

Medium Term Financial Plan 2020-25

Council Budget
Council - 27th February 2020



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



South Tyneside Council

**HELLO TOMORROW
CHANGE IS HAPPENING**

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Foreword by the Leader of the Council

Council Budget 2020 – 2025 - “Hello Tomorrow, Change is Happening”

Foreword by Councillor Iain Malcolm, Leader of the Council

The last ten years in South Tyneside represent a period of unprecedented and rapid change. The Council has driven an energetic, enthusiastic and ambitious plan, rising to the challenge of reconciling financial pressures with a bold ambition to transform the local area.

We have confidently managed significant financial and demand pressures, delivering positive outcomes across our priorities of ‘people’ and ‘place’, whilst maintaining high levels of customer satisfaction.

Our ‘Hello Tomorrow, Change is Happening’ programme has consistently delivered key regeneration milestones right across South Tyneside, underpinned by a prudent, yet innovative Capital Investment Programme.

Since 2010, we have worked hard to attract additional Government and external funding to finance our ambitions, securing a remarkable £1.6 billion of public and private sector investment in our town centres, schools, housing, transport, coastal and urban regeneration.

There has been investment in the local economy through state-of-the-art regeneration projects right across South Tyneside, with the critical infrastructure to support them.

The Local Government Association (LGA) independent Peer Review noted about the Council “...*financial management is robust, focused and major Capital programmes are delivered in innovative ways*”.

In reviewing our regeneration programme, the LGA concluded: “*In terms of service transformations and achieving real benefits for local communities, the Council is leading the way for the sector with regeneration projects such as The Word, Haven Court, Haven Point, Jarrow Focus and Hebburn Central*”.

Our capital investment programme is only part of the local authority landscape and decision making process. Each year, the Council must also set a balanced revenue budget which funds the cost of delivering services. Over the last ten years, we have delivered £168 million of efficiencies, whilst protecting frontline services, through a dramatically redesigned, modern Council. This budget continues our approach to; reduce spend on Council overheads such as management costs, invest in modern buildings and technology with lower energy and revenue costs, develop alternative income streams and secure the best value from commissioned services.

Climate change is an issue that affects each and every one of us and we declared a climate emergency in 2019. We have pledged to take all necessary steps to make the Council carbon neutral by 2030. We’ve already significantly reduced the Council’s overall carbon footprint by delivering innovative energy solutions, replacing old and inefficient buildings with modern, centralised hubs and increasing our on-site electricity generation but we know there is still more to do if we are to meet our ambitious target.

Foreword by the Leader of the Council

Having faced over 60% reduction in core government grants, South Tyneside Council has been identified by The Institute for Fiscal Studies as the third worst Council in England affected by funding reductions. The financial climate will continue to be challenging, with a further £32million of savings to be made over the next 4 years. At the same time, demand for services for our most vulnerable older residents is forecast to increase, whilst support required for children and families with the most complex and intensive needs continues to grow.

This Medium Term Financial Plan brings forward a budget which balances spend on critical, statutory services for our most vulnerable, with the priorities that residents tell us are most important to them, including roads, footpaths and street cleaning. This means the Council must make difficult decisions on behalf of all residents about where we spend resources, particularly around services that are non-statutory.

With the public sector facing unprecedented financial challenges, the vital role played by volunteers, community groups and other third sector organisations is becoming increasingly important. Our communities have really stepped up and we were delighted to be named Cooperative Council of the Year in 2019.

South Tyneside is unique in its level of civic and community pride. Local people genuinely care about the place they live. Working with the third sector to attract funding – our aim is to maximise the money coming into South Tyneside, from any source, so that it can be used to make a positive difference to people's lives.

Despite the challenging financial landscape, we are confident in our unwavering ambition to raise prosperity for South Tyneside residents. Looking to the future, we continue to place our long term economic vision centre-stage, ensuring the Council plays a proactive role locally, regionally through the Local Enterprise Partnership and North East combined authority and nationally, seizing and shaping opportunities for local people.

The second phase of our £100million plus Town Centres investment programme is almost complete, supporting our plans to make South Tyneside a year-round visitor destination.

Our generation changing economic growth project, the International Advanced Manufacturing Park (IAMP), which was the first UK employment site to receive 'national significance' status from Government, is now attracting new blue-chip companies to locate in South Tyneside and Sunderland. With over 7,000 new jobs expected and planned exciting commercial and residential development at Holborn, we have good reason to remain optimistic about the future.

This Medium Term Financial Plan underpins our strategy to make South Tyneside an outstanding place to live, invest and bring up families.



Iain Malcolm

**Councillor Iain Malcolm
Leader of the Council**

Shaping our Financial Future

Shaped to deliver our priorities

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

To achieve our overall vision, we have agreed 10 strategic outcomes with partners under the themes of 'People' and 'Place'. These are the things we will achieve over the next 20 years:

PEOPLE	PLACE
 BETTER EDUCATION AND SKILLS	 A REGENERATED SOUTH TYNESIDE WITH INCREASED BUSINESS AND JOBS
 INCREASING PROSPERITY	 BETTER TRANSPORT
 PROTECT VULNERABLE CHILDREN AND ADULTS	 BETTER HOUSING & NEIGHBOURHOODS
 STRONG AND INDEPENDENT FAMILIES	 A CLEAN AND GREEN ENVIRONMENT
 HEALTHIER PEOPLE	 LESS CRIME AND SAFER COMMUNITIES

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

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



Focus on Place

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

Shaping our Financial Future

Focus on People

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



2020 and beyond

The settlement from Central Government is in line with the Authority's expectations meaning that the Council will need to save a further £7m in 2020/21. Consequently, we start our budget planning early and consult widely with residents, partners and our staff.

We have made significant progress and delivered over £168m savings over the last 10 years with no major service closures, while also seeing record levels of investment in the borough.

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

- A 'Regenerated South Tyneside with Increased Businesses and Jobs' remains the priority in the South Tyneside Council Vision that continues to be rated as highest importance. Significant funding within the Capital Investment Programme reflects that priority.
- The high priority placed upon ensuring that our highways and footpaths are adequately maintained. The importance of these issues are reflected in our Capital Investment Programme.
- The need to increase recycling rates supporting an environmentally sustainable borough. Investment is planned to increase capacity and accessibility of the recycling village.

This budget for 2020 to 2025 focuses on how we will use our limited resources in the best way to ensure that we focus on the things that matter the most.

Introduction by the Lead Member Resources and Innovation



Councillor Ed Malcolm
Lead Member Resources and Innovation

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

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

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

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

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

- Emptied **6.5million** bins including domestic waste, recycling, green “garden collections” and business waste & recycling. Less than **0.5%** of household waste now ends up in landfill compared to **66%** of waste in 2010;
- Maintained **564km** of roads and **1,124km** of footpaths and future additional investment planned through our capital programme;
- Provided over **2,500** adults with residential care or support to live at home;
- The Council was voted ‘Cooperative Council of the Year’ 2019, for its work in partnership with local community organisations to maximise use of all available resources in the area;
- Supported around **2,700** children in need;
- Welcomed **6.6million** visitors to South Tyneside in 2018, bringing **£331m** of economic benefit to the area;
- Multi-award winning library & visitor attraction, The Word, the National Centre for the Written Word has drawn in over **one million** visitors since opening and led to a **43%** increase in book borrowing;
- Over **1.25 million** people used our leisure facilities in the last year, with the significant investment in facilities over the past 10 years resulting in leisure memberships increasing by **sixteen fold**;

Introduction by the Lead Member Resources and Innovation

- Our Children's Services were inspected by Ofsted and received an overall 'good' inspection, with an 'excellent' rating for our adoption service. The result places South Tyneside in the top 25 of 161 Local Authorities nationally;
- The Council has delivered significant reductions in its carbon footprint through capital investment in environmentally sustainable solutions, including saving 1,765 tonnes of CO₂ per year through streetlight LED upgrades and the development of the Viking renewable energy network scheme in Jarrow, which will supply heat to Council owned buildings, saving 1,475 tonnes of CO₂ per year.
- South Tyneside's economy is growing with an increase of 17.8% in gross value added (GVA), from £1.8bn in 2010 to £2.1bn in 2017. This has resulted in a 8% increase in the number of people in employment over that time, and a 39% increase in the number of enterprises in the borough over the last 5 years.
- Handled over 220,000 customer service enquiries calls through our contact centre;

All of these outcomes have been delivered at the same time as delivering £168m of efficiency savings as a Council to protect and deliver frontline services that are fit for the future.

