher than lending rates. Other pressures being faced include demand led pressures for vulnerable adults and children.

### The local picture

12. The Medium Term Financial Plan is central to achieving our vision of “a great place for people to live, work, visit and do business”.
13. To develop the Medium Term Financial Plan it is important to understand the characteristics of the borough and our communities.
14. South Tyneside is part of the Tyne and Wear conurbation, on the coast next to the River Tyne. Created in 1974 under local government reorganisation, covering 64 square kilometres with 6 areas – South Shields, Jarrow, Hebburn, Whitburn, Boldon and Cleadon.
15. The more recent history of the borough is characterised by heavy industries such as shipbuilding and engineering. South Tyneside suffered industrial decline in the 1970s and 1980s with severe social and economic consequences. As a result, deprivation remains widespread in South Tyneside.
16. In terms of population, the revised mid year estimate for 2009 is 152,400, an increase of 1,000 since 2008. The latest population projections show that by 2033 the borough population will stand at 164,700, representing a 8.9% increase.



## Investing in our Future

17. This change is due to many different factors but especially:

- Increased international migration (one of the major drivers)
- More births over deaths (in the recent past natural change was negative)
- Internal out-migration is occurring at a reduced level compared to 1980's and 1990's.

Change By Age Group	Pop. 2008 ('000)	Proportion of population (2008)	Est. Pop. 2033 ('000)	Proportion of population (2033)	Nos. Change ('000)	% Change
Children	26.8	17.7%	26.9	16.3%	0.10	0.1%
Working Age	93.0	61.4%	92.5	56.2%	-0.50	-0.3%
Older people	31.6	20.9%	45.3	27.5%	13.70	9.1%
<b>Total population</b>	<b>151.4</b>		<b>164.7</b>		<b>13.40</b>	<b>8.9%</b>

18. The population is now projected to increase overall, but decrease amongst those of working age. The rising numbers of older people in South Tyneside will have a significant impact on how we provide services, and represents a major challenge for the future.

### South Tyneside – population facts

- The majority of our population is white British.
- 5.0% of South Tyneside's total population and 5.5% of under-18s are from black or ethnic minority communities, mainly Indian and Bangladeshi.
- Our total population has fallen from 156,847 in 1993 to 152,400 today but indications are that it will grow as high as 164,700 by 2033.
- Over half our residents (56%) live in neighbourhoods ranked in the 25% most deprived in England.

19. These trends and projections have been factored into our Medium Term Financial Planning.

## Equality and cohesion

20. Equality and cohesion are embedded throughout all of our services. It is not an extra piece of work, but part of everything we do. We are committed to make South Tyneside a place where everyone feels accepted as part of our community. This means ensuring our communities are treated fairly and can easily access our services.

## Investing in our Future

21. We value the views of the people of South Tyneside and want everyone who lives, works or visits the borough to realise their full potential and be the best that they can be.

### Value for Money

22. Improving value for money is at the heart of everything we do. We feel the aim of the local government's Value for Money agenda is straightforward – we must use our resources in the best possible way to deliver better public services for the best price, in line with the priorities of local people.
23. In South Tyneside, we work hard to ensure that we achieve value for money for all our services. We always challenge ourselves to make sure our costs compare well with others by identifying and challenging areas of high spend. Our overall aim is to make sure that the money we spend results in high quality services that meet and satisfy local needs, ensuring we achieve the best value possible from every pound we spend.
24. As well as generating redirection proposals in order to ensure our spending plans are affordable, we also use our budget process to examine how we can deliver better value for money in the services we offer. Many of the redirection proposals within our 2011/12 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

25. 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. We have now extended our planning period to a 5-year period so that we ensure that our spending plans are affordable and match the money we expect to receive from government and Council Tax payers over a longer period. More of the financial risks we face cover longer periods e.g. demand on services from an ageing population, safeguarding of vulnerable adults and children and waste disposal costs, so it is prudent to extend our planning period.
26. The table below summarises our revenue spending plans for 2011/12 and provisional spending plans for 2012/13 to 2015/16 and how this is allocated across the Council's Corporate Groups, as well as identifying the resources that we have available to fund our spending.

<b>Budget</b>	<b>Budget</b>	<b>Provisional Spending</b>			
<b>2010/11 Revenue Spending Plans</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
165.907 Base Budget	174.388	163.767	152.627	151.868	147.878
- Full Year Effect of 2010/11 Redirections	(3.852)	-	-	-	-
19.961 Budget Pressures	25.432	5.156	4.050	2.566	3.051
(11.480) Redirection of Current Spending	(32.201)	(16.296)	(4.809)	(6.556)	(2.756)
<b>174.388 TOTAL Revenue Spending Plans</b>	<b>163.767</b>	<b>152.627</b>	<b>151.868</b>	<b>147.878</b>	<b>148.173</b>
<b>5.11% Percentage increase in Council budget</b>	<b>-6.09%</b>	<b>-6.80%</b>	<b>-0.50%</b>	<b>-2.63%</b>	<b>0.20%</b>
<b>Group Revenue Budgets</b>					
100.809 Children Adults and Families	91.730	93.372	95.148	96.925	98.702
23.275 Economic Regeneration	17.831	18.506	18.478	18.996	19.514
49.644 Business and Area Management	53.246	39.731	37.150	30.791	28.717
0.660 Chief Executive's Office	0.960	1.018	1.092	1.166	1.240
<b>174.388 TOTAL Group Revenue Budgets</b>	<b>163.767</b>	<b>152.627</b>	<b>151.868</b>	<b>147.878</b>	<b>148.173</b>
<b>Funded by</b>					
90.285 Revenue Support Grant and Business Rates	90.057	83.192	82.141	77.859	77.859
26.453 Area Based Grant	-	-	-	-	-
- Transition Grant	3.182	-	-	-	-
- Early Intervention Grant	9.517	9.691	9.691	9.691	9.691
- Council Tax Freeze Grant	1.449	1.449	1.449	1.449	1.449
- Use of Council Reserves	1.157	-	-	-	-
0.200 Collection Fund Contribution	0.400	-	-	-	-
57.45 Council Tax Income	58.005	58.295	58.587	58.879	59.174
<b>174.388 TOTAL Revenue Funding Forecast</b>	<b>163.767</b>	<b>152.627</b>	<b>151.868</b>	<b>147.878</b>	<b>148.173</b>
89.472 Dedicated Schools Grant	109.195	109.195	109.195	109.195	109.195

27. In 2011/12 we will receive 64% of our revenue from central government and 36% from Council Tax. 2011/12 is the first year of a two year funding period which has seen significant reductions in our funding from central government.
28. We have factored in these reductions for the two year funding period and have assumed further estimated reductions in funding for 2013/14 to 2015/16.
29. Part of our funding received from central government included an amount of £1.45m in return for the Council agreeing to keep the Council Tax levels static. The table at paragraph 26 shows the amount of Council Tax we will

## What are the Council's revenue spending plans?

collect in 2011/12 with no increase. **For planning purposes only**, we have included the estimated income in 2012/13 to 2015/16, based on no further increases in Council Tax during this period.

30. The actual increases in Council Tax income in 2012/13 to 2015/16 will depend on circumstances at the time, including the level of actual funding received from Government. 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 £0.574m of income.
31. Schools expenditure is funded from a Dedicated Schools Grant. The funding is provisional for 2011/12 and will be confirmed in June. For later years we have presumed no further increases. The actual figure is driven by the number of pupils in our schools.
32. Appendix 1A provides more detail on the 2011/12 revenue budgets for each service and names the budget holder responsible for managing each budget area. This includes provision of a scheme for members' allowances at the same rates as payable for 2010/11.

### Budget Pressures

33. The Council needs to spend 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 £25m in 2011/12, a further £5m in 2012/13 and a further £4m in 2013/14. 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.

<b>Revenue Budget Pressures</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Inflation	3.369	1.252	2.347	2.347	2.347
Other Standstill Pressures	11.462	3.824	1.627	0.219	0.704
Changes to External Grant	10.601	0.080	0.076	-	-
<b>TOTAL Revenue Budget Pressures</b>	<b>25.432</b>	<b>5.156</b>	<b>4.050</b>	<b>2.566</b>	<b>3.051</b>

34. Demand for our services, especially adult care and looked after children, continues to increase and means that we need to spend more money just to carry on providing the services we currently offer.
35. The current economic environment has continued to impact on our revenue budget. The fall in interest rates has significantly reduced our income on invested balances and inflation is currently running at 4%.

## What are the Council's revenue spending plans?

### Redirection of current spending

36. 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.
37. The proposals included in our budget, which we have consulted upon, have involved some tough decisions and we have done all that we can to minimise the impact on service delivery. 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.
38. In 2011/12 and beyond, we have significant financial pressures to face, which means that we must fundamentally transform the way we deliver some of our services. Our target savings are in the region of £50m over the period 2011/12 and 2012/13 alone.
39. Plans for reducing spending, delivering new models of service and increasing efficiency are shown in the following table.

<b>Redirection of Current Spending</b>		<b>2011/12 £m</b>
<b>Corporate</b>		
1	LSP Projects	2.679
2	Stretch procurement targets	1.500
3	Fees and Charges	0.567
4	Review grants to external organisations	0.575
5	Shared Services	0.100
6	Increase contributions from external bodies	0.200
7	Business Support Review	2.721
8	Insurance Fund	0.500
9	Organisational Restructure	1.000
10	Adult Social Care Inflation	0.200
11	New Models of Training & Development	0.350
12	Commercial Income - Housing Property Services	0.050
13	Consolidation of marketing & promotions budgets	0.250
14	Staff Suggestions	0.194
15	Staff Terms & Conditions	1.778
16	Contract Reviews	2.000
17	Consolidation of Housing Services	0.500
18	External Partner Funding	2.506
<b>Sub Total</b>		<b>17.670</b>
<b>Business and Area Management</b>		
19	Increase income in registration service	0.040
20	Polling stations review	0.010
21	Income from running NHS election and maintaining membership database	0.016
22	Corporate Governance staffing rationalisation	0.576
23	Courier	0.002
24	Increased off street car parking income	0.150



## What are the Council's revenue spending plans?

	<b>Redirection of Current Spending</b>	<b>2011/12 £m</b>
25	Additional on street car parking income	0.080
26	Integrate highways and transport design and infrastructure teams	0.100
27	Mobile cleaning of public conveniences	0.100
28	Dropped kerb vehicle access	0.031
29	Charges for high hedges advice	0.004
30	Reduced management costs across sustainable communities	0.410
31	Reduced management costs across fleet management	0.080
32	Building cleaning specifications	0.100
33	Green waste collection	0.007
34	Vehicle efficiencies	0.372
35	Grounds maintenance contract	0.500
36	Review of street and festive lighting	0.050
	<b>Sub Total</b>	<b>2.628</b>
	<b>Economic Regeneration</b>	
37	Contribution to Area Tourism Partnership	0.020
38	Deletion of Vacant Posts	0.080
39	Rationalise Business Matters premises	0.176
40	Building repairs and maintenance budget	0.100
41	Review business support/enterprise support	0.100
42	Promotions budget in Regeneration Team	0.014
43	Enterprise and Headway services	0.200
44	Asset Management Team Reshaping	0.200
45	Charge for application form checking	0.002
46	Reshape Staffing Structure within Housing Strategy and Regulatory Services	0.500
47	Local Development Framework budget	0.050
48	Community Facilities	0.398
49	Library Efficiencies	0.250
50	Leisure Efficiencies	0.237
51	Culture & Neighbourhood - Events and Outdoor Recreation	0.300
	<b>Sub Total</b>	<b>2.627</b>
	<b>Children, Adults &amp; Families</b>	
52	Adult Social Care (New Models - Telecare / Re-ablement / Personalisation)	0.916
53	Transforming Adult Services (Day Centres)	0.661
54	Adult Social Care (Service Efficiency Review)	0.900
55	Assessments	0.366
56	Change Management (Service Reviews)	0.292
57	Early Intervention & Safeguarding	0.152
58	Looked After Children (New Model)	0.700
59	Commissioning - Supporting people, Learning disability etc.	1.378
60	Maximising Resources	0.180
61	Financial Management - Community Alarm Charges subsidy etc.	0.371
62	Funding and Grants - Contribution from South Tyneside Homes etc.	0.310
63	Health and Social Inclusion	0.275
64	Inclusion & Achievement - teaching and learning support etc.	0.355
65	Transition and Wellbeing - extended services, early years etc.	0.290
66	New model of delivery for Young People	1.100
67	In House Consultation Team efficiencies	0.050
68	Schools Buy Back	0.050
69	Catering Service Review	0.150
70	Adult Care Efficiency Target	0.780
	<b>Sub Total</b>	<b>9.276</b>
	<b>TOTAL Redirection of Current Spending</b>	<b>32.201</b>

## What are the Council's revenue spending plans?

### Council Tax Income

40. The following section provides further information on our Council Tax levels from 1<sup>st</sup> April 2011.
41. The budget has been planned with a zero increase in **our proportion of the Borough's Council Tax** in 2011/12 to raise **£58.005m**. The overall council tax level set for the borough includes precepts for the Tyne & Wear Fire and Civil Defence Authority and Northumbria Police Authority.
42. Northumbria Police and Tyne & Wear Fire and Civil Defence Authority have confirmed a precept increase of 0%.
43. The table below identifies the council tax for each property band:

<b>2011/12 Borough Council Tax</b>							
	<b>Band</b>	<b>% of Properties</b>	<b>% of Properties</b>	<b>South Tyneside</b>	<b>Fire</b>	<b>Police</b>	<b>TOTAL</b>
	<b>Weighting</b>	<b>Properties in</b>	<b>Receiving</b>	<b>Council</b>	<b>Authority</b>	<b>Authority</b>	
		<b>Each Band</b>	<b>Benefit</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Band A Properties	6/9	66.1	43.7	861.02	48.77	55.79	965.58
Band B Properties	7/9	13.2	19.6	1,004.53	56.90	65.08	1,126.51
Band C Properties	8/9	11.0	9.7	1,148.03	65.03	74.38	1,287.44
Band D Properties	1	5.8	6.3	1,291.53	73.16	83.68	1,448.37
Band E Properties	11/9	2.3	4.9	1,578.53	89.42	102.28	1,770.23
Band F Properties	13/9	1.0	2.1	1,865.54	105.68	120.87	2,092.09
Band G Properties	15/9	0.5	2.8	2,152.55	121.93	139.47	2,413.95
Band H Properties	18/9	0.1	8.2	2,583.06	146.32	167.36	2,896.74
Percentage increase from 2010/11				0.00%	0.00%	0.00%	