What is the Medium Term Financial Plan?

This Medium Term Financial Plan (MTFP) outlines our approach to setting out our financial future. This document also sets the Council's budget for 2020/21.

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

Our Financial Strategy

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

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

Investing in our Future

The National Financial and Economic Context

1. Despite planned changes in the funding system for Local Government, councils such as South Tyneside remain dependent upon Government funding as a key source of income. Due to uncertain economic circumstances including the terms of the UK's planned withdrawal from the European Union, funding to Local Government is expected to remain constrained.
2. Our core Government funding has reduced by over 60% since 2010. Government is currently planning the introduction of a new funding system for local authorities from 2021 which will reduce direct Government funding and place greater reliance upon local business rates, council tax and fees and charges for councils' resources. The Government's planned spending review in 2020 will also set out future funding allocations for all Government departments from 2021. This is not expected to result in a substantial change to the current level of resources available to the Council unless there is a sustainable funding settlement to deal with the increased pressures around adults and children social care.
3. The Council receives almost 60% of its income from Council Tax payers and retained business rates. Cuts to central government funding and demand pressures have meant that councils now rely much more on local tax revenues for their overall funding. The budget has been calculated incorporating an increase of 3.95% in Council Tax in 2020/21. **2% of the increase contributes towards the funding gap within Adult Social Care Services.**

The Local Picture

4. The Medium Term Financial Plan is central to achieving our vision. In order to ensure our resources are directed towards the right priorities, we have developed a detailed understanding of the borough and our communities.
5. South Tyneside borough has a population of 150,265. The majority of our population is white British with 4.1% of the total population from Black, Asian, or Minority Ethnicities, mainly Bangladeshi and Indian. The latest population projections (2017) show that by 2039 the population of the borough could be 151,830, but with significant changes within the age profile of the borough, more older people and less working age people.
6. The population is projected to increase overall, but decrease amongst those of school and working age although the school-age population is increasing in some parts of the borough. The rising numbers of older people will have significant impact on how we provide services and represents a major challenge for the future, particularly for adult social care services and the costs of the national concessionary travel scheme. These projections have been factored into our financial planning.

Equality and Diversity

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

Investing in our Future

Sustainability

8. We are committed to supporting a sustainable borough which deals with the challenges of climate change. This is reflected in the planning and implementation of any new policy or service

Value for Money

9. Improving value for money is at the heart of everything we do. We always challenge ourselves to make sure our costs compare with others by identifying and challenging areas of high spend. Many of the redirection proposals within our 2020/21 budget will make us work more efficiently and will mean that Council Tax payers get more for their money.

What are the Council's revenue spending plans?

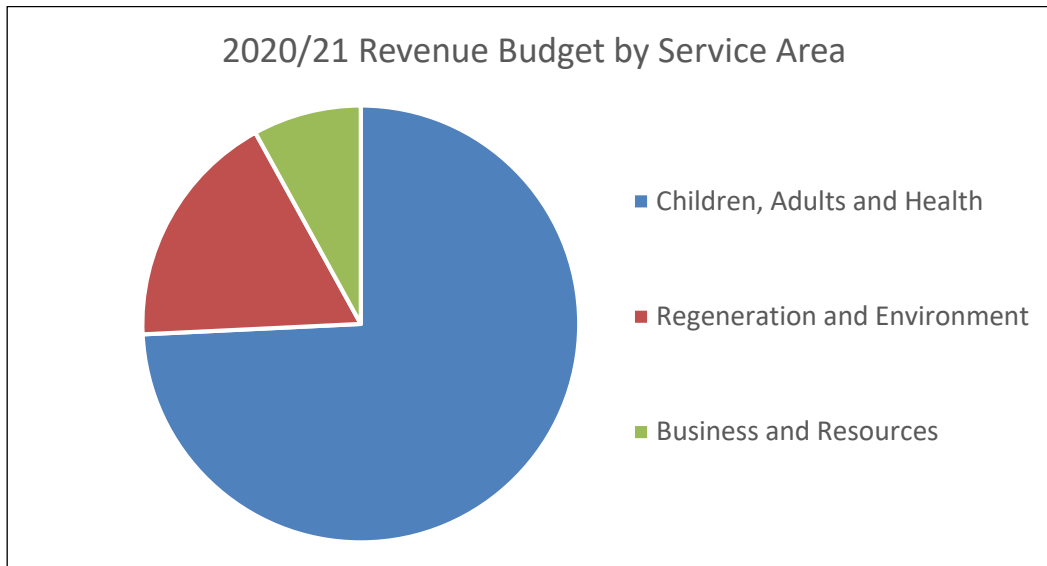
Revenue Spending Plans

10. Each year, we have to identify what we need to spend on Council services in the coming year, and also have to identify our provisional spending plans for future years. Our planning period covers 5 years so that we ensure that our spending plans are affordable and match the money we expect to receive from Government, Council Tax payers as well as use from our own reserves over a longer period. More of the financial risks we face cover longer periods e.g. demand on services from an ageing population and safeguarding of vulnerable adults and children, so it is prudent to extend our planning period.
11. The table below summarises our revenue spending plans for 2020/21 and provisional spending plans for 2021/22 to 2024/25 and how this is allocated across the Council's service teams, as well as identifying the resources that we have available to fund our spending.

Budget	Budget	Provisional Spending			
2019/20 Revenue Spending Plans	2020/21	2021/22	2022/23	2023/24	2024/25
£m	£m	£m	£m	£m	£m
124.463 Base Budget	124.325	126.403	126.123	125.924	125.777
11.716 Budget Pressures	9.077	8.000	8.000	8.000	8.000
(11.854) Redirection of Current Spending	(6.999)	(8.280)	(8.199)	(8.147)	(8.096)
124.325 TOTAL Revenue Spending Plans	126.403	126.123	125.924	125.777	125.681
-0.11% Percentage Change in Council budget	1.67%	-0.22%	-0.16%	-0.12%	-0.08%
Revenue Budgets					
88.037 Children, Adults and Health	93.842	93.634	93.486	93.377	93.306
22.680 Regeneration and Environment	22.424	22.374	22.339	22.313	22.296
13.608 Business and Resources	10.137	10.115	10.099	10.087	10.079
124.325 TOTAL Revenue Budgets	126.403	126.123	125.924	125.777	125.681
Funded by					
14.666 Revenue Support Grant	14.905	-	-	-	-
13.761 Business Rates Retained	14.142	20.642	21.055	21.476	21.905
34.377 Business Rates Top Up	34.937	41.182	39.929	38.714	37.535
- Use of (Contribution to) Council Reserves	(1.245)	-	-	-	-
1.000 Collection Fund Contribution	0.200	0.200	0.200	0.200	0.200
60.521 Council Tax Income	63.464	64.099	64.740	65.387	66.041
124.325 TOTAL Revenue Funding Forecast	126.403	126.123	125.924	125.777	125.681
93.661 Dedicated Schools Grant	99.180	99.180	99.180	99.180	99.180

What are the Council's revenue spending plans?