### South Tyneside Council Tax for 2011/12

44. The council tax increase for the borough is shown in the table over the page for each property band.

## What are the Council's revenue spending plans?

<b>2011/12 Borough Council Tax</b>	<b>Band Weighting</b>	<b>South Tyneside Council 2010/11</b>	<b>South Tyneside Council 2011/12</b>	<b>Fire Authority 2010/11</b>	<b>Fire Authority 2011/12</b>	<b>Police Authority 2010/11</b>	<b>Police Authority 2011/12</b>	<b>Borough Council Tax 2010/11</b>	<b>Borough Council Tax 2011/12</b>
<b>Band A Properties</b>	6/9	£861.02	<b>£861.02</b>	£48.77	<b>£48.77</b>	£55.79	<b>£55.79</b>	£965.58	<b>£965.58</b>
Percentage increase			0.00%		0.00%		0.00%		0.00%
Annual Increase			£0.00		£0.00		£0.00		£0.00
Weekly Increase			£0.00		£0.00		£0.00		£0.00
<b>Band B Properties</b>	7/9	£1,004.53	<b>£1,004.53</b>	£56.90	<b>£56.90</b>	£65.08	<b>£65.08</b>	£1,126.51	<b>£1,126.51</b>
Percentage increase			0.00%		0.00%		0.00%		0.00%
Annual Increase			£0.00		£0.00		£0.00		£0.00
Weekly Increase			£0.00		£0.00		£0.00		£0.00
<b>Band C Properties</b>	8/9	£1,148.03	<b>£1,148.03</b>	£65.03	<b>£65.03</b>	£74.38	<b>£74.38</b>	£1,287.44	<b>£1,287.44</b>
Percentage increase			0.00%		0.00%		0.00%		0.00%
Annual Increase			£0.00		£0.00		£0.00		£0.00
Weekly Increase			£0.00		£0.00		£0.00		£0.00
<b>Band D Properties</b>	1	£1,291.53	<b>£1,291.53</b>	£73.16	<b>£73.16</b>	£83.68	<b>£83.68</b>	£1,448.37	<b>£1,448.37</b>
Percentage increase			0.00%		0.00%		0.00%		0.00%
Annual Increase			£0.00		£0.00		£0.00		£0.00
Weekly Increase			£0.00		£0.00		£0.00		£0.00
<b>Band E Properties</b>	11/9	£1,578.53	<b>£1,578.53</b>	£89.42	<b>£89.42</b>	£102.28	<b>£102.28</b>	£1,770.23	<b>£1,770.23</b>
Percentage increase			0.0%		0.00%		0.00%		0.00%
Annual Increase			£0.00		£0.00		£0.00		£0.00
Weekly Increase			£0.00		£0.00		£0.00		£0.00
<b>Band F Properties</b>	13/9	£1,865.54	<b>£1,865.54</b>	£105.68	<b>£105.68</b>	£120.87	<b>£120.87</b>	£2,092.09	<b>£2,092.09</b>
Percentage increase			0.00%		0.00%		0.00%		0.00%
Annual Increase			£0.00		£0.00		£0.00		£0.00
Weekly Increase			£0.00		£0.00		£0.00		£0.00
<b>Band G Properties</b>	15/9	£2,152.55	<b>£2,152.55</b>	£121.93	<b>£121.93</b>	£139.47	<b>£139.47</b>	£2,413.95	<b>£2,413.95</b>
Percentage increase			0.00%		0.00%		0.00%		0.00%
Annual Increase			£0.00		£0.00		£0.00		£0.00
Weekly Increase			£0.00		£0.00		£0.00		£0.00
<b>Band H Properties</b>	18/9	£2,583.06	<b>£2,583.06</b>	£146.32	<b>£146.32</b>	£167.36	<b>£167.36</b>	£2,896.74	<b>£2,896.74</b>
Percentage increase			0.00%		0.00%		0.00%		0.00%
Annual Increase			£0.00		£0.00		£0.00		£0.00
Weekly Increase			£0.00		£0.00		£0.00		£0.00

# What are the Council's capital spending plans?

## Capital Spending Plans

45. The Council spends capital resources in two main areas, maintaining our existing assets and new capital priority schemes. The table below shows the capital priority schemes, planned maintenance schemes and housing capital programme for the next 5 years. Each scheme has been assessed against our priority themes as outlined in our community strategy.

Capital Priority Schemes		Provisional Capital Programme					Total £m
		2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	
<b>Ref</b>	<b>Place</b>						
BAM01	Public Transport Plan (LTP - Nexus)	0.100	-	-	-	-	0.100
BAM02	Road Safety Schemes (LTP)	0.796	1.089	1.089	1.532	1.532	6.038
BAM04	Improvements to Middlefields Waste Transfer Station & Education Centre	-	3.842	-	-	-	3.842
BAM05	Hebburn Town Centre Regeneration	0.804	0.676	-	-	-	1.480
BAM06	Ocean Road Enhancement Scheme	0.500	-	-	-	-	0.500
BAM07	Variable Message Signage Cross Borough	0.025	-	-	-	-	0.025
ER02	Sea Change Fund retention	0.044	-	-	-	-	0.044
ER03	Salix Finance (energy efficiency)	0.122	0.072	0.072	0.072	0.072	0.410
ER04	Green Business Incubator	4.000	1.000	-	-	-	5.000
ER05	Wouldhave House project	0.350	-	-	-	-	0.350
ER06	Frederick Street land assembly	0.250	-	-	-	-	0.250
ER07	South Shields Riverside	1.525	0.500	0.500	0.500	0.500	3.525
ER08	Central Library Redevelopment	1.000	-	-	-	-	1.000
ER11	CAF Grant Scheme (Environment Element)	0.120	0.120	0.120	0.120	0.120	0.600
ER12	Heritage Lottery Scheme Customs House	0.050	0.300	0.150	-	-	0.500
ER13	Renewable Energy Scheme	0.500	0.500	0.500	0.500	-	2.000
ER14	Littlehaven Sea Wall	2.000	1.000	-	-	-	3.000
		<b>12.186</b>	<b>9.099</b>	<b>2.431</b>	<b>2.724</b>	<b>2.224</b>	<b>28.664</b>
	<b>People</b>						
CAF01	Building Schools for the Future committed schemes	12.028	1.358	-	-	-	13.386
CAF02	Transforming Our Primary Schools committed schemes	5.356	-	-	-	-	5.356
CAF05	Transforming Our Primary Schools - Hebburn Primary	4.077	2.731	-	-	-	6.808
CAF06	Building Schools for the Future - Hebburn SEN & Galsworthy	9.600	6.499	-	-	-	16.099
CAF07	Transforming Our Primary Schools - Next Phase	-	-	-	3.250	3.250	6.500
CAF08	Jarrow Swimming Pool	3.200	-	-	-	-	3.200
CAF09	Asbestos Removal in Schools	0.200	0.200	0.200	0.200	0.200	1.000
CAF10	Primary Schools ICT	0.150	0.150	0.150	0.150	0.150	0.750
CAF12	Upgrade of SWIFT system - Adult Services	0.330	-	-	-	-	0.330
CAF13	Private Housing Disabled Facilities	0.383	0.383	0.383	0.383	0.383	1.915
ER15	New & Replacement Leisure Facilities	9.500	6.500	2.000	0.100	-	18.100
ER16	Investment to bring buildings together	0.200	0.200	0.200	0.200	0.200	1.000
		<b>45.024</b>	<b>18.021</b>	<b>2.933</b>	<b>4.283</b>	<b>4.183</b>	<b>74.444</b>
	<b>Business</b>						
BAM08	Replacement Vehicle Programme	0.500	-	-	-	-	0.500
BAM09	ICT System Replacement Programme	0.070	0.070	0.070	0.070	0.070	0.350
BAM10	Organisational Change - Compensatory payments	2.500	1.500	1.500	1.500	-	7.000
ER01	Harton Staithes Business Centre	10.330	0.156	-	-	-	10.486
		<b>13.400</b>	<b>1.726</b>	<b>1.570</b>	<b>1.570</b>	<b>0.070</b>	<b>18.336</b>
<b>TOTAL Capital Priority Schemes</b>		<b>70.610</b>	<b>28.846</b>	<b>6.934</b>	<b>8.577</b>	<b>6.477</b>	<b>121.444</b>

## What are the Council's capital spending plans?

Capital Planned Maintenance Programme	Provisional Capital Programme					Total £m
	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	
BAM03 Road Resurfacing (LTP)	1.276	1.267	1.236	1.270	1.270	6.319
CAF03 Schools' Devolved Formula Capital	0.411	0.411	0.411	0.411	0.411	2.055
CAF04 Improved Access to Schools	0.238	0.238	0.238	0.238	0.238	1.190
CAF11 Replacement Community Alarms - Adult Services	0.261	0.261	0.261	-	-	0.783
ER09 Maintaining our Buildings	1.500	2.000	2.000	2.000	2.000	9.500
ER10 Town Hall Boiler Replacement	0.175	0.150	0.150	0.125	0.100	0.700
<b>TOTAL Council Planned Maintenance Programme</b>	<b>3.861</b>	<b>4.327</b>	<b>4.296</b>	<b>4.044</b>	<b>4.019</b>	<b>20.547</b>
<b>TOTAL Council Capital Spending Plans</b>	<b>74.471</b>	<b>33.173</b>	<b>11.230</b>	<b>12.621</b>	<b>10.496</b>	<b>141.991</b>
<b>Housing Capital Programme</b>						
<b>South Tyneside Homes</b>						
HOUS01 Decent homes	57.024	49.848	8.694	8.465	8.241	132.272
HOUS02 High Priority essential work	3.000	3.000	3.437	3.438	3.438	16.313
<b>South Tyneside Homes</b>	<b>60.024</b>	<b>52.848</b>	<b>12.131</b>	<b>11.903</b>	<b>11.679</b>	<b>148.585</b>
<b>Council retained</b>						
HOUS03 Disabled adaptations	1.700	1.700	1.200	1.200	1.200	7.000
HOUS04 Area redevelopment	1.000	1.000	1.000	1.000	1.000	5.000
HOUS05 Druridge Crescent New Build	0.544	-	-	-	-	0.544
HOUS06 Simonside Park bungalows	1.000	1.000	0.040	-	-	2.040
HOUS07 Council housing new build phase 1	0.050	0.031	-	-	-	0.081
<b>TOTAL Council Retained Capital Programme</b>	<b>4.294</b>	<b>3.731</b>	<b>2.240</b>	<b>2.200</b>	<b>2.200</b>	<b>14.665</b>
<b>TOTAL Housing Capital Programme</b>	<b>64.318</b>	<b>56.579</b>	<b>14.371</b>	<b>14.103</b>	<b>13.879</b>	<b>163.250</b>
<b>TOTAL Council Capital Spending Plans including Housing</b>	<b>138.789</b>	<b>89.752</b>	<b>25.601</b>	<b>26.724</b>	<b>24.375</b>	<b>305.241</b>

46. The details of the housing capital programme for 2011/12 reflect current business plans. The level of expenditure is dependent upon bids recently submitted to Government in respect of Decent Homes' funding – the results of which are not known at the time of publication.
47. The Housing capital budget for 2011/12 includes, prudential borrowing of £4.14m in respect of non-traditional and high-rise work within the Decent Homes programme, for the cost of a bungalow scheme at Simonside, and to meet the cost of disabled adaptations.
48. There may also be a requirement to do additional prudential borrowing to fund refurbishment work on Sheltered Schemes.



## What are the Council's capital spending plans?

### Capital Funding

49. The table below summarises our capital funding estimates for 2011/12 and provisional funding estimates for 2012/13 to 2015/16:

Projected 2010/11 £m	Council Capital Funding Forecast	Provisional Capital Funding					Funding
		2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	TOTAL £m
2.492	Council Supported Borrowing	-	-	-	-	-	-
24.944	HRA supported borrowing	44.999	41.683	-	-	-	86.682
8.500	HRA unsupported borrowing	4.144	2.300	1.340	1.300	1.300	10.384
28.231	Council Unsupported Borrowing	32.274	20.026	1.315	0.954	1.171	53.398
9.253	Housing Major Repairs Allowance	11.903	11.665	11.431	11.203	10.979	57.180
51.376	Council External Funding (Secured and Bid-for)	39.197	10.147	6.915	8.667	8.667	73.593
2.341	HRA External Grants	2.329	0.300	-	-	-	2.629
3.167	HRA Revenue Contribution and HRA reserves	0.944	0.631	1.600	1.600	1.600	6.375
2.000	Council Capital Receipts	3.000	3.000	3.000	3.000	3.000	15.000
<b>132.304</b>	<b>TOTAL Capital Programme Funding</b>	<b>138.789</b>	<b>89.752</b>	<b>25.601</b>	<b>26.724</b>	<b>24.375</b>	<b>305.241</b>

50. The external funding available for the programme is significantly lower for 2011/12 than in recent years due to reduced Government funding. In many areas, particularly schools' spending, the future years' funding is subject to further Government revision.
51. A separate table has been included at Appendix 2B providing more detail on the sources of external funding and whether the funding has been secured or is still at bidding stage. Capital schemes dependent on external funding will not proceed until full funding has been secured.
52. From 1<sup>st</sup> April 2004, a prudential code for capital financing applied to all Councils. The prudential code allows the Council to determine what it needs to borrow each year to finance capital spending plans providing we can demonstrate we can afford to repay the debt and interest charges. The Council's prudential indicators and borrowing requirements are detailed in the following section.

## What are the Council's prudential indicators?

### Prudential Code

53. Section 3 of the Local Government Act 2003 requires the Council to determine its own affordable borrowing requirement necessary to fund capital expenditure. The Prudential Code is a professional code of practice, backed by legislation, to support Councils when taking investment decisions on their programmes.
54. The key objectives of the Code are to ensure, within a clear framework, that capital investment plans of Councils are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice.
55. This system of capital finance allows the Council to have much greater flexibility and freedom over its borrowing. However, it does not provide additional central government support for the cost of borrowing. Consequently, the cost of additional capital expenditure has to be met from revenue and has to be affordable and sustainable in the long term.
56. To demonstrate that the Council has fulfilled these objectives, the following sections set out the prudential code indicators that must be set and agreed by full Council. Full Council must also agree any future changes to these indicators.

### Compliance with the Prudential Code

57. The Council has established procedures to monitor all forward looking prudential indicators and has developed a measurement and reporting process that highlights significant deviations from expectations.
58. In considering the capital programme, the code requires the Council to have regard to: -
  - **Affordability** – the implications of capital investment decisions on future Council Tax and Council housing rents;
  - **Prudence and sustainability** – the implications for external borrowing;
  - **Value for money** and **options appraisal**;
  - **Stewardship** of Council assets (asset management planning);
  - **Service objectives** - strategic planning;
  - **Practicality** – the achievability of the forward plan.

### Affordability

59. To assess the affordability of prudential borrowing, we review 3 key elements:
  - The level of the Council's capital financing requirement, which demonstrates our underlying need to borrow to fund the capital spending plans.

## What are the Council's prudential indicators?

- The estimated ratio of financing costs (debt charges, interest payments and interest received) to the Council's net revenue stream for current and future spending plans.
- The movement in Council Tax and housing rents as a result of our capital spending plans.

<b>2010/11</b>	<b>Affordability Measures</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
<b>Revised</b>				
<b>£m</b>		<b>£m</b>	<b>£m</b>	<b>£m</b>
	<b>Capital Spending Plans</b>			
84.099	Council Capital Programme	74.471	33.173	11.230
48.205	Housing Capital Programme	64.318	56.579	14.371
<b>132.304</b>	<b>TOTAL Capital Programme</b>	<b>138.789</b>	<b>89.752</b>	<b>25.601</b>
	<b>Capital Financing requirement</b>			
247.372	Council Capital Programme	290.056	299.420	288.782
184.850	Housing Capital Programme	233.761	277.410	278.358
<b>432.222</b>	<b>TOTAL Capital Financing Requirement</b>	<b>523.817</b>	<b>576.830</b>	<b>567.140</b>
	<b>Ratio of Financing Costs to Net Revenue Stream</b>			
7.40%	Council Capital Programme	8.83%	10.40%	11.05%
37.81%	Housing Capital Programme	38.21%	41.45%	41.55%
	<b>Estimated Incremental Effect of Capital Investment Decisions</b>			
	For the Band D Council Tax (Annually)	£37.73	£45.15	£22.98
	For Average Weekly Housing Rents	-£1.09	-£0.92	£1.48

60. The increase in cost attributable to Council Tax and housing rents reflects the impact of planned borrowing by the Council.

### Prudence – Council Treasury Management Practices

61. The Council has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.
62. The Council has, at any point in time, a number of cashflows both positive and negative and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices.
63. The Council's Treasury Management Strategy and Annual Plan for 2011/12 was presented to Cabinet for approval on 16<sup>th</sup> February 2011.

### Prudence Indicator - Net Borrowing and Capital Finance Requirement

64. The Prudential Code includes the following as a key indicator of prudence:

“In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year, plus the estimates of any additional capital financing requirement for the current and next two financial years”.

## What are the Council's prudential indicators?

65. No difficulties are envisaged in meeting this requirement. This view takes into account current commitments, existing plans, and the proposals in this Medium Term Financial Plan.

### Prudence – Council External Debt

66. The Council's actual external debt at 31<sup>st</sup> March 2010 was £292.3m. The Council's external debt at 31<sup>st</sup> March 2011 is estimated to be £356.4m.
67. The Council needs to approve an authorised limit and operational boundary for its external debt (gross of investments) for the next three financial years. These limits separately identify borrowing from other long-term liabilities such as finance leases and the Private Finance Initiative.
68. The following table identifies the Council's authorised limit for external debt for 2011/12 to 2013/14. For 2011/12, the authorised limit of £640m is the statutory limit determined under section 3(1) of the Local Government Act 2003.

<b>Council External Debt Authorisation Limit</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>External Debt Authorised Limit</b>			
Council Borrowing	540	540	520
Other Council Long Term Liabilities	100	100	100
<b>TOTAL Capital Programme</b>	<b>640</b>	<b>640</b>	<b>620</b>

69. These authorised limits are consistent with the Council's current commitments, existing plans and proposals in this budget report for capital expenditure and financing, and with its proposed treasury management policy statement and practices. They are based on the estimate of the most likely, prudent but not worst-case scenario, with sufficient headroom over and above to allow for operational management (e.g. unusual cash movements). Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.
70. The following table identifies the **Council's operational boundary for external debt** for 2011/12 to 2013/14.

<b>Council External Debt Operational Boundary</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>External Debt Operational Boundary</b>			
Council Borrowing	475	535	525
Other Council Long Term Liabilities	85	85	85
<b>TOTAL Capital Programme</b>	<b>560</b>	<b>620</b>	<b>610</b>

71. The operational boundary is calculated in the same way as the authorised limit but without the additional headroom and equates to the maximum of external debt projected by this budget.

## What are the Council's prudential indicators?

72. As part of the Council's Treasury Management Strategy the Corporate Director, Business and Area Management, as Section 151 Officer, has delegation from Council to operate between the operational boundary for external debt and the authorised limit for external debt.

### Prudence – Council Fixed and Variable Interest Rate Exposure

73. The net outstanding principal or overall net debt is estimated at £454m in 2011/12. This is the difference between the maximum value of the debt portfolio (£640m) and the potential value of the investment portfolio (£186m).
74. The following table sets upper limits on the Council's fixed and variable interest rate exposures for net outstanding principal sums for the next three years. These limits are calculated in accordance with the CIPFA Prudential Code Guidance notes for interest rate exposures.

<b>Fixed and variable Interest rate exposure on Net Outstanding Principal</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Fixed rate interest upper limit	141%	126%	125%
Variable rate interest - upper limit	-41%	-26%	-25%

75. The upper limits as set out above are calculated with reference to the maximum projected amounts of net debt on fixed or variable rate terms. The total of this net figure is then expressed as a percentage of the overall net debt.
76. In 2011/12 for example, the maximum amount of borrowing will be £640m. The upper limit for fixed rate exposure assumes that all of this debt is on fixed rates and there are no investments on fixed rate terms. Therefore, the upper limit of fixed rate exposure of £640m of debt, expressed as a percentage of the overall net debt of £454m, is 141%.
77. For the variable rate exposure it is assumed that there is no debt on variable rate terms and all investments are on variable rate terms. This gives an upper limit of variable rate exposure of £186m, which when expressed as a percentage of the net debt figure of £454m, is 41%. In the table this is shown as a negative figure because there is a greater variable rate exposure through the investment portfolio as opposed to the debt portfolio.
78. Most of the investment portfolio is classified as being on variable rate terms. Therefore it is often more appropriate to express the controls over fixed and variable rate exposures as a proportion of the Council's borrowing. The upper limits on borrowing are:

<b>Fixed and variable Interest rate exposure on the Debt Portfolio</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Fixed rate interest - upper limit	100%	100%	100%
Variable rate interest - upper limit	40%	40%	40%

## What are the Council's prudential indicators?

### Prudence – Maturity Structure of Council Borrowing

79. The following table sets upper and lower limits for the maturity structure of the Council's borrowing during 2011/12. The limits represent the amount of projected fixed rate borrowing maturing in each period, as a percentage of total projected fixed rate borrowing.

<b>Maturity Structure of Borrowing for 2011/12</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
	<b>%</b>	<b>%</b>
under 12 months	40	-
from 12 months to under 24 months	40	-
from 24 months to under 5 years	50	-
From 5 years to under 10 years	75	-
From 10 years	100	25

80. No change to our borrowing maturity structure is proposed.

### Prudence - Investments for Periods Longer Than 364 Days

81. The Council can invest for longer than 364 days. The maximum amount to be invested for periods above 364 days will be limited to £12m. Within this limit, £4m will be available for investment for between 364 days and two years and a further £8m for investment between 364 days and five years. This limit has been set following a review of the Council's reserves and other cash balances, and after taking account of cash flow requirements and future spending plans as set out in the Medium Term Financial Plan. The limit in 2010/11 is £12m.

## 2011/12 Minimum Revenue Provision Policy Statement

82. The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2007/08, and has since assessed the MRP in accordance with the main recommendations contained within the Guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003. In particular, the Council are satisfied that the guidelines for their annual amount of MRP set out within this Policy Statement will result in their making the requisite prudent provision that is required by the guidance.
83. Part of the MRP for 2010/11 will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with the recommendations and intent of option 1 of the guidance.
84. Supported borrowing is where the Government increases the revenue support grant to a Council to cover the debt charge incurred on capital expenditure which is supported. 2010/11 was the final year of General Fund supported borrowing. Supported borrowing remaining from previous years will continue to be charged at the rate of 4% on the reducing balance of that borrowing. Application of this provision will be on a discretionary basis, in that any utilisation of the continuing 4% option is entirely discretionary.
85. Certain expenditures reflected within the debt liability at 31<sup>st</sup> March 2010 will, under delegated powers, be subject to either the uncompleted scheme or the anticipated life expectancy provisions of option 3.
86. In cases where schemes/capital expenditures were not fully completed/incurred or brought into use as at 31<sup>st</sup> March 2010, expenditure on these will be deferred from any MRP charge in 2010/11, but reconsidered for MRP in 2011/12, or such later year, subject to the date of their completion, in the light of the overall mix of new capital expenditures to be subjected to MRP at that time.
87. What is meant by this is that it is considered both proper and prudent to adopt the uncompleted scheme provision of the recommended guidance for option 3 for the year in which expenditure on uncompleted schemes is incurred, but that a separate assessment will be made in each subsequent year as to which schemes will be subjected to MRP in accordance with the life expectancy provisions of option 3. Therefore, a scheme might be exempt from MRP in 2010/11 utilising the “uncompleted” provision aspect of option 3, but financed from, say, capital receipts when completed.
88. It is likely that expenditures will be incurred in later years which will be subject in this manner, relative to either new building works, or the enhancement of existing buildings, and MRP will be spread over a period which reflects the life/beneficial use, which in the case of this type of expenditure is determined to be:
- Roads and Infrastructure Assets 50 years
  - Building Enhancement and Major Regeneration Projects 40 years
  - Public Realm and Capital Equipment 25 years



## 2011/12 Minimum Revenue Provision Policy Statement

- Equal Pay 20 years  
(as prescribed)
- Others 10 years or less

89. 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.
90. The spreading of the MRP charge under the estimated life period approach will be carried out in an aggregate manner, as details of individual schemes, whilst required for supporting information purposes in the year for which MRP liability is first being assessed, have no beneficial purpose thereafter. Schemes/expenditures will accordingly be grouped within differing life periods where such apply.
91. The Council also determines that available resources for financing capital expenditure, such as capital receipts, will be applied to new expenditures in a manner that is considered appropriate in any financial year. For example, it will not be considered imprudent to apply such resources in the first instance to expenditures that have a shorter estimated lifespan, as the process for allocating either actual resources, or treatment under the various options, can only operate on a selective basis, as envisaged by the guidance.
92. Under Housing Finance Regulations, where the Council obtains receipts from the disposal of former Housing land, it may only use those receipts to finance capital expenditure on affordable housing and regeneration schemes; otherwise the receipts come under the national pooling arrangements. It is the Council's intention to apply major Housing receipts and any small miscellaneous Housing receipts to appropriate capital schemes.
93. When adopting the recommendations contained within option 3, the Council may, where applicable, treat any new capital expenditures/schemes which are both commenced and finalised within the financial year as having been financed from any associated grants, Section 106 monies, or similarly earmarked funds. This is however entirely at their discretion. 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 under delegated powers, or carried forward for MRP purposes, as necessary or appropriate.
94. Final decisions regarding the manner in which such resources are to be allocated to schemes will be taken under delegated powers.
95. Estimated life periods may also be determined under delegated powers. In the case of new capital expenditure in respect of land, it is considered that the recommended life period of 50 years contained within the guidance does not adequately reflect a realistic life period, which is considered to be at least as great as would be the case if a building were to be placed upon it. The Council are aware when approving this that the guidance recommends only

## 2011/12 Minimum Revenue Provision Policy Statement

that the life period should bear some relation to that over which the asset is estimated to provide a service.

96. In the case of new capital expenditures that serve to improve or add to the value of an existing capital asset, these will be estimated to have the same useful life as the asset whose value is enhanced.
97. To the extent that expenditures are not on the creation of an asset, and are of a type that are subject to estimated life periods that are referred to in the Guidance, the Council will generally adopt these periods. However, in the case of long term debtors arising from loans or other types of capital expenditure made by the Council which will be repaid under separate arrangements (such as long term investments), there will be no MRP made. The Council are satisfied that a prudent provision will be achieved after exclusion of these capital expenditures from the MRP requirements.
98. In view of the variety of different types of capital expenditure incurred by the Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis that most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner that reflects the nature of the main component of expenditure, and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.
99. The determination as to which schemes shall be deemed to be financed from available resources, and those which will remain as an outstanding debt liability to be financed by borrowing or other means will be assessed under delegated powers.
100. Additional statutory guidance was issued in 2009/10 regarding the MRP in respect of finance leases and PFI schemes. This results in an MRP charge that is equivalent to the principal element of rental or charge that goes to write down the balance sheet liability created from such arrangements.

## How will the Council manage financial risk?

### How will the Council manage financial risk?

101. Over the medium term the Council faces continuing financial pressures and has refocused its priorities, and built in challenging budget redirections and savings targets into the earlier spending plans for 2011 to 2016. The Council carefully identifies the things that could go wrong and might undermine the medium term financial plan.
102. 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.
103. 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.
104. Some of our strategic risks have been assessed as particularly uncertain with a potentially significant financial impact. Reserves have been established for these risks.
105. 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

<b>Risk to the delivery of the MTFP</b>	<b>Risk Managed by:</b>
The Council may have insufficient funds to achieve its priorities.	The achievement of the MTFP is imperative and is monitored every month as part of our performance monitoring process, including support and monitoring from the Council's project assurance team.  We have established a reserve of £2m to fund the structural change.
Changes to the balance of funding due to the declining numbers of young people and ageing population issues not being addressed.	Our MTFP includes estimated spending pressures resulting from an ageing population.
Uncertainty over the level of contributions that will be required to meet the pensions funding gap.	The result of the actuarial valuation to be implemented with effect of 1 <sup>st</sup> April 2011 has been built into our Medium Term Financial Plan for 2011/16.