12. The diagram below shows our revenue budget for 2020/21 by Service Area. Children, Adults and Health includes Adults and Children's social care, Public Health and Education support services. Business and Resources includes the back office services of ICT, Legal, Finance and Human Resources as well as Leisure, Culture, Revenues, Benefits and Customer Services. Regeneration and Environment includes Highways, Waste Services, Planning, Strategic Housing, Environmental Health and Trading Standards, Business Investment and Regeneration.



13. From 2013/14 the Government introduced a new system of funding councils. Each Council is allowed to retain almost 50% of business rates collected. Government grant has been reduced accordingly to reflect this additional income now retained by councils. The next phase of business rates retention is expected to be introduced in 2021/22 whereby each Council will retain 75% of business rates collected with Government grant reduced accordingly.
14. In 2020/21 we will receive 40% of our revenue from Central Government and 60% from Council Tax and retained Business Rates. 2020/21 is a one year settlement following the delay in implementing the Government's spending review. As well as taking decisions about the overall level of funding to provide to councils, the Government will have to take decisions about how that funding should be distributed between them.
15. We have estimated government funding available to us in 2021/22 to 2024/25 based upon national Government anticipated spending plans. Figures for future years will be reviewed once the results of the Government's spending review are known.
16. From 2017/18 Councils with responsibility for adult social care have been given by the Government the ability to raise council tax by an additional levy to fund a budget shortfall in this area. The increase of 3.95% in 2020/21 includes a 2% increase in respect of Adult Social Care and a 1.95% annual increase. The table at paragraph 10 shows the amount of Council Tax we will collect in 2020/21 with the increase of 3.95%. **For planning purposes only**, we have included the estimated income in 2021/22 to 2024/25, based upon Council Tax revenues increasing by 1%.

What are the Council’s revenue spending plans?

17. The actual increases in Council Tax income in 2021/22 to 2024/25 will depend on circumstances at the time, including the level of actual funding received from Government and income from business rates. This may be higher or lower than these planning assumptions and, as such do not represent commitments by the Council at this time. At our current Council Tax Base, a 1% increase in the Council Tax level would generate an additional £0.634m of income.
18. Schools expenditure is funded from a Dedicated Schools Grant which is ring-fenced. The Schools, Central Schools Services, Early Years and High Needs elements have been confirmed for 2020/21 but the Recoupment figure which is paid over to academy schools will be confirmed in April. The figure quoted in paragraph 10 for Dedicated Schools Grant is shown after the estimated recoupment.
19. Appendix 1A provides more detail on the 2020/21 revenue budgets for each service.

Budget Pressures

20. The Council needs to spend more money to keep services at their current level. We also need to spend money to deliver our vision for South Tyneside by progressing our priorities. To continue to deliver our current services and to deliver our vision we will need to spend an extra £9m in 2020/21, and a further estimated £8m in 2021/22 to 2024/25. These figures have been estimated from forecasted activity / volume levels using specific cost drivers and taking account of changes in specific grant funding. A summary of these pressures is shown in the table below and full details are set out in Appendix 1B.

Revenue Budget Pressures	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m
Inflation	6.630	5.800	5.550	5.550	5.550
Other Standstill Pressures	5.280	2.120	2.370	2.370	2.370
Changes to External Grant	(2.833)	0.080	0.080	0.080	0.080
TOTAL Revenue Budget Pressures	9.077	8.000	8.000	8.000	8.000

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

Redirection of current spending

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

What are the Council's revenue spending plans?

24. Plans for reducing spending, delivering new models of service, additional income and increasing efficiency in 2020/21 are shown in the following table.

	Redirection of Current Spending	2020/21 £m
	Adult Social Care	
1	Living Better Lives	1.891
2	Accommodation	0.350
3	Supplies and Services	0.125
4	Deprivation of Liberty Assessments	0.100
	Adult Social Care Sub Total	2.466
	Asset Management	
5	Reduced Energy Costs	0.380
6	Street Lighting LED	0.160
7	Middlefields Wind Turbine	0.160
8	Building Cleaning Income	0.140
9	Investment Portfolio	0.025
10	Rating Review	0.050
11	Middlefields Recycling Shed	0.010
	Asset Management Sub Total	0.925
	Area Management	
12	Community Services	0.043
13	Waste PFI Refinancing	0.070
14	Fees and Charges	0.070
	Area Management Sub Total	0.183
	Children and Families Social Care	
15	Children's Home Staffing Rotas	0.050
	Children and Families Social Care Sub Total	0.050
	Corporate Finance	
16	Investment Interest	0.220
17	Changes in specific Government Funding	0.938
18	Miscellaneous	0.080
	Corporate Finance Sub Total	1.238
	Culture and Leisure	
19	Increased Leisure Income	0.093
20	Revised Working Arrangements	0.064
21	Review of Management Costs	0.060
22	Libraries review of book stock and casual staffing pool	0.056
	Culture and Leisure Sub Total	0.273
	Highways & Transport	
23	Highways Streetworks Permit Scheme	0.080
24	Northumbria Safer Roads Initiative	0.048
25	Construction Team Income	0.025
26	Miscellaneous	0.059
	Highways & Transport Sub Total	0.212
	Learning and Early Help	
27	Review Model of School Effectiveness / Improvement	0.050
28	STANLEY's Day Care Review	0.100
29	Refocus Youth Justice Service Priorities	0.075
30	Increased Youth Offer Income	0.030
31	Best Start in Life Management Model	0.050
	Learning and Early Help Sub Total	0.305

What are the Council's revenue spending plans?

	Redirection of Current Spending	2020/21 £m
	Public Health	
32	Substance Misuse Contract Efficiencies	0.050
33	Sexual Health Contract Efficiencies	0.050
34	0-19 Contract Efficiencies	0.100
35	Tobacco Control	0.050
	Public Health Sub Total	0.250
	Development Services	
36	Consultancy Fee	0.040
	Development Services Sub Total	0.040
	Business, Employment and Skills	
37	Business Centres	0.057
	Business, Employment and Skills Sub Total	0.057
	Regeneration	
38	Capitalisation of Salaries	0.080
	Regeneration Sub Total	0.080
	Redesigned Support Services	
39	Remodelling of Business Support	0.100
40	Strategy & Performance Staffing / Income	0.070
41	Digital & ICT	0.130
42	Procurement Supplier Incentive Scheme	0.050
43	Procurement NEPO	0.050
44	Procurement Staffing	0.050
45	Deletion of Finance Director Post	0.120
46	Full Year Effect of Finance Restructure	0.052
47	Deletion of Senior Auditor Post	0.046
48	Finance Supplies and Services	0.012
49	Legal Recharges to External Bodies	0.050
50	HR Staffing Review	0.090
51	Benefits Staffing	0.065
52	Customer Services	0.020
53	Billing & Recovery Integration of Teams	0.015
	Redesigned Support Services Sub Total	0.920
	TOTAL Redirection of Current Spending	6.999

Council Tax Income

25. The following section provides further information on our Council Tax levels from 1st April 2020.
26. To fund our spending plans which are inclusive of levies from external bodies to support functions such as transport and flood defence, we need to increase **our proportion of the borough's Council Tax** in 2020/21 to raise **£63.464m**. The overall council tax level set for the borough includes precepts for the Tyne & Wear Fire and Civil Defence Authority and Northumbria Police and Crime Commissioner. From 2017/18 Councils with responsibility for adult social care have been given the ability to raise council tax by an additional levy to cover a funding shortfall in this area. The figures below include a 2% increase in respect of Adult Social Care and a 1.95% annual increase. Due to the pressures within Adult Social Care, there will still remain a significant funding gap.