## How will the Council manage financial risk?

<p>Failure to reduce the waste going to landfill sites mean that the Council has to pay additional landfill penalties.</p>	<p>The standstill pressures in our Medium Term Financial Plan for 2011/16 include spending pressures arising from legislation. We are jointly working with Sunderland and Gateshead Councils in a joint waste partnership to develop waste disposal solutions that will limit the potential impact of the long-term cost to the Council.</p>
<p>Cost of equal pay claims are greater than anticipated.</p>	<p>Our reserves strategy includes allocations to meet liabilities for equal pay and single status costs. This reserve has been used to finance the revenue cost of settling equal pay claims and meeting some costs of job evaluation. We have settled significant claims for equal pay to date and continue to monitor any further liabilities for the Council and assess our reserves level.</p>
<p>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.</p>	<p>Revenue spending is monitored on a monthly basis as part of the Council's corporate performance monitoring framework. Members have previously agreed to set aside a specific reserve for managing the uncertainty of this strategic financial risk which now stands at £1.9m.</p>
<p>The 'credit crunch' has resulted in a risk to investment income due to the fluctuating interest rates and the security of capital sums invested following significant losses elsewhere e.g. Icelandic banks.</p>	<p>A prudent approach to the setting of interest rates has been adopted to protect the budget against adverse movements in rates. The borrowing and lending strategy is continually reviewed to respond to changing interest rate expectations. We have reviewed the credit rating approach and stress tested our lending list by assuming that each organisation would be downgraded by the credit rating agencies. The Council has a strategic financial risk reserve of £1.8m which could potentially meet any further unexpected fluctuations in this budget that have not already been met from our revised budget.</p>
<p>Uncertainty over the future direction and extent of the capital programme because of the downturn in the economy and reduced sales of land and council houses and therefore capital receipts available.</p>	<p>Our budget has been set with cautious estimates of capital receipts, taking into account the risks in the current economic environment. Capital receipts are monitored and reported to the Capital Programme Board. The forecast of receipts is included in our quarterly monitoring reports to Members. Any impact on the current year on the future capital programme is highlighted in budget monitoring reports and relevant actions proposed.</p>

## How will the Council manage financial risk?

Capital projects are not delivered on time or within budget.	Capital spending is monitored on a monthly basis as part of the Council's corporate performance monitoring framework. Each project has a designated budget holder and key staff involved in capital projects attend monthly Capital Boards to report progress and take actions to ensure this remains on track and on budget. These Boards report directly to our Capital Programme Board. Post project evaluation takes place for each capital scheme.
The Council's estate is not fit for purpose. Capital funding is reducing and the maintenance backlog is increasing. The Council occupies more buildings than it requires and can maintain.	The Council established a Value for Money project to rationalise accommodation. This project continues to assess accommodation requirements alongside those of the Strategic Partner.
Emergency event occurs e.g. major flooding incident / significant traffic incident / flu pandemic which incurs additional unbudgeted costs.	Establishment of strategic reserve to meet unforeseen liabilities.

### Our risk – based reserves policy

106. 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

- **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 (excluding dedicated schools and early intervention grant). This is the recommended minimum amount of reserves that should be retained by the Council as a contingency;
- **Specific Reserve for managing strategic financial risks** which will be used, if required, to manage the impact of our strategic financial risks materialising and in particular to support the volatile demand led budgets, especially in the area of adult care and services for children for volatility in budgets as a direct result of the economic downturn;
- **General Reserve** established to support future spending plans and one-off spending;
- **Earmarked Reserve for equal pay claims and the additional costs of job evaluation**, established to manage the risks that the actual cost of job evaluation is higher than estimated. The reserve will be used to finance the revenue cost of defending and settling known and potential equal pay claims.

## How will the Council manage financial risk?

- **Earmarked Reserve for structural change** will be used to manage the revenue cost of achieving the structural changes facing the Council. These structural changes are required to ensure that the Council can deliver its objectives with a much smaller budget and fewer staff. Some of the specific change proposals approved by the Council may require significant up-front investment to ensure that they are carried out in an effective, planned way. The fund will also be used to finance significant 'invest to save' projects;
- **Other Earmarked Reserves** are held for specific commitments and principally include cash balances held on behalf of schools.

107. The level of Council reserves is reviewed annually in line with CIPFA guidance on Local Authority Reserves and Balances (LAAP Bulletin 77 – November 2008).

108. Our forecast of the total Council cash reserves at 31<sup>st</sup> March 2011 is £28.169m as shown in the table below.

<b>Council Reserves</b>	<b>Strategic Reserves (minimum) £m</b>	<b>Financial Risk Reserve £m</b>	<b>General Reserves £m</b>	<b>School Balances £m</b>	<b>Earmarked Reserves £m</b>	<b>TOTAL Reserves £m</b>
<b>Balance as at 31st March 2010</b>	<b>2.892</b>	<b>-</b>	<b>1.369</b>	<b>6.999</b>	<b>24.902</b>	<b>31.093</b>
<b>Planned Use of Reserves in 2010/11</b>						
Use of reserves	-	(0.057)	-	-	(4.013)	(6.145)
Contribution to reserves	0.057	1.913	1.000	0.251	-	3.221
<b>Planned Contribution to Reserves in 2010/11</b>	<b>0.057</b>	<b>1.856</b>	<b>1.000</b>	<b>0.251</b>	<b>(4.013)</b>	<b>(2.924)</b>
<b>Estimated Balance as at 31st March 2011</b>	<b>2.949</b>	<b>1.856</b>	<b>2.369</b>	<b>7.250</b>	<b>20.889</b>	<b>28.169</b>

109. The tables below identify the planned use of Council reserves during 2011/12 to 2015/16.

<b>Council Reserves</b>	<b>Strategic Reserves (minimum) £m</b>	<b>Financial Risk Reserve £m</b>	<b>General Reserves £m</b>	<b>School Balances £m</b>	<b>Earmarked Reserves £m</b>	<b>TOTAL Reserves £m</b>
<b>Estimated Balance as at 31st March 2011</b>	<b>2.949</b>	<b>1.856</b>	<b>2.369</b>	<b>7.250</b>	<b>20.889</b>	<b>28.169</b>
<b>Planned Use of Reserves in 2011/12</b>						
Use of reserves	(0.204)	-	(1.000)	-	(2.190)	(5.147)
Contribution to reserves	-	0.204	-	-	-	0.204
<b>Planned Contribution to Reserves in 2011/12</b>	<b>(0.204)</b>	<b>0.204</b>	<b>(1.000)</b>	<b>-</b>	<b>(2.190)</b>	<b>(4.943)</b>
<b>Estimated Balance as at 31st March 2012</b>	<b>2.745</b>	<b>2.060</b>	<b>1.369</b>	<b>7.250</b>	<b>18.699</b>	<b>23.226</b>

<b>Council Reserves</b>	<b>Strategic Reserves (minimum) £m</b>	<b>Financial Risk Reserve £m</b>	<b>General Reserves £m</b>	<b>School Balances £m</b>	<b>Earmarked Reserves £m</b>	<b>TOTAL Reserves £m</b>
<b>Estimated Balance as at 31st March 2012</b>	<b>2.745</b>	<b>2.060</b>	<b>1.369</b>	<b>7.250</b>	<b>18.699</b>	<b>23.226</b>
<b>Planned Use of Reserves in 2012/13</b>						
Use of reserves	(0.080)	-	-	-	-	(0.080)
Contribution to reserves	-	0.080	-	-	0.500	0.580
<b>Planned Contribution to Reserves in 2012/13</b>	<b>(0.080)</b>	<b>0.080</b>	<b>-</b>	<b>-</b>	<b>0.500</b>	<b>0.500</b>
<b>Estimated Balance as at 31st March 2013</b>	<b>2.665</b>	<b>2.140</b>	<b>1.369</b>	<b>7.250</b>	<b>19.199</b>	<b>23.726</b>

## How will the Council manage financial risk?

<b>Council Reserves</b>	<b>Strategic Reserves (minimum) £m</b>	<b>Financial Risk Reserve £m</b>	<b>General Reserves £m</b>	<b>School Balances £m</b>	<b>Earmarked Reserves £m</b>	<b>TOTAL Reserves £m</b>
<b>Estimated Balance as at 31st March 2013</b>	<b>2.665</b>	<b>2.140</b>	<b>1.369</b>	<b>7.250</b>	<b>19.199</b>	<b>23.726</b>
<b>Planned Use of Reserves in 2013/14</b>						
Use of reserves	(0.008)	-	-	-	-	(0.008)
Contribution to reserves	-	0.008	-	-	0.500	0.508
<b>Planned Contribution to Reserves in 2013/14</b>	<b>(0.008)</b>	<b>0.008</b>	<b>-</b>	<b>-</b>	<b>0.500</b>	<b>0.500</b>
<b>Estimated Balance as at 31st March 2014</b>	<b>2.657</b>	<b>2.148</b>	<b>1.369</b>	<b>7.250</b>	<b>19.699</b>	<b>24.225</b>

<b>Council Reserves</b>	<b>Strategic Reserves (minimum) £m</b>	<b>Financial Risk Reserve £m</b>	<b>General Reserves £m</b>	<b>School Balances £m</b>	<b>Earmarked Reserves £m</b>	<b>TOTAL Reserves £m</b>
<b>Estimated Balance as at 31st March 2014</b>	<b>2.657</b>	<b>2.148</b>	<b>1.369</b>	<b>7.250</b>	<b>19.699</b>	<b>24.225</b>
<b>Planned Use of Reserves in 2014/15</b>						
Use of reserves	(0.087)	-	-	-	-	(0.087)
Contribution to reserves	-	0.087	-	-	0.500	0.587
<b>Planned Contribution to Reserves in 2014/15</b>	<b>(0.087)</b>	<b>0.087</b>	<b>-</b>	<b>-</b>	<b>0.500</b>	<b>0.500</b>
<b>Estimated Balance as at 31st March 2015</b>	<b>2.570</b>	<b>2.235</b>	<b>1.369</b>	<b>7.250</b>	<b>20.199</b>	<b>24.725</b>

<b>Council Reserves</b>	<b>Strategic Reserves (minimum) £m</b>	<b>Financial Risk Reserve £m</b>	<b>General Reserves £m</b>	<b>School Balances £m</b>	<b>Earmarked Reserves £m</b>	<b>TOTAL Reserves £m</b>
<b>Estimated Balance as at 31st March 2015</b>	<b>2.570</b>	<b>2.235</b>	<b>1.369</b>	<b>7.250</b>	<b>20.199</b>	<b>24.725</b>
<b>Planned Use of Reserves in 2015/16</b>						
Use of reserves	(0.023)	-	-	-	-	(0.023)
Contribution to reserves	-	0.023	-	-	0.500	0.523
<b>Planned Contribution to Reserves in 2015/16</b>	<b>(0.023)</b>	<b>0.023</b>	<b>-</b>	<b>-</b>	<b>0.500</b>	<b>0.500</b>
<b>Estimated Balance as at 31st March 2016</b>	<b>2.547</b>	<b>2.258</b>	<b>1.369</b>	<b>7.250</b>	<b>20.699</b>	<b>25.225</b>



## What are the Council's housing revenue spending plans?

110. The Housing Revenue Account 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.
111. All rents collected are retained in this separate account, and support the management, day-to-day repairs and maintenance, and a capital investment programme, including planned renewals, improvements to homes and major repairs.
112. 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.
113. 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.
114. The table below summarises the overall position on the Housing Revenue Account for the next 5 years.

Housing Revenue Account	Budget		Provisional Budget		
	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
Spending Plans	56.902	59.564	62.873	63.091	62.407
Income Plans	(56.699)	(59.540)	(62.882)	(61.973)	(62.508)
<b>Contribution to (/) contribution from Reserves</b>	<b>0.203</b>	<b>0.024</b>	<b>(0.009)</b>	<b>1.118</b>	<b>(0.101)</b>
Reserves Brought Forward	(7.157)	(6.954)	(6.930)	(6.939)	(5.821)
Surplus (/) / deficit for year	(0.015)	(0.007)	(0.009)	1.118	(0.101)
Contribution to Reserves	0.218	0.031	-	-	-
<b>Estimated Balance Carried Forward</b>	<b>(6.954)</b>	<b>(6.930)</b>	<b>(6.939)</b>	<b>(5.821)</b>	<b>(5.922)</b>

### Housing Revenue Plans for 2011/12

115. Overall spending is set to increase by 24.1% in 2011/12, this is due to an increase in management costs caused through an increase in pension costs plus, an increase in capital charges as a result of the Major Repairs Allowance returning to full year allowance following the bringing forward of the allocation of 2009/10 being repaid in 2010/11.
116. The revenue budget includes a provision to fund the repayment costs of around £2.843m of prudential borrowing to finance the planned investment in new build and the refurbishment of non-traditional homes and high rise properties.

## What are the Council's housing revenue spending plans?

117. There may also be a requirement to do additional prudential borrowing to fund refurbishment work on Sheltered Schemes.
118. The Capital charges and Capital Investment plans are based on the original Decent Homes Allocation agreed with the Government for 2011/12 and 2012/13. However, following the Comprehensive Spending review Councils have had to rebid for future Decent Homes funding. The outcome of this bid will not be known at the time of finalising the Council's Medium Term Financial Plan and the capital programme may have to be revised once the allocation is known.
119. The key areas of change are the increase in rental income due to the 8.3% increase in rents and the Housing Subsidy payment has reduced due to a full year's allocation Major Repairs Allowance as covered in paragraph 115.
120. The following table shows provisional HRA expenditure and income plans for future years. Future years income assumes that the allowance arising from rent increases being limited is paid one year in arrears.

<b>Housing Revenue Account</b>	<b>Provisional Budget</b>				
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Expenditure</b>					
Management	18.682	18.873	19.097	19.316	19.544
Repairs and maintenance	13.706	13.414	14.615	14.593	14.571
Rents, Rates, Taxes, Insurance	1.258	1.192	1.241	1.293	1.350
Provision for bad debts	0.429	0.414	0.487	0.395	0.413
Capital charges	22.609	25.640	27.433	27.494	26.529
Developing new housing options	0.218	0.031	-	-	-
<b>Total Expenditure</b>	<b>56.902</b>	<b>59.564</b>	<b>62.873</b>	<b>63.091</b>	<b>62.407</b>
<b>Income</b>					
Rents - Dwellings	(53.599)	(56.431)	(60.563)	(62.290)	(65.314)
Income - other services / property	(2.755)	(2.836)	(2.922)	(3.009)	(3.100)
Housing related support charges	(0.732)	(0.732)	(0.732)	(0.732)	(0.732)
Contributions and interest	(1.386)	(1.363)	(1.366)	(1.365)	(1.375)
<b>Total income before subsidy</b>	<b>(58.472)</b>	<b>(61.362)</b>	<b>(65.583)</b>	<b>(67.396)</b>	<b>(70.521)</b>
Deduct housing subsidy recovery	1.773	1.822	2.701	5.423	8.013
<b>TOTAL Housing Revenue Income after subsidy</b>	<b>(56.699)</b>	<b>(59.540)</b>	<b>(62.882)</b>	<b>(61.973)</b>	<b>(62.508)</b>
<b>Contribution From Reserves</b>	<b>(0.218)</b>	<b>(0.031)</b>	-	-	-
<b>Housing Revenue Account Working Balance</b>	<b>(0.015)</b>	<b>(0.007)</b>	<b>(0.009)</b>	<b>1.118</b>	<b>(0.101)</b>

### Dwelling Rents and Service Charges for 2011/12

121. In line with the Government rent restructuring guidelines, Dwelling Rents have increased on average by 8.3% however; we anticipate that income will be 7.5% higher due to "right to buy" sales and demolitions. Average rents are anticipated to be £63.38 per week (48 week collection) - an average rent rise which will approximate to around £4.83 per week.
122. The service charges for tenants introduced in 2008/09 for district heating in sheltered schemes has increased by the 4th 20% phased increase and a 3% inflation increase.

## **What are the Council's housing revenue spending plans?**

123. Service charges for leaseholders have also increased by the 4th 20% phase for caretaking, concierge service and building cleaning and an inflation increase of 3% for caretaking and 3% building cleaning.
124. The service charge increases for 2011/12 will be based on:
- Garage rents to be increased by 3%;
  - Heating charges to increase by 3%.
  - Service charges for landlord charges (Scheme Managers and communal facilities) to be increased by 3%;
  - Sheltered accommodation guest room charges to be increased by 3%;
  - Temporary furnished accommodation charges to be increased by 3%.
125. The charges for the furnished tenancy scheme will increase by a range of 3.9% to 4.4%.
126. Further details on specific housing service charges and leaseholder management fee increases at Appendix 3.

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

127. The Council administers the Local Government Pension Fund for the Tyne and Wear region and is responsible for agreeing the pension administration and investment budgets for the Fund each year. The cost of the Pension Fund does not fall directly on the Council Tax payer.
128. The table below summarises the spending plans for the Fund for 2011/12 and provisional spending plans for 2012/13 and 2013/14 (as agreed by the Pensions Committee on 7<sup>th</sup> February 2011).

2010/11		Budget	Provisional Budgets	
Revised Tyne and Wear Pension Fund Budget		2011/12	2012/13	2013/14
£m		£m	£m	£m
<b>Investment Office</b>				
20.761	Investment Management Fees	24.604	25.968	27.151
0.177	Property Portfolio	0.158	0.158	0.158
1.300	Direct Costs and Recharges	1.211	0.767	0.819
<b>22.238</b>	<b>Total Investments office</b>	<b>25.973</b>	<b>26.893</b>	<b>28.128</b>
<b>2.736</b>	<b>Pensions Office</b>	<b>2.332</b>	<b>2.398</b>	<b>2.415</b>
<b>24.974</b>	<b>TOTAL Tyne and Wear Pension Fund</b>	<b>28.305</b>	<b>29.291</b>	<b>30.543</b>

129. The budget for 2011/12 shows an increase of £3.331m over the 2010/11 budget. Increases of £0.986m and £1.252m are projected for 2012/13 and 2013/14 respectively.
130. The reason for the initial increase is a rise in investment management fees. This is due to an increase in the value of the Fund, combined with an assumption that performance fees will be earned by managers in 2011/12 and that accumulated underperformance will have been recovered.
131. The direct costs and recharges of the Investment Office and the costs of the Pensions Office decrease by £0.493m in 2011/12 because two major projects have been completed in 2010/11. A reduction of £0.378m is also forecast in 2012/13 as one further project is expected to be completed.
132. The following table analyses the revised budget proposal for the next three years.

<b>Pensions Spending Plans</b>	2011/12	2012/13	2013/14
	£m	£m	£m
<b>Base Budget</b>	<b>24.974</b>	<b>28.305</b>	<b>29.291</b>
Investment Management Fees	3.843	1.364	1.183
Standstill Pressures	0.041	0.091	0.026
Budget Growth/New Initiatives	0.016	(0.008)	0.043
Redirection of Current Spending	(0.569)	(0.461)	-
<b>TOTAL Pensions Spending Plans</b>	<b>28.305</b>	<b>29.291</b>	<b>30.543</b>

## Evaluation and Review

### Shaped to Deliver

133. 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.
134. Our framework includes a robust corporate performance monitoring and reporting system. It ensures we regularly and comprehensively monitor financial performance at service, group and corporate level.
135. Group Management Teams receive a monthly financial monitoring report from finance teams which reviews capital and revenue spending, and identifies actions to ensure spending remains within budget.
136. Senior officers review the financial reports at a monthly performance, improvement and monitoring meeting with reports presented quarterly to Cabinet. Progress in delivering agreed efficiencies is monitored fortnightly through a Corporate Programme Board.
137. 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.

### Budget Transfers

138. During the year, budget holders may need to transfer budgets from one service area to another to reflect changed service needs or priorities.
139. A budget transfer is defined as a movement of budget between any budget service line identified in Appendix 1A of this report.
140. **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.
141. **Budget transfers greater than £250,000** require the approval of Cabinet.
142. **Budget transfers greater than £1,000,000** require the approval of full Council and must be proposed by Cabinet.

# Appendix 1A: Council Revenue Budget 2011/12

Line Ref	2010/11 Council Revenue Budget Budget £	Budget Holder	Total Cost £	Total Income £	2011/12 Budget £
<b>CHIEF EXECUTIVE</b>		<b>M Swales</b>			
1	40,259 Chief Executive's Office	M Swales	320,644	(320,644)	0
<b>40,259 TOTAL CHIEF EXECUTIVE</b>			<b>320,644</b>	<b>(320,644)</b>	<b>0</b>
<b>CHIEF EXECUTIVE'S OFFICE</b>		<b>P Robinson</b>			
2	0 Policy Team	H McShane	426,493	(426,493)	0
3	0 Information Team	D Patterson	366,547	(366,547)	0
4	661,356 LSP Team	H McShane	715,057	0	715,057
5	0 Training - Chief Execs Office	P Robinson	30,902	0	30,902
6	(81,308) Performance Team	D Patterson	304,058	(304,058)	0
7	79,627 Corporate Programme Support Team	N Redford	326,142	(326,142)	0
<b>659,675 TOTAL CHIEF EXECUTIVE'S OFFICE</b>			<b>2,169,199</b>	<b>(1,423,240)</b>	<b>745,959</b>
<b>COMMUNICATIONS</b>					
8	0 Communications	A Franklin	1,055,814	(1,055,814)	0
9	0 Web	R Abbott	246,491	(246,491)	0
10	0 Press	A Brewis	97,314	(97,314)	0
11	(39,946) Design and Print	S Dawson	264,280	(50,000)	214,280
<b>(39,946) TOTAL COMMUNICATIONS</b>			<b>1,663,899</b>	<b>(1,449,619)</b>	<b>214,280</b>
<b>659,988 TOTAL CHIEF EXECUTIVE'S OFFICE REVENUE BUDGET</b>			<b>4,153,742</b>	<b>(3,193,503)</b>	<b>960,239</b>
<b>BUSINESS AND AREA MANAGEMENT GROUP</b>					
<b>CORPORATE GOVERNANCE</b>					
12	0 Premiums	A Wainwright	2,303,992	(2,303,992)	0
13	0 Corporate Assurance	A Wainwright	410,138	(410,138)	0
14	0 Internal Audit	P Hunter	464,945	(464,945)	0
15	0 Legal Services - General	M Harding	1,910,297	(1,910,297)	0
16	(637) Legal Services - Support	M Harding	631,676	(631,676)	0
17	163,419 Emergency Planning	A Wainwright	236,590	0	236,590
18	0 Courier	A Best	53,348	(53,348)	0
19	0 Admin Support	A Best	285,340	(285,340)	0
20	(709) Local Land Charges	M Harding	68,249	(79,966)	(11,717)
21	464,092 Elections	V Stephenson	428,975	(16,000)	412,975
22	88,722 Register of Electors	V Stephenson	85,703	(2,659)	83,044
23	197,891 Registration Service	V Stephenson	364,767	(193,439)	171,328
24	740,390 Democratic Support	A Best	568,549	0	568,549
25	576,395 Members Support	A Best	547,104	0	547,104
26	1,005,773 Elected Members	A Best	897,275	0	897,275
27	137,930 Office of the Mayor	A Best	139,076	0	139,076
28	58,654 Civic Duties	A Best	40,365	0	40,365
<b>3,431,920 TOTAL CORPORATE GOVERNANCE</b>			<b>9,436,389</b>	<b>(6,351,800)</b>	<b>3,084,589</b>
<b>FINANCE - SERVICE COSTS</b>		<b>S Reid</b>			
29	69,890 Financial Management	S Reid	2,402,886	(2,392,558)	10,328
30	0 Corporate Procurement	S Reid	1,983,432	(1,983,432)	0
31	1,242,326 Council Tax & Benefits	S Reid	82,876,763	(81,678,873)	1,197,890
<b>1,312,216 TOTAL FINANCE - SERVICE COSTS</b>			<b>87,263,081</b>	<b>(86,054,863)</b>	<b>1,208,218</b>
<b>CORPORATE FINANCE</b>		<b>S Reid</b>			
32	500,000 Contribution to Reserves	S Reid	0	0	0
33	224,594 Implementation of Single Status	S Reid	0	0	0
34	(103,000) Newcastle Airport Dividend	S Reid	0	0	0
35	235,937 Coroners Service	S Reid	531,815	(303,000)	228,815
36	355,784 External Audit Costs	S Reid	457,647	(35,717)	421,930
37	94,690 Banking & Cash Collection	S Reid	149,584	(54,894)	94,690
38	(4,896) Debt Administration Expenses	S Reid	81,528	(87,288)	(5,760)
39	2,747,252 Corporate & Democratic Costs	S Reid	3,565,275	(296,858)	3,268,417
40	1,978,165 Central Pension Costs	S Reid	42,021,975	(33,436,750)	8,585,225

# Appendix 1A: Council Revenue Budget 2011/12

Line Ref	2010/11 Council Revenue Budget Budget £	Budget Holder	Total Cost £	Total Income £	2011/12 Budget £
41	(759,359) Investment Income	S Reid	0	(713,970)	(713,970)
42	10,030,098 Precepts and Levies	S Reid	10,499,474	0	10,499,474
43	8,529,927 Debt Charges	S Reid	19,795,622	(10,250,311)	9,545,311
44	(5,100,847) Capital Recharges	S Reid	24,813,985	(23,588,102)	1,225,883
45	(1,784,124) BT Procurement Savings Guarantee	S Reid	4,226,000	(2,995,302)	1,230,698
46	526,846 Inflation for Adult Private Care	S Reid	0	0	0
47	0 Property Trading Account	S Reid	0	(100,500)	(100,500)
48	(167,000) BT Efficiency Savings Guarantee	S Reid	0	(668,000)	(668,000)
49	(600,000) Value for Money Targets	S Reid	0	0	0
50	(1,068,000) LAA Reward Grant	S Reid	0	0	0
<b>15,636,067 TOTAL CORPORATE FINANCE</b>			<b>106,142,905</b>	<b>(72,530,692)</b>	<b>33,612,213</b>
<b>SERVICE MANAGEMENT COSTS</b>					
51	0 Management	P. Melia	96,370	(2,310,923)	(2,214,553)
<b>0 TOTAL SERVICE MANAGEMENT COSTS</b>			<b>96,370</b>	<b>(2,310,923)</b>	<b>(2,214,553)</b>
<b>NEIGHBOURHOOD WORKING</b>					
		<b>M Linsley</b>			
52	597,777 Community Development	M Linsley	554,061	(13,723)	540,338
53	3,045,435 Community Education	S Chilton	2,822,588	(482,811)	2,339,777
54	1,162,518 Neighbourhood Working	M Linsley	558,239	(19,700)	538,539
<b>4,805,730 TOTAL NEIGHBOURHOOD WORKING</b>			<b>3,934,888</b>	<b>(516,234)</b>	<b>3,418,654</b>
<b>ORGANISATIONAL DEVELOPMENT AND PEOPLE</b>					
55	0 Organisational Development	G Fells	3,421,642	(4,061,641)	(639,999)
56	0 Occupational Health	G Fells	193,896	(193,896)	0
<b>0 TOTAL ORGANISATIONAL DEVELOPMENT AND PEOPLE</b>			<b>3,615,538</b>	<b>(4,255,537)</b>	<b>(639,999)</b>
<b>STRATEGIC PARTNERSHIP</b>					
		<b>A Holt</b>			
57	0 Strategic Partnership Client	A Holt	779,015	(2,779,015)	(2,000,000)
58	0 Telephones	A Holt	161,333	(161,333)	0
59	0 Support	A Holt	2,510,460	(2,510,460)	0
60	0 Development	A Holt	3,490,803	(3,490,803)	0
61	0 Customer Services	A Holt	402,884	(402,884)	0
<b>0 TOTAL STRATEGIC PARTNERSHIP</b>			<b>7,344,495</b>	<b>(9,344,495)</b>	<b>(2,000,000)</b>
<b>PENSIONS</b>					
		<b>S Moore</b>			
62	0 Pensions Office	S Moore	28,304,900	(28,304,900)	0
<b>0 TOTAL PENSIONS</b>			<b>28,304,900</b>	<b>(28,304,900)</b>	<b>0</b>
<b>SUSTAINABLE COMMUNITIES</b>					
		<b>R Weetman</b>			
63	217,226 Landscape Design	C Tolladay	333,856	(333,856)	0
64	7,396,263 Infrastructure	D Carr	14,575,921	(8,622,535)	5,953,386
65	(517,201) Fleet Management	B Oliver	4,037,539	(5,419,567)	(1,382,028)
66	613,330 Highways & Transport Design	D Elliott	3,178,228	(2,673,416)	504,812
67	3,812,640 Environmental Maintenance Team	A Whittaker	7,242,395	(4,991,316)	2,251,079
68	271,600 Building Cleaning Services	J Hough	3,175,146	(3,464,266)	(289,120)
69	11,067,330 Waste Management	A Whittaker	15,978,267	(6,790,936)	9,187,331
70	1,526,739 Safer Communities	D Brooks	2,309,839	(1,369,239)	940,600
71	70,001 Other Streetscape Costs	R Weetman	697,073	(1,086,728)	(389,655)
<b>24,457,928 TOTAL SUSTAINABLE COMMUNITIES</b>			<b>51,528,264</b>	<b>(34,751,859)</b>	<b>16,776,405</b>
<b>49,643,861 TOTAL BUSINESS AND AREA MANAGEMENT GROUP REVENUE BUDGET</b>			<b>297,666,830</b>	<b>(244,421,303)</b>	<b>53,245,527</b>
<b>ECOMONIC REGENERATION GROUP</b>					
		<b>D Cramond</b>			
<b>CULTURE &amp; NEIGHBOURHOODS</b>					
		<b>T Duggan</b>			
72	2,485,889 Culture and Heritage	B Atkinson	2,388,613	(539,245)	1,849,368
73	(824) Leisure Administration	B Atkinson	738,344	(743,454)	(5,110)
74	3,445,034 Libraries	M Freeman	3,276,381	(355,424)	2,920,957
75	2,446,713 Open Spaces	R Jago	2,844,292	(626,805)	2,217,487
76	4,140,791 Recreation & Sport	R Jago	6,571,934	(3,569,146)	3,002,788
77	343,091 Tourism	B Atkinson	255,619	(25,427)	230,192
<b>12,860,694 TOTAL CULTURE &amp; NEIGHBOURHOODS</b>			<b>16,075,183</b>	<b>(5,859,501)</b>	<b>10,215,682</b>