What are the Council's revenue spending plans?

27. Tyne & Wear Fire and Civil Defence Authority and the Northumbria Police and Crime Commissioner have confirmed a precept increase of 1.99%.

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

2020/21 Borough Council Tax						
	Band Weighting	% of Properties in Each Band	South Tyneside Council £	Fire Authority £	Police & Crime Commissioner £	TOTAL £
Band A Properties	6/9	63.6	1,086.02	55.98	91.33	1,233.33
Band B Properties	7/9	14.1	1,267.02	65.31	106.56	1,438.89
Band C Properties	8/9	11.8	1,448.02	74.64	121.78	1,644.44
Band D Properties	1	6.5	1,629.03	83.97	137.00	1,850.00
Band E Properties	11/9	2.4	1,991.04	102.63	167.44	2,261.11
Band F Properties	13/9	1.0	2,353.04	121.29	197.89	2,672.22
Band G Properties	15/9	0.5	2,715.05	139.95	228.33	3,083.33
Band H Properties	18/9	0.1	3,258.06	167.94	274.00	3,700.00
Percentage increase from 2019/20			3.95%	1.99%	1.99%	3.71%

What are the Council's revenue spending plans?

South Tyneside Council Tax for 2020/21

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

2020/21 Borough Council Tax	Band Weighting	South Tyneside Council 2019/20	South Tyneside Council 2020/21 *	Fire Authority 2019/20	Fire Authority 2020/21	Police & Crime Commissioner 2019/20	Police & Crime Commissioner 2020/21	Borough Council Tax 2019/20	Borough Council Tax 2020/21
Band A Properties	6/9	£1,044.75	£1,086.02	£54.89	£55.98	£89.55	£91.33	£1,189.19	£1,233.33
Percentage increase			3.95%		1.99%		1.99%		3.71%
Annual increase			£41.27		£1.09		£1.78		£44.14
Weekly increase			£0.79		£0.02		£0.03		£0.85
Band B Properties	7/9	£1,218.88	£1,267.02	£64.03	£65.31	£104.48	£106.56	£1,387.39	£1,438.89
Percentage increase			3.95%		1.99%		1.99%		3.71%
Annual increase			£48.14		£1.28		£2.08		£51.50
Weekly increase			£0.93		£0.02		£0.04		£0.99
Band C Properties	8/9	£1,393.00	£1,448.02	£73.18	£74.64	£119.40	£121.78	£1,585.58	£1,644.44
Percentage increase			3.95%		1.99%		1.99%		3.71%
Annual increase			£55.02		£1.46		£2.38		£58.86
Weekly increase			£1.06		£0.03		£0.05		£1.13
Band D Properties	1	£1,567.13	£1,629.03	£82.33	£83.97	£134.33	£137.00	£1,783.79	£1,850.00
Percentage increase			3.95%		1.99%		1.99%		3.71%
Annual increase			£61.90		£1.64		£2.67		£66.21
Weekly increase			£1.19		£0.03		£0.05		£1.27
Band E Properties	11/9	£1,915.38	£1,991.04	£100.63	£102.63	£164.18	£167.44	£2,180.19	£2,261.11
Percentage increase			3.95%		1.99%		1.99%		3.71%
Annual increase			£75.66		£2.00		£3.26		£80.92
Weekly increase			£1.46		£0.04		£0.06		£1.56
Band F Properties	13/9	£2,263.63	£2,353.04	£118.92	£121.29	£194.03	£197.89	£2,576.58	£2,672.22
Percentage increase			3.95%		1.99%		1.99%		3.71%
Annual increase			£89.41		£2.37		£3.86		£95.64
Weekly increase			£1.72		£0.05		£0.07		£1.84
Band G Properties	15/9	£2,611.88	£2,715.05	£137.22	£139.95	£223.88	£228.33	£2,972.98	£3,083.33
Percentage increase			3.95%		1.99%		1.99%		3.71%
Annual increase			£103.17		£2.73		£4.45		£110.35
Weekly increase			£1.98		£0.05		£0.09		£2.12
Band H Properties	18/9	£3,134.26	£3,258.06	£164.66	£167.94	£268.66	£274.00	£3,567.58	£3,700.00
Percentage increase			3.95%		1.99%		1.99%		3.71%
Annual increase			£123.80		£3.28		£5.34		£132.42
Weekly increase			£2.38		£0.06		£0.10		£2.55

* Percentage change is inclusive of a 2% increase as permitted by Government towards the rising costs of adult social care

What are the Council's capital spending plans?

Capital Investment Programme

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

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

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

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

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

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

The International Advanced Manufacturing Park (IAMP) seeks to expand upon the existing North-East automotive manufacturing hub to enable a step change in South Tyneside's economic growth and continue the strong local track record of high quality, adaptable manufacturing. Work on the site is making good progress and as an internationally respected destination for advanced manufacturing and European scale supply chain industries new occupants have confirmed their location on site.



What are the Council's capital spending plans?

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



The IAMP project is being supported by the ongoing Highways England works to the A19 at Testos Roundabout and whilst investment in major transport schemes will significantly improve accessibility to the borough, it is important to also maintain the existing infrastructure, making South Tyneside an increasingly attractive borough to residents, business and visitors. Albert Road bridge is a multi-span structure over local roads and the Metro line which has been identified as requiring attention. The bridge requires strengthening, waterproofing, concrete repairs and replacement of movement joints. This work will ensure we have a serviceable road and infrastructure network, minimising congestion on both the inter-urban road network and in larger urban areas of the borough with subsequent improvements to air quality and improvements in accessibility to key services.

The Council's 'South Shields 365' vision is already improving the appearance and functionality of the town centre and will provide new retail and family leisure facilities, better transport links and improved public spaces. Phase 1, 'The Word – the National Centre for the Written Word', has had a great success since its opening in October 2016, attracting over 1.25million visitors and hosting a number of high profile exhibitions and events. Phase 2 of SS365, the new South Shields Transport



Interchange, opened to bus and metro users in August 2019, with the final public realm improvements to be completed by May 2020. This has improved connectivity between the Metro and bus networks, offering direct concourse access from the bus station to the Metro and improvements to the rail and highways infrastructure around the town centre, providing a more efficient transport system. Preliminary works for Phase 3 of the programme, which will see new retail and leisure units brought forward around Barrington Street, will commence with demolitions in 2020.

Key Delivery Priorities

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

What are the Council's capital spending plans?



South Tyneside Council's vision is to transform Holborn into a vibrant mixed use riverside location on the edge of South Shields Town Centre, incorporating around 400 new dwellings and 200,000 sqft of new Grade A office space. This will see the development of a sustainable business and residential community which broadens the South Tyneside offer and builds upon the Council's ongoing investment in South Shields Town Centre, Riverside and Foreshore. The site and its surrounds comprise some 10 hectares of land, of

which 4.66 hectares are identified as an Enterprise Zone. Delivery of the first phase of new houses is expected to commence in late 2020 along with new commercial development at Harton Quays Park.