# Appendix 1A: Council Revenue Budget 2011/12

Line Ref	2010/11 Council Revenue Budget Budget £	Budget Holder	Total Cost £	Total Income £	2011/12 Budget £
<b>GROUP MANAGEMENT COSTS</b>		<b>D Cramond</b>			
78	0 Economic Regeneration Management	D Cramond	129,797	(500,000)	(370,203)
79	0 Training - Economic Regeneration	D Cramond	81,929	0	81,929
<b>0 TOTAL GROUP MANAGEMENT COSTS</b>			<b>211,726</b>	<b>(500,000)</b>	<b>(288,274)</b>
<b>ECONOMIC GROWTH</b>		<b>D Wright</b>			
80	400,000 Economic Development	J Scott	400,000	0	400,000
81	2,419,374 Local Enterprise Growth Initiative	J Scott	2,467,390	(64,569)	2,402,821
<b>2,819,374 TOTAL ECONOMIC GROWTH</b>			<b>2,867,390</b>	<b>(64,569)</b>	<b>2,802,821</b>
<b>REGENERATION AND PROPERTY</b>		<b>R O'Farrell</b>			
82	0 Asset Management	G Whitehead	1,654,495	(1,654,495)	0
83	519,599 Repairs and Maintenance	N Govet, J Nicholson, P Maccoy, G Whitehead	453,422	(17,000)	436,422
84	(563,612) Repairs and Maintenance Buyback	G Whitehead	840,424	(1,314,648)	(474,224)
85	0 Lifelong Learning Building Maintenance Team	G Whitehead	209,499	(209,499)	0
86	(804,007) Property	L Barclay	809,283	(1,776,339)	(967,056)
87	0 Civic Buildings	P Maccoy	2,979,648	(2,979,648)	0
88	356,530 Non Operational Assets	G Whitehead	487,641	(131,227)	356,414
89	2,111,420 Regeneration Team	R O'Farrell	1,815,494	(489,854)	1,325,640
90	(27,111) Design Team	K Blenkinsop	1,180,923	(1,326,755)	(145,832)
<b>1,592,819 TOTAL REGENERATION AND PROPERTY</b>			<b>10,430,829</b>	<b>(9,899,465)</b>	<b>531,364</b>
<b>HOUSING STRATEGY &amp; REGULATORY SERVICES</b>		<b>G Mansbridge</b>			
91	2,076,070 Environmental Health Group	K Fortune, T Hanson	4,531,508	(2,480,390)	2,051,118
92	587,102 Trading Standards and Licensing Group	J Young	929,936	(379,960)	549,976
93	705,426 Area Planning Group	G Atkinson	1,154,261	(428,492)	725,769
94	326,955 Transport Futures Group	L Milne	311,804	(84,001)	227,803
95	1,011,760 Planning Futures Group	L Milne	934,252	(40,205)	894,047
96	854,689 Housing Futures Group	A Connolly, J Crammon	860,446	(527,886)	332,560
97	455,227 Building Control	I Wilkinson	1,430,563	(1,084,864)	345,699
98	(15,158) Regulatory Services Management & Administration	I Wilkinson, G Mansbridge	208,484	(766,436)	(557,952)
<b>6,002,071 TOTAL HOUSING STRATEGY AND REGULATORY SERVICES</b>			<b>10,361,254</b>	<b>(5,792,234)</b>	<b>4,569,020</b>
<b>23,274,958 TOTAL ECONOMIC REGENERATION GROUP REVENUE BUDGET</b>			<b>39,946,382</b>	<b>(22,115,769)</b>	<b>17,830,613</b>
<b>CHILDREN, ADULTS AND FAMILIES GROUP</b>					
<b>ADULT SOCIAL CARE</b>		<b>J Robinson</b>			
99	19,319,631 Older People Commissioned Care	J Haskey, L Bradshaw	27,237,443	(8,883,531)	18,353,912
100	0 Central Establishment Costs	J Robinson	3,907,571	(337,000)	3,570,571
101	5,553,179 Learning Disabilities Commissioned Care	S Coleman, J Moore, L Bradshaw	12,459,426	(9,705,797)	2,753,629
102	6,629,908 Day Centres (internal and external)	Various Day Centre Managers	5,655,112	(1,636,418)	4,018,694
103	3,639,332 Older Peoples Teams	J Haskey	2,641,608	(2,189)	2,639,419
104	2,662,044 Physical Disabilities Commissioned Care	J Moore, L Bradshaw	4,509,062	(523,181)	3,985,881
105	2,904,411 Internal Residential Homes	D McGreevy	1,248,299	(288,842)	959,457
106	2,825,799 Internal Home Care	J McKeith, D McGreevy,	2,532,219	(1,118,562)	1,413,657
107	1,589,477 Mental Health Commissioned Care	J Moore, L Bradshaw	2,187,043	(1,037,248)	1,149,795
108	1,531,797 STAR Centre and Services	P Hancock, J Haskey	2,351,581	(1,029,340)	1,322,241
109	1,196,773 Grants to Voluntary Organisations	J Moore	1,124,126	0	1,124,126
110	1,199,018 Mental Health Teams	L Sahota	894,154	0	894,154
111	1,056,701 Supported Living	D McGreevy	1,884,818	(765,658)	1,119,160
112	1,082,581 Physical Disability Teams	J Haskey	705,146	0	705,146
113	776,408 Mental Health Grants	J Moore	683,228	(107,014)	576,214
114	662,294 Learning Disabilities Teams	L Bradshaw	512,785	0	512,785
115	336,402 Learning Disabilities Management	L Bradshaw	380,438	(61,275)	319,163
116	(735,055) Head of Service	J Robinson	831,186	(5,822,923)	(4,991,737)
117	20,493 Commissioning and Quality	J Moore	47,742	(3,024)	44,718
118	217,099 Direct Payments Team	L Bradshaw	195,458	0	195,458

# Appendix 1A: Council Revenue Budget 2011/12

Line Ref	2010/11 Council Revenue Budget Budget £	Budget Holder	Total Cost £	Total Income £	2011/12 Budget £
119	172,727 Safeguarding	L Thompson	168,186	(5,974)	162,212
120	275,236 Employment Service	C Shields	195,948	(76,162)	119,786
121	0 Direct Services Management	D McGreevy	113,622	(113,622)	0
122	(50,136) Adult Placement	D McGreevy	95,492	(95,492)	0
<b>52,866,119 TOTAL ADULT SOCIAL CARE</b>			<b>72,561,693</b>	<b>(31,613,252)</b>	<b>40,948,441</b>
<b>EARLY INTERVENTION AND SAFEGUARDING</b>		<b>A Bradley</b>			
123	2,703,123 In House Fostering	R Carr	3,434,600	(57,247)	3,377,353
124	2,673,875 Independent Foster Placements	A Scott	2,551,023	0	2,551,023
125	2,071,600 Children's Area Teams	A Scott	2,073,566	0	2,073,566
126	2,127,999 Out of Borough Placements	A Scott	2,845,152	(699,386)	2,145,766
127	1,899,519 Central Support Services	A Bradley	1,928,251	0	1,928,251
128	1,318,480 Referral & Assessment Teams	F Robson	1,307,298	(5,000)	1,302,298
129	1,263,767 Adoption Service	T Fitzpatrick	1,364,097	(55,020)	1,309,077
130	1,142,496 Childrens Homes	R Carr	1,127,254	(4,000)	1,123,254
131	794,057 Children with Disability	S Taylorson	1,224,468	(30,000)	1,194,468
132	652,589 Children's Standards Unit	P Dhiraj	656,877	(32,000)	624,877
133	642,086 Leaving Care Service	T Joyce	737,793	0	737,793
134	562,690 Section 17 Commissioning Services	A Scott	712,702	0	712,702
135	530,226 Head of Service Support	A Bradley	762,168	(351,770)	410,398
136	570,688 Community Family Support Team	M Form	687,196	(2,000)	685,196
137	358,897 Thornhill Park	S Taylorson	358,897	0	358,897
138	325,142 Out of Hours & Duty Teams	A Scott	325,158	0	325,158
139	319,851 Contact Service	J McGuire	368,539	0	368,539
140	350,783 Policy and Planning (Service Development)	C Pharoah	202,684	0	202,684
141	306,094 Section 17 Assessment Services	F Robson	306,094	0	306,094
142	349,470 CAMHS	A Bradley	285,870	0	285,870
143	205,000 Children's Grants	A Bradley	182,830	(4,000)	178,830
144	116,011 Local Safeguarding Children's Board	C Pharoah	151,121	(40,170)	110,951
145	85,069 Laygate Centre	F Robson	83,903	0	83,903
146	64,723 Children's Trainees	A Scott	63,903	0	63,903
147	62,413 Common Assessment Framework	F Robson	5,660	0	5,660
148	23,888 Playschemes	S Taylorson	25,470	0	25,470
<b>21,520,536 TOTAL EARLY INTERVENTION AND SAFEGUARDING</b>			<b>23,772,574</b>	<b>(1,280,593)</b>	<b>22,491,981</b>
<b>HEALTH AND SOCIAL INCLUSION</b>		<b>K Hannah</b>			
149	5,090,268 Supporting People	C Shields	4,358,872	(88,659)	4,270,213
150	855,869 Community	J Turner	638,714	(233,150)	405,564
151	570,199 Buildings and Business Support Services	P Marriot	1,505,519	(1,193,822)	311,697
152	352,101 Group Strategic Management Team	K Hannah	593,155	(323,580)	269,575
153	0 ICT	M Thompson	341,369	0	341,369
154	0 Finance & Financial Assesments	K Hannah	555,891	(2,988)	552,903
155	3,665 Welfare Rights	K Semianczuc	676,128	(101,000)	575,128
156	0 Human Resources	K Hannah	65,588	0	65,588
<b>6,872,102 TOTAL HEALTH AND SOCIAL INCLUSION</b>			<b>8,735,236</b>	<b>(1,943,199)</b>	<b>6,792,037</b>
<b>SOCIAL INCLUSION AND ACHIEVEMENT</b>		<b>P Cutts</b>			
157	3,031,697 Central Support Charges SIA	P Cutts	3,677,074	(609,000)	3,068,074
158	817,597 Sensory Impaired Service	E Rayner	807,355	0	807,355
159	723,197 Learning Support Service	W Larmont	696,887	0	696,887
160	479,817 Adult Community Learning	A Poole	835,285	(204,403)	630,882
161	436,326 Education Welfare Service	K Rutherford	446,114	(123,922)	322,192
162	1,159,669 School Improvement Team	P Cutts	3,935,658	(1,206,788)	2,728,870
163	316,759 Pupil Services	S Makin	271,504	0	271,504
164	131,384 English Second Language Service	J Braithwaite	602,757	(93,157)	509,600

# Appendix 1A: Council Revenue Budget 2011/12

Line Ref	2010/11 Council Revenue Budget Budget £		Budget Holder	Total Cost £	Total Income £	2011/12 Budget £
165	261,471	The Place Transforming our Primary Schools / Building Schools for the Future	M Bettencourt	289,842	(141,500)	148,342
166	109,944		K Pemberton	124,093	(105,000)	19,093
167	71,480	Other SEN Support	S Makin	71,397	0	71,397
168	67,038	Inter LEA Recoupment	S Makin	205,582	(138,544)	67,038
169	0	School Sports Partnership	L Crosby	524,862	(524,862)	0
<b>7,606,379 TOTAL SOCIAL INCLUSION AND ACHIEVEMENT</b>				<b>12,488,410</b>	<b>(3,147,176)</b>	<b>9,341,234</b>
<b>TRANSITION AND WELLBEING</b>			<b>C Smith</b>			
170	2,076,179	Connexions	A Ritchie	2,378,644	(843,988)	1,534,656
171	741,565	Central Support Charges	S Chopra	1,432,887	0	1,432,887
172	721,861	Adult and Community Learning	S Chopra	5,691,585	(4,898,076)	793,509
173	966,180	Education Psychology	S Calvert	841,742	(25,250)	816,492
174	279,483	Nursery Education	J Watson	0	0	0
175	422,509	Extended Services	J Watson	1,805,534	(536,757)	1,268,777
176	196,637	Portage Pre-school	J Finlay	237,215	(48,913)	188,302
177	182,803	Foundation Stage	J Watson	266,331	0	266,331
178	167,729	Children's Playschemes	J Shearer	210,861	(117,736)	93,125
179	163,895	Children's Fund	J Watson	110,731	0	110,731
180	34,642	Early Years Learning and Development	J Watson	385,696	0	385,696
181	137,095	Neighbourhood Nurseries	J Watson	3,193,690	(1,210,093)	1,983,597
182	(137,658)	Early Years External Projects	J Watson	1,597,966	(146,358)	1,451,608
183	2	Surestart Centres	J Watson	3,352,755	(1,339,757)	2,012,998
184	0	Parenting	M Welch	241,235	(6,106)	235,129
<b>5,952,922 TOTAL TRANSITION AND WELLBEING</b>				<b>21,746,872</b>	<b>(9,173,034)</b>	<b>12,573,838</b>
<b>SCHOOLS DELEGATED</b>			<b>M Conlon</b>			
185	85,319,807	Delegated Schools Budget	M Conlon	105,228,351	(5,812,154)	99,416,197
<b>85,319,807 TOTAL SCHOOLS DELEGATED</b>				<b>105,228,351</b>	<b>(5,812,154)</b>	<b>99,416,197</b>
<b>CHANGE MANAGEMENT</b>			<b>M Conlon</b>			
186	3,677,627	Schools Non Delegated	M Conlon	2,712,370	0	2,712,370
187	1,453,734	Central Support Charges DS	M Conlon	1,028,368	0	1,028,368
188	0	Training - Children, Adults and Families	M Conlon	514,606	0	514,606
189	857,736	Youth Service	S Southern	791,348	(183,720)	607,628
190	877,462	Youth Offending Service - Non-Prevention	P Vedhara	1,320,271	(611,320)	708,951
191	597,056	Personnel	M Conlon	40,726	(38,884)	1,842
192	580,511	Policy	D Jackson	653,970	(79,655)	574,315
193	401,128	Strategic Management	M Conlon	661,423	(979,485)	(318,062)
194	370,795	Finance and Administration	M Conlon	58,484	(23,446)	35,038
195	35,060	Asset Management	T Renwick	247,848	(105,119)	142,729
196	133,638	Chuter Ede Education Centre	L Freer	708,333	(571,334)	136,999
197	105,189	Schools Admission	N Longstaff	95,239	0	95,239
198	280,101	Youth Offending Service - Prevention	G McCoy	483,444	(208,888)	274,556
199	29,191	Governor Support	N Longstaff	195,150	(191,081)	4,069
200	71,866	School Meals and Milk	E Luke	5,905,530	(6,061,117)	(155,587)
201	121,332	Maintenance of Land and Buildings	T Renwick	0	0	0
202	96,993	Client Services	C Toward	0	0	0
203	2,095	Other Exchange Visits	M Conlon	2,084	0	2,084
204	1,346,554	Pupil Transport	T Reynolds	1,356,079	(64,348)	1,291,731
205	182,407	Outdoor Education Service	V High	632,368	(499,382)	132,986
206	312,224	Youth Service External Projects	V High	434,842	(29,222)	405,620
207	400,000	Secondary School Reorganisation	K Pemberton	6,317,821	(5,151,564)	1,166,257
<b>11,932,699 TOTAL CHANGE MANAGEMENT</b>				<b>24,160,304</b>	<b>(14,798,565)</b>	<b>9,361,739</b>
<b>(91,261,000) DEDICATED SCHOOLS GRANT</b>				<b>0</b>	<b>(109,194,846)</b>	<b>(109,194,846)</b>
<b>100,809,564 TOTAL CHILDREN, ADULTS AND FAMILIES REVENUE BUDGET</b>				<b>268,693,440</b>	<b>(176,962,819)</b>	<b>91,730,621</b>
<b>174,388,371 TOTAL COUNCIL REVENUE BUDGET</b>				<b>610,460,394</b>	<b>(446,693,394)</b>	<b>163,767,000</b>