Strategic Outcome: Better Housing and Neighbourhoods

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

In partnership with South Tyneside Housing Ventures Limited, we have built new affordable homes for rent and refurbished over 40 derelict properties on housing estates across the borough. This investment not only adds value to our economic growth and regeneration ambitions but also improves the borough as a whole for the people who live here. Our ambition is to meet the demand for up to 10,000 new homes over the next 20 years. A new development of 35 homes has been completed at Thurston Gardens, Jarrow, where tenants have now moved in and are enjoying their fantastic new homes. The Empty Homes refurbishment programme is continuing most notably with the successful renovation of two derelict properties on Beach Road, South Shields, converted into 4 flats which are now fully occupied. Progress is continuing on Whitburn Towers, a new apartment scheme for older people at Croftside, where completion is expected in May 2020. We will also be seeking Planning Approval for a new development in Henderson Road, Simonside, to commence in May. The new Council owned housing development company, Centaurea Homes Limited, is about to commence its first development of 62 new family homes on the Lakes Estate in Jarrow.



What are the Council's capital spending plans?

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

Key Delivery Priorities

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



From 2008 to 2016 over £300m was invested in the Council's own housing stock which contributed towards achieving our strategic housing goals. The Council bid for, and secured, over £160m of Decent Homes funding, which contributed towards that investment. Since the completion of the Decent Homes works in December 2016, South Tyneside Homes have progressed to a planned maintenance programme to survey properties completed at the start of Decent Homes and to maintain properties at the South Tyneside Decency Standard,

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

Ambitious plans are in place, which include significant investment in highway infrastructure. A package of key strategic transport investment projects is being developed to reinforce the economic potential of the borough. One of these projects involves looking at the measures which will improve public transport accessibility and the Council intends to bring forward significant improvements at Chichester and Tyne Dock Metro stations. This project will be supported by a funding contribution from Nexus and the Council will seek further backing through the Transforming Cities Fund.



What are the Council's capital spending plans?

The capital schemes within this priority also include Highways and Transport. The programme incorporates major road and footway improvements across the borough. The Highways Asset Management Plan details the process for delivery of a rolling three year road and footway programme, including carriageway resurfacing across the borough, ensuring forward visibility of proposed works.

Our spending plans include a significant increase in funding on resurfacing of roads. This is recognised as a high priority as expressed by resident feedback.

Strategic Outcome: Stable and Independent Families

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

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

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

Key Delivery Priorities

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

The local authority's Special Educational Needs and Disability (SEND) Strategy has identified a significant rise in the number of pupils with Social, Emotional and Mental Health (SEMH) and Autistic Spectrum Disorder (ASD) at primary level, many of whom in addition have communication and interaction needs. The SEND Strategy and analysis of local data has identified a gap in provision for children and young people with autism. The lack of additional resourced provision means that children who are able to be supported in mainstream classes are currently being placed in special schools with limited opportunities to mainstream provision. The Council is committed to increasing the number of schools with Additional Resource Based provision and to reduce the over reliance on out of borough special school placements.



We have identified 3 primary schools with the capacity for conversion works to accommodate the additional space required to provide for pupils who exhibit challenging behaviours, communication and interaction needs and who have a need for therapeutic, multi-disciplinary intervention. Further investment in our education services includes the refurbishment of the Early Excellence Centre to provide a working base to

What are the Council's capital spending plans?

accommodate an integrated staff team. This project is key to delivering the Best Start in Life offer to children and families and supports the Council's long term aspirations to ensure that its workforce is both integrated and fit for purpose.

Strategic Outcome: Healthier People

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

Key Delivery Priorities

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

The Council's leisure portfolio now consists of 6 sites supporting over 7,000 members and 1.25 million admissions per year. The facilities on offer are high quality, providing a unique leisure experience which generates £3.6million per annum. In order to maintain this level of turnover and market share there is a need to introduce a planned systematic process for replacing and upgrading both the physical fabric of the buildings and associated equipment within them. By introducing an ongoing programme of



upgrade and replacement the Council can be confident that we are delivering an offer which continues to be 'future fit', providing buildings and equipment which meet the changing demands of customers and members.



This commitment to high-grade facilities includes Monkton Stadium which will undergo a programme of improvement and refurbishment works to meet customer demand. The local area has enjoyed a period of increased house building over several years and the investment in the stadium will attract more users and increase general footfall to support the new housing in the area whilst encouraging residents to adopt a healthier lifestyle.

What are the Council's capital spending plans?

Strategic Outcome: Clean and Green Environment

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

Key Delivery Priorities

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

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

including the closure of the level crossings at Boldon and Tiledsheds and development of a road bridge and highway links. Further to this, the Council will look to introduce a series of bus lanes which will improve the journey time, reliability and punctuality of bus services.



Street lighting has been a key priority of the Council with significant improvements being delivered through the replacement of existing sodium street lights to light-emitting diodes (LEDs). To date we have removed 1,765 tonnes of CO₂ through street light LED upgrades, with further upgrade works continuing into 2020/21. The LED lights have significantly reduced energy usage, generating cost savings, while adding the benefit of

What are the Council's capital spending plans?

improving visibility to pedestrians and road users, thus improving safety. The whiter light has also left residents with a feeling of improved security and general well-being.

Innovation and Efficiency

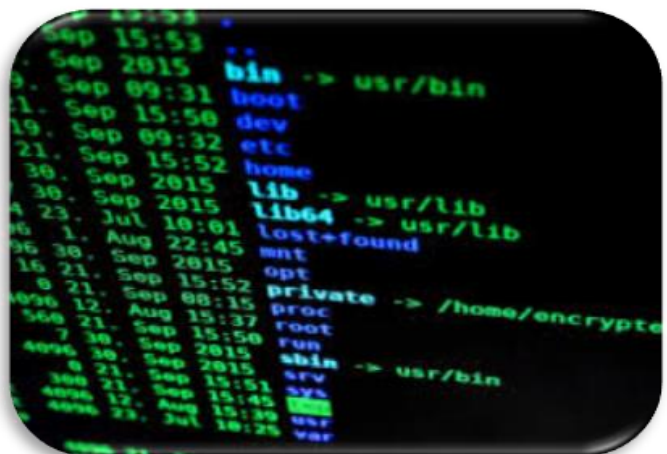
We need to be clear about how we support and underpin the delivery of our priorities by investing in our future and managing our resources effectively. The current economic climate means that achieving value for money and efficiency in our services will be more important than ever. Our new operating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



Over the previous 2 years significant investment has been directed towards the replacement of the Council's refuse collection fleet and 16 new refuse vehicles were delivered in 2018 with a further 3 Green Waste collection vehicles in 2019. Further investment will include the updating of the waste and highways heavy vehicle fleet and the Council's light van stock. This fleet replacement programme will enable us to reduce repair costs and also reduce CO2 emissions both for the Council

and for our businesses to whom we provide waste and recycling collections, as well as providing an improved recycling service, more responsive to local needs. New vehicles will mean less breakdowns and time out of service for repairs and will ensure that waste services can be delivered on the scheduled collection day. The replacement programme covers 3 years and includes the purchase of 41 light vehicles and 23 refuse collection vehicles.

We will ensure that the corporate Digital and ICT infrastructure is refreshed, secure and resilient and that the public, services and employees can access the information, Digital and ICT systems that they need to deliver services and strategic outcomes. The refresh and upgrade (hardware, software and connectivity) has already commenced with further investment in Microsoft Licencing and a new Security Event and Incident Management (SEIM) tool. We will also be procuring and implementing new tools and applications both for the Digital and ICT service and for frontline service provision across the Council to encourage the uptake of digital services so that resources can be redirected into priority service areas.



What are the Council's capital spending plans?

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

Capital Investment Strategy 2020-25							
Strategic Outcome 1 : A regenerated South Tyneside with increased business and jobs							
Ref	Project Name	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
ER01	Holborn	13.155	14.775	10.275	8.175	2.175	48.555
ER02	International Advanced Manufacturing Park	3.660	21.835	12.588	10.408	-	48.491
ER03	South Shields 365	5.335	8.515	-	-	-	13.850
ER04	Highway Structures	1.000	-	-	-	-	1.000
ER05	Major Transport Schemes	0.100	0.100	0.100	0.100	0.100	0.500
ER06	Winchester Street Regeneration	0.250	-	-	-	-	0.250
ER07	Pier Head Yard Improvement	0.120	-	-	-	-	0.120
		23.620	45.225	22.963	18.683	2.275	112.766
Strategic Outcome 2 : Better Housing and Neighbourhoods							
Ref	Project Name	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
BHN01	Housing Ventures	5.000	5.000	5.000	5.000	5.000	25.000
BHN02	Centaurea Homes	3.000	3.000	3.000	3.000	3.000	15.000
BHN03	Local Transport Plan Budgets	2.351	2.351	2.351	2.351	2.351	11.755
BHN04	Road Resurfacing	2.000	2.000	2.000	2.000	2.000	10.000
BHN05	Flags to Flexible Footway Programme	2.000	2.000	2.000	2.000	2.000	10.000
BHN06	Healthier/Smarter Metro Stations	1.350	0.900	1.000	-	-	3.250
BHN07	CAF Grants	0.500	0.500	0.500	0.500	0.500	2.500
BHN08	Coast Road	-	2.000	-	-	-	2.000
BHN09	Remodelling of Crematorium	0.400	0.250	-	-	-	0.650
BHN10	Brinkburn CA Site Redevelopment Works	0.465	-	-	-	-	0.465
BHN11	Foreshore Paving Improvements	0.310	-	-	-	-	0.310
BHN12	Concrete Road Bay Replacement	0.250	-	-	-	-	0.250
BHN13	Asset Transfer Works	0.150	-	-	-	-	0.150
BHN14	Relocation of CCTV Control Room	0.100	-	-	-	-	0.100
BHN15	Allotment Fencing Programme	0.040	-	-	-	-	0.040
HC01	Decent Homes	10.400	10.700	10.700	10.700	10.700	53.200
HC02	Programme Fees - Housing Capital	1.100	1.100	1.100	1.100	1.100	5.500
HC03	Voids	1.000	1.000	1.000	1.000	1.000	5.000
HC04	Disabled Adaptations	0.900	0.900	0.900	0.900	0.900	4.500
HC05	Public Sector Housing Other	2.600	1.300	1.300	1.300	1.300	7.800
		33.916	33.001	30.851	29.851	29.851	157.470
Strategic Outcome 3 : Stable and Independent Families							
Ref	Project Name	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
SIF01	Disabled Adaptations	0.750	0.750	0.750	0.750	0.750	3.750
SIF02	Schools Devolved Formula Capital	0.339	0.339	0.339	0.339	0.339	1.695
SIF03	South Shields School	0.500	0.500	-	-	-	1.000
SIF04	Lord Blyton Additional Classroom	0.320	-	-	-	-	0.320
SIF05	BSIL Locality Partnerships - Early Excellence Centre	0.314	-	-	-	-	0.314
SIF06	Keelman's Way Additional Classroom	0.240	-	-	-	-	0.240
SIF07	Fellgate Additional Classroom	0.150	-	-	-	-	0.150
SIF08	Playgrounds	0.100	-	-	-	-	0.100
		2.713	1.589	1.089	1.089	1.089	7.569
Strategic Outcome 4 : Healthier People							
Ref	Project Name	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
HP01	HLF North Marine Park	1.426	0.133	0.079	0.079	-	1.717
HP02	School Road Safety Works	0.200	0.200	0.050	0.050	0.050	0.550
HP03	Monkton Stadium	0.300	-	-	-	-	0.300
HP04	Leisure Equipment	0.050	0.050	0.050	0.050	0.050	0.250
		1.976	0.383	0.179	0.179	0.100	2.817

What are the Council's capital spending plans?

Capital Investment Strategy 2020-25							
Strategic Outcome 5 : Clean and Green Environment							
		2020/21	2021/22	2022/23	2023/24	2024/25	Total
Ref	Project Name	£m	£m	£m	£m	£m	£m
CG01	Strategic Bus Corridor (including Tilesheds)	0.750	1.500	15.000	-	-	17.250
CG02	Viking Energy Scheme	-	-	2.800	-	-	2.800
CG03	Sunderland to South Shields Strategic Bus Corridor	0.750	0.500	1.000	-	-	2.250
CG04	LED Street Lighting	1.000	-	-	-	-	1.000
CG05	Recycling Village Extension (Phase 1)	0.360	-	-	-	-	0.360
CG06	Litter Bins	0.050	0.050	0.050	0.050	0.050	0.250
CG07	Wheeled Bin Replacement Programme	0.050	0.050	0.050	0.050	0.050	0.250
CG08	Hebburn Mine Water Project	0.159	-	-	-	-	0.159
CG09	Ultra Low Emissions Project	0.100	-	-	-	-	0.100
		3.219	2.100	18.900	0.100	0.100	24.419
Innovation and Efficiency							
		2020/21	2021/22	2022/23	2023/24	2024/25	Total
Ref	Project Name	£m	£m	£m	£m	£m	£m
IE01	Asset Management	3.514	2.614	2.614	2.614	2.614	13.970
IE02	Digital and ICT	2.000	2.000	2.000	2.000	2.000	10.000
IE03	Fleet Vehicle Replacement Programme	1.250	1.250	1.250	1.250	1.250	6.250
IE04	Demolitions	0.300	0.100	0.100	0.100	0.100	0.700
IE05	Securing Vacant Buildings	0.100	0.100	0.100	0.100	0.100	0.500
IE06	Resurfacing of Car Parks	0.050	0.050	0.050	0.050	0.050	0.250
IE07	Business Centre Alarms and CCTV	0.045	-	-	-	-	0.045
		7.259	6.114	6.114	6.114	6.114	31.715
TOTAL		72.703	88.412	80.096	56.016	39.529	336.756

Capital Funding

31. The table below summarises our capital funding estimates for 2020/21 and provisional funding estimates for 2021/22 to 2024/25.

Capital Programme By Funding	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m	£m
Council General Fund Programme						
External Funding	33.678	39.787	43.745	23.522	13.104	153.836
Capital Receipts	2.465	3.000	4.000	4.000	2.000	15.465
Revenue Contribution to Capital	1.000	1.000	1.000	1.000	1.000	5.000
Borrowing	18.560	28.625	15.351	11.494	7.425	81.455
TOTAL Council General Fund Programme	55.703	72.412	64.096	40.016	23.529	255.756
Housing Programme (funded from the Housing Revenue Account)						
Revenue Funding of Decent Homes Maintenance	17.000	16.000	16.000	16.000	16.000	81.000
TOTAL Housing Programme	17.000	16.000	16.000	16.000	16.000	81.000
COMBINED Housing and General Fund	72.703	88.412	80.096	56.016	39.529	336.756

2020/21 Minimum Revenue Provision Policy Statement

32. The Minimum Revenue Provision (MRP) is the charge made to the revenue account to reflect repayment of borrowing over the useful life of the assets that have been funded from that borrowing. The Council has regard to the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003 and any subsequent updates.
33. MRP is charged in the year following that in which an asset is brought into use.
34. MRP will be spread over a period which reflects the life/beneficial use of the asset and is normally no more than 50 years. A longer life may be given if it is deemed by a professional that the asset life will exceed 50 years.
35. These periods are determined for MRP purposes only, and the Council may account for depreciation of assets differently under the Code of Practice on Local Authority Accounting, after having had regard to the different conditions that apply for such accounting purposes.
36. The Council has in place a £40m finance agreement with South Tyneside Housing Venture Trust Limited. MRP will be charged to match the annuity loan repayment profile from the Company over the life of any loans issued as part of this agreement. For any future finance agreements that the Council enters into the MRP charged will be matched to the loan repayment profile including for PFI and finance lease arrangements.
37. The Council also determines that available resources for financing capital expenditure, such as capital receipts and external funding, will be applied to new expenditures in a manner that is considered appropriate in any financial year. For example, it will be considered financially efficient to apply such resources in the first instance to expenditures that have a shorter estimated lifespan. Capital receipts may also be utilised to partially offset some or all of the MRP charge due for the year.
38. It is the Council's intention to either apply housing receipts to appropriate capital schemes or to use them as a means of repaying debt, whichever is deemed more appropriate.
39. In cases where expenditure is incurred on only part of a scheme which is not completed by the year end, any grant or similar financing resources will be either allocated to other new expenditures or carried forward as appropriate. Final decisions regarding the manner in which such resources are to be allocated to schemes will be taken under delegated powers.