## Appendix 1B: Council Standstill Pressures 2011-16

Revenue Budget Pressures	2011/12	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m	£m
<b>Inflation</b>					
Cost of living increase	-	0.500	1.000	1.000	1.000
Net Inflation on prices and income	2.917	1.222	1.347	1.347	1.347
ITA levy	0.452	(0.470)	-	-	-
	<b>3.369</b>	<b>1.252</b>	<b>2.347</b>	<b>2.347</b>	<b>2.347</b>
<b>Other Pressures</b>					
Community Facilities - Loss of Income	0.100	-	-	-	-
Cleadon Park Lease	0.059	-	-	-	-
Cessation of Improvement Grant Fee Income	0.072	-	-	-	-
Adult Services External Care	1.300	-	-	-	-
Supported Living	0.500	-	-	-	-
PFI Affordability Gap	0.960	0.235	-	-	-
Fostering Service - Fostering Allowances / Payments	0.747	-	-	-	-
Independent Fostering Placements (IFA)	0.500	-	-	-	-
Section 17 Commissioning / Public Law Outline	0.178	-	-	-	-
Staying Put	0.100	-	-	-	-
Adoption & Special Guardianship Allowances	0.054	-	-	-	-
Contact Arrangements - Poppy Fields	0.051	-	-	-	-
Children's Homes	0.040	-	-	-	-
Fleet Management	0.300	-	-	-	-
New Waste Management Partnership	-	-	2.070	-	-
Car Parking	0.300	-	-	-	-
Changes in employer pension contributions	0.400	-	-	-	-
Procurement Savings (Target)	1.300	0.700	(0.500)	(0.400)	(0.400)
Revenue implications of capital programme	2.111	2.169	1.943	-	0.829
Procurement Savings (Guaranteed)	1.510	(0.180)	(0.140)	0.047	(0.050)
Job Evaluation	0.700	-	-	-	-
Landfill Tax Increase	0.378	0.396	(0.774)	-	-
Airport Dividend	0.103	-	-	-	-
Adult Services Demographic Pressure	0.325	0.325	0.325	0.325	0.325
Land Charges Income	0.025	-	-	-	-
NEIC Pension Deficit	-	-	(0.021)	-	-
Local Government Elections	-	-	(0.247)	0.247	-
Pier Parade Development	-	0.255	0.318	-	-
Reduction in Temple Park Running Costs	-	-	(0.864)	-	-
Interest Rate reductions on investment income	-	(0.685)	(0.327)	-	-
BT Unitary Charge	(0.150)	(0.075)	-	-	-
BT Efficiency Savings	(0.501)	(0.316)	(0.156)	-	-
Application of 2010 / 11 Savings	-	1.000	-	-	-
	<b>11.462</b>	<b>3.824</b>	<b>1.627</b>	<b>0.219</b>	<b>0.704</b>
<b>Changes to External Grant</b>					
LPSA reward grant	1.000	-	-	-	-
Reduction in housing benefit/council tax admin grant	0.084	0.080	0.076	-	-
Transfer of grant income to Early Intervention Grant	9.517	-	-	-	-
	<b>10.601</b>	<b>0.080</b>	<b>0.076</b>	-	-
<b>TOTAL Revenue Standstill Pressures</b>	<b>25.432</b>	<b>5.156</b>	<b>4.050</b>	<b>2.566</b>	<b>3.051</b>

## Appendix 2A: Council Capital Programme 2011/12

Line Ref	Council Capital Budget	Budget Holder	2011/12 Budget £	External Funding £	Council Funding £
<b>BUSINESS AND AREA MANAGEMENT</b>		<b>P Melia</b>			
<b>SUSTAINABLE COMMUNITIES</b>		<b>R Weetman</b>			
1	Public Transport Plan (LTP - Nexus)	R Weetman	100,000	100,000	-
2	Road Safety Schemes (LTP)	R Weetman	796,000	796,000	-
3	Road Resurfacing (LTP)	R Weetman	1,276,000	1,276,000	-
4	Improvements to Middlefields Waste Transfer Station & Education Centre	R Weetman	-	-	-
5	Ocean Road Enhancement Scheme	R Weetman	500,000	300,000	200,000
6	Variable Message Signage Cross Borough	R Weetman	25,000	-	25,000
7	Replacement Vehicle Programme	R Weetman	500,000	-	500,000
<b>TOTAL SUSTAINABLE COMMUNITIES</b>			<b>3,197,000</b>	<b>2,472,000</b>	<b>725,000</b>
<b>FINANCE</b>		<b>S Reid</b>			
8	Organisational Change - Compensatory Payments	S Reid	2,500,000	-	2,500,000
<b>TOTAL FINANCE</b>			<b>2,500,000</b>	<b>-</b>	<b>2,500,000</b>
<b>STRATEGIC PARTNERSHIP</b>		<b>A Holt</b>			
9	ICT System Replacement Programme	A Holt	70,000	-	70,000
<b>TOTAL STRATEGIC PARTNERSHIP</b>			<b>70,000</b>	<b>-</b>	<b>70,000</b>
<b>TOTAL BUSINESS AND AREA MANAGEMENT</b>			<b>5,767,000</b>	<b>2,472,000</b>	<b>3,295,000</b>
<b>CHILDREN, ADULTS AND FAMILIES</b>		<b>H Watson</b>			
<b>ADULT SOCIAL CARE</b>		<b>J Robinson</b>			
10	Private Housing Disabled Facilities	J Robinson	383,000	383,000	-
<b>TOTAL ADULT SOCIAL CARE</b>			<b>383,000</b>	<b>383,000</b>	<b>-</b>
<b>CHANGE MANAGEMENT</b>		<b>M Conlon</b>			
11a	Building Schools for the Future - Harton Comprehensive	M Conlon	3,222,000	3,222,000	-
11b	Building Schools for the Future - Hebburn Comprehensive	M Conlon	6,171,000	6,171,000	-
11c	Building Schools for the Future - Other	M Conlon	2,635,000	2,635,000	-
12a	Transforming Our Primary Schools Stanhope Primary	M Conlon	2,127,000	1,418,000	709,000
12b	Transforming Our Primary Schools Alternative Education service	M Conlon	2,687,000	1,792,000	895,000
12c	Transforming Our Primary Schools other committed	M Conlon	542,100	361,000	181,100
13	Schools Devolved Formula Capital	M Conlon	411,000	411,000	-
14	Improved Access to Schools	M Conlon	238,000	-	238,000
15	Transforming Our Primary Schools - Hebburn Primary	M Conlon	4,077,000	-	4,077,000
16	Building Schools for the Future - Hebburn SEN & Galsworthy	M Conlon	9,600,000	9,600,000	-
17	Jarrow Swimming Pool	M Conlon	3,200,000	3,200,000	-
18	Asbestos Removal in Schools	M Conlon	200,000	-	200,000
<b>TOTAL CHANGE MANAGEMENT</b>			<b>35,110,100</b>	<b>28,810,000</b>	<b>6,300,100</b>
<b>SOCIAL INCLUSION &amp; ACHIEVEMENT</b>		<b>P Cutts</b>			
19	Primary Schools ICT	P Cutts	150,000	-	150,000
<b>TOTAL SOCIAL INCLUSION AND ACHIEVEMENT</b>			<b>150,000</b>	<b>-</b>	<b>150,000</b>
<b>HEALTH AND SOCIAL INCLUSION</b>		<b>K Hannah</b>			
20	Replacement Community Alarms - Adult Services	K Hannah	261,000	149,000	112,000
21	Upgrade of SWIFT system - Adult Services	K Hannah	330,000	330,000	-
<b>TOTAL HEALTH AND SOCIAL INCLUSION</b>			<b>591,000</b>	<b>479,000</b>	<b>112,000</b>
<b>TOTAL CHILDREN, ADULTS AND FAMILIES</b>			<b>36,234,100</b>	<b>29,672,000</b>	<b>6,562,100</b>

## Appendix 2A: Council Capital Programme 2011/12

Line Ref	Council Capital Budget	Budget Holder	2011/12 Budget £	External Funding £	Council Funding £
	<b>ECONOMIC REGENERATION</b>	<b>D Cramond</b>			
	<b>CULTURE AND NEIGHBOURHOODS</b>	<b>T Duggan</b>			
22	New & Replacement Leisure Facilities	T Duggan	9,500,000	-	9,500,000
23	Investment to Bring Buildings Together	T Duggan	200,000	-	200,000
24	CAF Grant Scheme (Environment Element)	T Duggan	120,000	-	120,000
25	Heritage Lottery Scheme Customs House	T Duggan	50,000	50,000	-
	<b>TOTAL CULTURE AND NEIGHBOURHOODS</b>		<b>9,870,000</b>	<b>50,000</b>	<b>9,820,000</b>
	<b>REGENERATION AND PROPERTY</b>	<b>R O'Farrell</b>			
26	Harton Staithes Business Centre	R O'Farrell	10,330,000	1,066,000	9,264,000
27	Sea Change Fund retention	R O'Farrell	44,000	-	44,000
28	Salix Finance (energy efficiency)	R O'Farrell	122,000	-	122,000
29	Green Incubator	R O'Farrell	4,000,000	3,987,000	13,000
30	Demolition of Wouldhave House	R O'Farrell	350,000	-	350,000
31	Frederick Street land assembly	R O'Farrell	250,000	-	250,000
32	South Shields Riverside	R O'Farrell	1,525,000	950,000	575,000
33	Hebburn Town Centre Regeneration	R O'Farrell	804,000	-	804,000
34	Central Library Redevelopment	R O'Farrell	1,000,000	-	1,000,000
35	Maintaining our Buildings	R O'Farrell	1,500,000	-	1,500,000
36	Town Hall Boiler Replacement	R O'Farrell	175,000	-	175,000
	<b>TOTAL REGENERATION AND PROPERTY</b>		<b>20,100,000</b>	<b>6,003,000</b>	<b>14,097,000</b>
	<b>HOUSING STRATEGY AND REGULATORY SERVICES</b>	<b>G Mansbridge</b>			
37	Renewable Energy Scheme	G Mansbridge	500,000	-	500,000
38	Littlehaven Sea Wall	G Mansbridge	2,000,000	1,000,000	1,000,000
	<b>TOTAL HOUSING STRATEGY AND REGULATORY SERVICES</b>		<b>2,500,000</b>	<b>1,000,000</b>	<b>1,500,000</b>
	<b>TOTAL ECONOMIC REGENERATION CAPITAL BUDGET</b>		<b>32,470,000</b>	<b>7,053,000</b>	<b>25,417,000</b>
	<b>TOTAL COUNCIL GENERAL FUND CAPITAL BUDGET 2011/12</b>		<b>74,471,100</b>	<b>39,197,000</b>	<b>35,274,100</b>
	<b>HOUSING CAPITAL PROGRAMME</b>				
	<b>SOUTH TYNESIDE HOMES</b>				
39	Decent Homes	I Riley	57,024,000	54,631,000	2,393,000
40	High Priority Essential Work	I Riley	3,000,000	2,900,000	100,000
	<b>TOTAL SOUTH TYNESIDE HOMES</b>		<b>60,024,000</b>	<b>57,531,000</b>	<b>2,493,000</b>
	<b>COUNCIL RETAINED</b>	<b>G Mansbridge</b>			
41	Disabled Adaptations	G Mansbridge	1,700,000	500,000	1,200,000
42	Area redevelopment	G Mansbridge	1,000,000	1,000,000	-
43	Druridge Crescent New Build	G Mansbridge	544,000	200,000	344,000
44	Simonside Park Bungalows	G Mansbridge	1,000,000	-	1,000,000
45	Council House New Build Phase 1	G Mansbridge	50,000	-	50,000
	<b>TOTAL COUNCIL RETAINED CAPITAL PROGRAMME</b>		<b>4,294,000</b>	<b>1,700,000</b>	<b>2,594,000</b>
	<b>TOTAL HOUSING CAPITAL PROGRAMME</b>		<b>64,318,000</b>	<b>59,231,000</b>	<b>5,087,000</b>
	<b>TOTAL COUNCIL CAPITAL BUDGET 2011/12</b>		<b>138,789,100</b>	<b>98,428,000</b>	<b>40,361,100</b>

## Appendix 2B: Council Capital External Funding

143. The table below identifies the external funding we have bid for (but not yet secured) and the external funding we have secured over the coming five years. The full amount of this external funding is not, as yet, secured. Capital schemes dependent on external funding will not proceed until full funding has been secured.