How will the Council manage financial risk?

40. Over the medium term the Council faces continuing financial pressures and has refocused its priorities and built challenging budget redirections and savings targets into the spending plans for 2020 to 2025. The Council carefully identifies the things that could go wrong and might undermine the MTFP.
41. To do this an assessment is made of what the impact would be if these things happen and how likely they are to happen. The Council ensures that it has plans in place in case things do not turn out as expected. This is part of our risk management strategy, which underpins all that we do, not just our financial plans.
42. The significant financial risks are identified on the Council's strategic risk register. They have all been assessed as part of the strategic planning process. These risks are being actively managed and the estimated financial implications have been built into this Medium Term Financial Plan.
43. Some of our strategic risks have been assessed as particularly uncertain with a potentially significant financial impact. Reserves have been established for these risks.
44. The following table identifies the key risks to the delivery of the MTFP, the actions taken (within this financial plan) and the actions proposed to reduce the impact of these risks on the Council's future financial position.

Strategic Financial Risk and Risk Management

Risk to the delivery of the MTFP	Risk Managed by:	Risk Rating
Risk that the demand for services (adults and children) could increase further than estimated and that the volatile demand led budgets are not rigorously managed.	Revenue spending is monitored on a monthly basis as part of the Council's corporate performance monitoring framework. Robust budgets consistent with agreed demand management plans and improvement programmes are being delivered including improved strengths based practice.	High
The Council is unable to deliver its financial plans.	The achievement of the MTFP is imperative and is monitored every month as part of our performance monitoring process incorporating challenge to budget holders and corporate oversight.	Medium
Future government plans to revise the system of funding for local government may result in a reduction in resources greater than already forecast.	Future changes to the funding system will be analysed and the impact on resources will be factored into the MTFP.	Medium
The costs of commissioned care may increase due to the national living wage.	The Council has anticipated cost pressures in this area within its financial plans.	Medium

How will the Council manage financial risk?

Risk to the delivery of the MTFP	Risk Managed by:	Risk Rating
Financial pressures in the national health service resulting in additional social care costs.	Integrated working with health partners across the whole system of health and social care is ongoing.	Medium
Risk that South Tyneside Council will be placed at a disadvantage following Brexit in both financial and economic growth terms. The full extent of the impact will not be clear until we know the precise exit terms.	Prudent assumptions around future government funding and additional cost pressures which may materialise have been built into the MTFP.	Medium
Uncertainty over the future funding of the capital programme.	We maximise the availability of capital receipts and external funding to support the capital programme thereby reducing the call on Council borrowing. Affordability of borrowing is regularly assessed and monitored.	Medium
Emergency event occurs e.g. major flooding incident / significant traffic incident / flu pandemic which incurs additional unbudgeted costs.	The Council maintains a Strategic Reserve to meet unforeseen liabilities. This is anticipated to be £3m at April 2020.	Low

Our risk – based reserves policy

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

South Tyneside Council Reserves Policy

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

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

How will the Council manage financial risk?

47. Our forecast of the total Council reserves at 31st March 2020 is £36.491m as shown in the table below.

Council Reserves	General Reserve £m	Strategic Reserve £m	Earmarked Reserves £m	School Reserves £m	Total Reserves £m
Balance as at 31st March 2019	4.512	3.021	30.993	1.220	39.746
Planned use of Reserves in 2019/20	-	-	(3.255)	-	(3.255)
Estimated Balance as at 31st March 2020	4.512	3.021	27.738	1.220	36.491

48. The following table identifies the planned use of Council reserves during 2020/21 to 2024/25.

Council Reserves	General Reserve £m	Strategic Reserve £m	Earmarked Reserves £m	School Reserves £m	Total Reserves £m
Estimated Balance as at 31st March 2020	4.512	3.021	27.738	1.220	36.491
Planned Use of Reserves in 2020/21	-	-	1.245	-	1.245
Estimated Balance as at 31st March 2021	4.512	3.021	28.983	1.220	37.736
Estimated Balance as at 31st March 2021	4.512	3.021	28.983	1.220	37.736
Planned Use of Reserves in 2021/22	-	-	-	-	-
Estimated Balance as at 31st March 2022	4.512	3.021	28.983	1.220	37.736
Estimated Balance as at 31st March 2022	4.512	3.021	28.983	1.220	37.736
Planned Use of Reserves in 2022/23	-	-	-	-	-
Estimated Balance as at 31st March 2023	4.512	3.021	28.983	1.220	37.736
Estimated Balance as at 31st March 2023	4.512	3.021	28.983	1.220	37.736
Planned Use of Reserves in 2023/24	-	-	-	-	-
Estimated Balance as at 31st March 2024	4.512	3.021	28.983	1.220	37.736
Estimated Balance as at 31st March 2024	4.512	3.021	28.983	1.220	37.736
Planned Use of Reserves in 2024/25	-	-	-	-	-
Estimated Balance as at 31st March 2025	4.512	3.021	28.983	1.220	37.736

What are the Council's housing revenue spending plans?

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

Housing Revenue Account	Provisional Budget				
	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Expenditure					
Management	19.153	19.447	19.748	20.056	20.370
Repairs & Maintenance	14.761	14.908	15.058	15.208	15.360
Rents, Rates, Taxes, Insurance	1.031	1.008	0.985	0.969	0.954
Provision for Bad Debts	1.127	1.203	1.199	1.194	1.377
Maintenance of Decent Homes	17.000	16.000	16.000	16.000	16.606
Debt Interest	10.730	10.717	10.667	10.494	10.523
Other Capital Charges	0.049	0.050	0.051	0.052	0.054
TOTAL Housing Revenue Account Expenditure	63.851	63.333	63.708	63.973	65.244
Income					
Rents - Dwellings	(61.331)	(62.333)	(63.344)	(64.364)	(66.757)
Income - Other Services / Property	(3.097)	(3.174)	(3.250)	(3.336)	(3.430)
Housing Related Support Charges	(0.285)	(0.293)	(0.297)	(0.376)	(0.379)
Contributions & Interest	(1.375)	(1.374)	(1.373)	(1.372)	(1.371)
TOTAL Housing Revenue Account Income	(66.088)	(67.174)	(68.264)	(69.448)	(71.937)
(Surplus) / Deficit on Housing Revenue Account	(2.237)	(3.841)	(4.556)	(5.475)	(6.693)

Housing Revenue Plans for 2020/21

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

Service Charges for 2020/21

55. Service charges for 2020/21 will be as set out in Appendix 3.

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

56. The Council administers the Local Government Pension Scheme for the Tyne and Wear County area 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.
57. The table below summarises the spending plans for the Fund for 2020/21 and provisional spending plans for 2021/22 and 2022/23. This is due to be presented to the Pensions Committee for approval on 4th February 2020.