External Capital Funding Forecast	Provisional External Funding					Funding
	2011/12	2012/13	2013/14	2014/15	2015/16	TOTAL
	£m	£m	£m	£m	£m	£m
<b>Capital Grant from Government and other Agencies</b>						
DDE BSF Grant	21.628	1.358	-	-	-	22.986
DFE Stds Fund Schools Devolved Formula Capital	0.411	0.411	0.411	0.411	0.411	2.055
DFE Basic Needs Allocation	1.647	1.647	1.647	1.647	1.647	8.235
DFE Schools Capital Mtce Allocation	1.924	1.924	1.924	1.924	1.924	9.620
DFE - Voluntary aided schools contribution	-	-	-	1.500	1.500	3.000
DFE earmarked funding	3.200	-	-	-	-	3.200
DEFRA Coastal Protection Capital Grant	1.000	0.500	-	-	-	1.500
ONE/Single Programme/English partnerships	2.766	0.007	-	-	-	2.773
LEGI funding	1.270	-	-	-	-	1.270
ERDF	1.900	0.467	-	-	-	2.367
DoH - Capital Grant	0.479	0.261	0.225	-	-	0.965
DFT Integrated transport public transport element	0.100	-	-	-	-	0.100
DFT Integrated transport - local safety schemes	1.096	1.089	1.089	1.532	1.532	6.338
DFT Highways maintenance grant	1.276	1.267	1.236	1.270	1.270	6.319
DCLG Disabled Facilities Capital Grant	0.383	0.383	0.383	0.383	0.383	1.915
Heritage Lottery Fund	0.050	0.300	-	-	-	0.350
Groundwork Trust	0.067	0.533	-	-	-	0.600
<b>Council Capital Programme</b>	<b>39.197</b>	<b>10.147</b>	<b>6.915</b>	<b>8.667</b>	<b>8.667</b>	<b>73.593</b>
<b>Housing Capital programme</b>						
Decent homes Funding	45.000	41.683	-	-	-	86.683
Major Repairs Allowance	11.903	11.665	11.431	11.203	10.979	57.180
SHIP Funding	-	-	-	-	-	-
Housing Corporation - building grant	0.200	-	-	-	-	0.200
Housing - energy grant for non-traditional housing	2.129	0.300	-	-	-	2.429
<b>External Capital Funding Housing</b>	<b>59.231</b>	<b>53.648</b>	<b>11.431</b>	<b>11.203</b>	<b>10.979</b>	<b>146.492</b>
<b>Total External Funding - including Housing</b>	<b>98.428</b>	<b>63.795</b>	<b>18.346</b>	<b>19.870</b>	<b>19.646</b>	<b>220.085</b>
<b>External Funding Secured and Bid For</b>						
External Funding Secured	52.378	21.312	18.346	19.870	19.646	131.551
External Funding Bid For	46.050	42.483	-	-	-	88.533
<b>TOTAL External Capital Funding Forecast</b>	<b>98.428</b>	<b>63.795</b>	<b>18.346</b>	<b>19.870</b>	<b>19.646</b>	<b>220.085</b>

DFE - Department for Education

LEGI - Local Enterprise Growth Initiative

DoH - Department of Health

DFT - Department for Transport

DCLG - Department for Communities and Local Government



## Appendix 3: Housing Revenue Account Spending Charges

<b>Landlord Charges - Services &amp; Facilities</b>		<b>No</b>	<b>Current Charge £/wk</b>	<b>Inflation Increase</b>	<b>Proposed Revised Charge</b>
Garage Rents	General	2698	£3.53	3.00%	£3.64
	Lincoln Road	29	£3.56	3.00%	£3.67
Tenant Heating Charges	Newtown 1-bed	22	£5.91	3.00%	£6.09
	Newtown 2-bed	194	£7.10	3.00%	£7.31
	Newtown 3-bed	21	£7.81	3.00%	£8.04
	Jarrow Card Price	132	£15.21	3.00%	£15.67
<b>Sheltered Accommodation - Landlord Charges for Scheme Managers and Communal Facilities</b>					
Service Charges	Purpose built flats with scheme manager & communal facilities	764	£10.95	3.00%	£11.28
	Group dwellings with scheme manager & nearby communal facilities	437	£4.74	3.00%	£4.88
Guest Room Charges	Charges for overnight stay or emergency situations per night	500	£9.83	3.00%	£10.12
Furnished Tenancies	New Tenancies supplied with a package of furniture and Electrical Goods - Option 1 Points up to 110		£20.95	3.90%	£21.77
	New Tenancies supplied with a package of furniture and Electrical Goods - Option 1 Points up to 160		£27.67	4.20%	£28.83
	New Tenancies supplied with a package of furniture and Electrical Goods - Option 1 Points up to 200		£34.37	4.40%	£35.88

	<b>Caretaker</b>		<b>Concierge</b>	
	<b>Cost per Prop per wk</b>	<b>Cost per Prop per wk</b>	<b>Cost per Prop per wk</b>	<b>Cost per Prop per wk</b>
	<b>2010/11</b>	<b>2011/12</b>	<b>2010/11</b>	<b>2011/12</b>
Durham Court	£2.36	£2.43	£10.15	£10.15
Westmorland Court	£1.94	£2.00	£10.15	£10.15
Ellen Court	£5.93	£6.11	£10.15	£10.15
Monastery Court	£5.93	£6.11	£10.15	£10.15
Wilkinson Court	£5.93	£6.11	£10.15	£10.15

<b>Support Service Charges - Supporting People</b>		<b>No</b>	<b>Current Charge £/wk</b>	<b>Inflation Increase</b>	<b>Proposed Revised Charge</b>
<b>Support Charges 1st April 2005 Full Cost</b>					
<b>Community Alarms - Support</b>					
Council Tenants	Standard - Hardwired or Solo Unit	1668	£2.77	0.00%	£2.77
Council Tenants	Enhanced - Hardwired or Solo Unit	9	£4.21	0.00%	£4.21
<b>Scheme Managers - Support</b>					
Council Tenants	Scheme Managers - Support Services	1178	£10.25	0.00%	£10.25

<b>Protected Users ( i.e. service users at 31st March 2003 )</b>		<b>2003/04</b>	<b>2011/12</b>	<b>Grant / Protection</b>	<b>2011/12 net max</b>
Scheme Managers - support	<b>Tenants on Benefit</b>	0	£10.25	£10.25	£0.00
	<b>Tenants not on Benefit</b>	0	£10.25	£10.25	£0.00
Community Alarms - support	<b>Tenants not on Benefit</b>				
	Solo - Rent & Monitor	£1.19	£2.77	£1.58	£1.19
	hard - wired'	£1.19	£2.77	£1.58	£1.19
	hard - wired' and solo	£1.80	£4.21	£2.41	£1.80
	<b>Tenants on Benefit</b>				
	Solo - Rent & Monitor	£1.19	£2.77	£1.58	£1.19
	hard - wired'	£1.19	£2.77	£1.58	£1.19
	hard - wired' and solo	£1.80	£4.21	£2.41	£1.80

## Appendix 3: Housing Revenue Account Spending Charges

External Users Community Alarms		No	Current Charge £/wk	Inflation Increase	Proposed Revised Charge
Owner/Occupiers	Private including rental of equipment	398	£2.77	0.00%	£2.77
	Private - purchased equipment	224	£1.55	0.00%	£1.55
Housing Associations / Private	Standard Service		£2.77	0.00%	£2.77
Landlord Contacts at 31st March 2003	Monitoring and response (per tenant per week)	386	£1.87	0.00%	£1.87
	Monitoring only (per tenant per week)		£1.25	0.00%	£1.25
Admin Charges	Board Call		£5.31	0.00%	£5.31
	Admin set-up charge per unit		£13.34	0.00%	£13.34
<b>Other Specific Service Charges</b>					
Council - HRA Temporary Accommodation - existing					
	1 - bed accommodation	5	£22.19	1.00%	£22.41
	2 - bed accommodation	3	£31.52	1.00%	£31.84
	3 - bed accommodation	6	£45.53	1.00%	£45.99
Charges collected on behalf of Managing Agents					
Mencap	Supported Housing	10	£92.87	n/a	£92.87

Tenants - Sheltered Accommodation Heating Charges	2010/11			2011/12		
	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	£4.95	£5.96	£0.00	£6.80	£8.18
McIntrye Hall	£0.00	£6.62	£0.00	£0.00	£9.08	£0.00
Birch Grove	£0.00	£5.90	£0.00	£0.00	£8.10	£0.00
Calf Close	£0.00	£4.70	£5.64	£0.00	£6.45	£7.75
Martin Hall	£0.00	£5.76	£0.00	£0.00	£7.91	£0.00
Nolan Hall	£0.00	£6.39	£0.00	£0.00	£8.78	£0.00
Porlock House	£0.00	£4.50	£5.42	£0.00	£6.18	£7.44
Croftside House (Electric)	£4.16	£4.64	£0.00	£5.71	£6.37	£0.00
Bishop Ramsey	£0.00	£4.89	£5.87	£0.00	£6.72	£8.05
Farding Lake	£0.00	£4.64	£0.00	£0.00	£6.37	£0.00
Prince Ed Court	£0.00	£4.16	£4.98	£0.00	£5.71	£6.84
Blenkinsop House	£2.87	£3.18	£0.00	£3.93	£4.37	£0.00
Borrowdale House	£0.00	£3.24	£0.00	£0.00	£4.45	£0.00
Huntcliffe House	£0.00	£3.53	£0.00	£0.00	£4.84	£0.00
Inskip House	£0.00	£4.35	£0.00	£0.00	£5.97	£0.00
Wingrove House	£0.00	£4.32	£5.21	£0.00	£5.93	£7.15
Clayside House	£0.00	£3.72	£0.00	£0.00	£5.11	£0.00
Flat 28 Glenthorpe House	£0.00	£4.85	£5.84	£0.00	£6.65	£8.01
Hallgarth House	£0.00	£4.67	£5.61	£0.00	£6.41	£7.70
Julius Court	£0.00	£3.81	£0.00	£0.00	£5.23	£0.00
Thomas Bell SA				£0.00	£6.86	£0.00
Patrick Cain House	£0.00	£3.87	£4.67	£0.00	£5.31	£6.41

## Appendix 3: Housing Revenue Account Spending Charges

<b>Tenant Communal Cleaning Charges</b>		
	<b>Cost per property per week 2010/11</b>	<b>Cost per property per week 2011/12</b>
<b>HIGH RISE PROPERTIES</b>		
Westmoreland	£1.40	£1.44
Durham Court	£1.22	£1.26
<b>MID RISE PROPERTIES</b>		
Farding Square	£2.94	£3.03
Dean Road	£1.99	£2.05
Laygate	£1.94	£2.00
Whiteleas	£1.99	£2.05
Green Lane	£3.97	£4.09
Tyne Dock	£2.73	£2.81
Galsworthy Road	£1.99	£2.05
River Drive	£0.62	£0.64
Mowbray Road	£0.92	£0.95
Stewart & Fulwell	£0.54	£0.56
<b>SHELTERED HOUSING</b>		
Birch Grove SA	£5.15	£5.30
Bishop Ramsay SA	£5.67	£5.84
Blenkinsop House SA	£2.76	£2.84
Borrowdale House SA	£4.85	£5.00
Calf Close House SA	£4.04	£4.16
Cheviot House SA	£4.46	£4.59
Clayside House SA	£4.03	£4.15
Croftside House SA	£3.78	£3.89
Curren House SA	£6.57	£6.77
Davies Hall SA	£6.37	£6.56
Farding Lake SA	£4.72	£4.86
Fernyhough Hall SA	£3.69	£3.80
Glenthorpe House SA	£4.04	£4.16
Hallgarth House SA	£3.78	£3.89
Henley House SA	£4.91	£5.06
Huntcliffe House SA	£5.50	£5.67
Inskip House SA	£4.90	£5.05
Julius Court SA	£3.78	£3.89
Lincoln Court SA	£5.67	£5.84
Martin Hall SA	£3.97	£4.09
McIntyre Hall SA	£5.07	£5.22
Nolan Hall SA	£4.16	£4.28
Patrick Cain House SA	£5.81	£5.98
Porlock House SA	£4.19	£4.32
Prince Edward Court SA	£6.32	£6.51
Thomas Bell SA	£4.53	£4.67
Wingrove House SA	£3.78	£3.89

## Appendix 3: Housing Revenue Account Spending Charges

<b>Leaseholder Charges</b>	<b>Cost per Property per week 2010/11</b>	<b>Cost per Property per week 2011/12</b>
Management Fee	£130.68	£134.60

	<b>Caretaker</b>		<b>Concierge</b>	
	<b>Cost per Property per week 2010/11</b>	<b>Cost per Prop per 2011/12</b>	<b>Cost per Property per week 2010/11</b>	<b>Cost per Property per week 2011/12</b>
Durham Court	£1.42	£1.95	£10.15	£13.53
Westmorland Court	£1.16	£1.59	£10.15	£13.53
Ellen Court	£3.55	£4.88	£10.15	£13.53
Monastery Court	£3.55	£4.88	£10.15	£13.53
Wilkinson Court	£3.55	£4.88	£10.15	£13.53

<b>Building Cleaning</b>	<b>Cost per Prop per week 2010/11</b>	<b>Cost per Prop per week 2011/12</b>
Farding Square	£2.94	£4.04
Dean Road	£1.99	£2.73
Laygate	£1.94	£2.66
Whiteleas	£1.99	£2.73
Green Lane	£3.97	£5.45
Tyne Dock	£2.73	£3.75
Galsworthy Road	£1.99	£2.73
River Drive	£0.62	£0.85
Mowbray Road	£0.92	£1.26
Stewart & Fulwell	£0.54	£0.74

Leaseholders charges have been phased over five years with effect from 2008/09 therefore actual outturn costs will not impact on the above figures.

## Appendix 4: Glossary

**Arms Length Management Organisation** – procurement option whereby a company is created to deliver the housing service on behalf of the Council. Whilst the Council retains some management control, the company is able to pursue additional funding sources and so deliver more regeneration to the borough.

**Capital Expenditure** – Spending on the acquisition of a tangible 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 can be retained by the Authority and used to finance capital expenditure or repay debt. The balance is paid over to central Government.

**Council Tax** – The Local Government Finance Act 1992 introduced the Council Tax, which replaced the Community Charge, with effect 1<sup>st</sup> 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.

**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. 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. The General Fund’s expenditure includes the Passenger Transport Authority’s levy.

**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 after specific Government subsidy 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** – 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** – An amount charged to the revenue budget to reflect the cost of repaying 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 although all proceeds are paid into a national pool and redistribution is made to Local Authorities based upon population.

**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 Authority, 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** – 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.