Budget Tyne and Wear Pension Fund	Budget	Provisional Budgets	
2019/20	2020/21	2021/22	2022/23
£m	£m	£m	£m
96.353 Investment Management Expenses	105.381	112.180	118.188
2.667 Investment Office	1.509	1.310	1.350
99.020 Total Investment Office	106.890	113.490	119.538
3.217 Pensions Office	3.047	2.991	3.512
0.133 Pension Fund Governance	0.141	0.143	0.144
102.370 Total Pensions Service	110.078	116.624	123.194

58. The budget for 2020/21 shows an increase of £7.708m over the 2019/20 budget. An increase of £6.546m is projected for 2021/22 and £6.570m is projected for 2022/23.
59. Investment management expenses dominate the budget. This budget has been formulated in line with industry best practice and is a full estimate of the fees, expenses and costs associated with the investment management of the Fund.
60. The table below analyses the budget proposal for the next three years.

	2020/21	2021/22	2022/23
	£m	£m	£m
Base Budget	102.370	110.078	116.624
Investment Management Expenses	9.027	6.800	6.007
Standstill Pressures	0.044	(0.185)	(0.062)
Budget Growth/New Initiatives	0.093	0.157	0.442
Savings	(1.456)	(0.226)	0.183
Revised Budget	110.078	116.624	123.194

61. The increase in investment management expenses is largely attributed to increased costs related to private market investments which typically attract higher fees than quoted assets, but have produced greater investment returns net of fees. The Fund is expecting to increase its use of these type of investments over the next few years.
62. The Fund has a part ownership, along with eleven other local authority pension funds, in an investment management company called Border to Coast Pension Partnership Ltd. This stems from a Government initiative whereby local government pension funds have been asked to combine their assets to create larger investment pools. In the early years of the company set up and development costs were incurred.
63. However, as the company has now become operational, much of these set up and development costs have dropped out of the Investment Office budget. This accounts for

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

most of the saving of £1.456m, as noted in the previous table. Savings have also been delivered within the Pensions Office budget as a result of the efficiencies with pensions processing and the move to on-line services.

64. The Council is currently involved in discussions to merge the Tyne and Wear Pension Fund with the Northumberland County Council Pension Fund. This is still subject to a consultation exercise from the Ministry of Housing, Communities and Local Government and the exact date of this is unknown. The budget has been prepared on a standstill basis, however should merger progress this will result in further efficiencies due to economies of scale.

Evaluation and Review

Shaped to Deliver

65. 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.
66. Our framework includes a robust corporate performance monitoring and reporting system. It ensures we regularly and comprehensively monitor financial performance at service and corporate level.
67. Leadership Teams receive a monthly financial monitoring report from the finance service which reviews capital and revenue spending, and identifies actions to ensure spending remains within budget.
68. Senior officers review financial reports at a monthly performance, improvement and monitoring meeting with reports presented quarterly to Cabinet. Progress in delivering agreed efficiencies is monitored monthly with meetings held between finance staff and senior officers.
69. Regular budget monitoring is an important financial control to ensure that spending during the year is in line with budgets agreed by the Council. Each service budget has a named budget holder responsible for managing the budget and real time access to expenditure and income data.

Budget Transfers

70. During the year, budget holders may need to transfer budgets from one service area to another to reflect changed service needs or priorities.
71. A budget transfer is defined as a movement of budget between any budget service line identified in Appendix 1A of this report.
72. **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.
73. **Budget transfers between £250,000 and £1,000,000** require the approval of Cabinet.
74. **Budget transfers greater than £1,000,000** require the approval of full Council and must be proposed by Cabinet.

Appendix 1A: Council Revenue Budget 2020/21

Line Ref	Council Revenue Budget	Total Cost	Total Income	2020/21 Budget	Staffing 2020/21	
		£	£	£	No of Posts	FTE's
BUSINESS AND RESOURCES						
1	Strategy, Performance & Business Support	5,565,960	(1,657,600)	3,908,360	140	130.58
2	Corporate Finance / Benefits and Customer Services	98,674,170	(100,879,780)	(2,205,610)	154	143.47
3	Digital & ICT Services	5,276,220	(1,223,720)	4,052,500	59	57.47
4	Leisure and Libraries	7,615,830	(7,175,700)	440,130	273	182.89
5	Corporate Assurance	1,610,450	(1,199,420)	411,030	7	6.52
6	Legal, Election and Registration Services	2,350,690	(1,356,790)	993,900	39	32.46
7	Organisational Development	2,640,470	(1,246,940)	1,393,530	62	55.19
8	Tourism, Culture and Events	1,365,330	(222,600)	1,142,730	10	7.30
SUB TOTAL BUSINESS AND RESOURCES		125,099,120	(114,962,550)	10,136,570	744	615.88
PENSIONS						
9	Pensions Office	110,078,000	(110,078,000)	0	77	70.00
SUB TOTAL PENSIONS		110,078,000	(110,078,000)	0	77	70.00
TOTAL BUSINESS AND RESOURCES		235,177,120	(225,040,550)	10,136,570	821	685.88
REGENERATION AND ENVIRONMENT						
10	Area Management	22,325,870	(11,249,730)	11,076,140	151	134.21
11	Development Services	4,696,370	(3,527,190)	1,169,180	93	71.29
12	Business Investment Team / Economic Strategy & Skills	5,782,740	(5,666,100)	116,640	30	26.51
13	Asset Management & Regeneration	18,845,810	(7,724,850)	11,120,960	314	177.19
14	Highways & Transport	8,570,650	(9,629,480)	(1,058,830)	151	107.76
TOTAL REGENERATION AND ENVIRONMENT		60,221,440	(37,797,350)	22,424,090	739	516.96
CHILDREN, ADULTS AND HEALTH						
15	Children and Families Social Care	27,012,040	(5,562,300)	21,449,740	240	212.12
16	Learning and Early Help	123,938,780	(113,259,000)	10,679,780	672	476.08
17	Adult Social Care	84,244,960	(38,841,010)	45,403,950	280	242.81
18	Public Health	13,997,130	(287,500)	13,709,630	9	8.80
19	Commissioning & Quality Assurance	4,860,840	(2,261,600)	2,599,240	53	46.32
SUB TOTAL CHILDREN, ADULTS AND HEALTH EXCLUDING SCHOOLS		254,053,750	(160,211,410)	93,842,340	1,254	986.13
SCHOOLS DELEGATED						
20	Delegated Schools Budget	99,180,000	(99,180,000)	0	-	-
SUB TOTAL SCHOOLS DELEGATED		99,180,000	(99,180,000)	0	-	-
TOTAL CHILDREN, ADULTS AND HEALTH		353,233,750	(259,391,410)	93,842,340	1,254	986.13
TOTAL COUNCIL REVENUE BUDGET		648,632,310	(522,229,310)	126,403,000	2,814	2,188.97

Appendix 1B: Council Standstill Pressures 2020-25

Revenue Standstill Pressures / Investment	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Inflation					
Cost of living increase	2.112	1.750	1.750	1.750	1.750
Net Inflation on prices and income	4.518	4.050	3.800	3.800	3.800
TOTAL Inflation	6.630	5.800	5.550	5.550	5.550
Other Pressures					
Changes in employer pension contributions	-	-	-	1.000	-
Revenue Implications of Capital Programme	0.300	0.300	0.300	-	-
MRP	2.000	-	-	-	-
Adult Services Demographic Pressures	1.500	1.500	1.500	1.500	1.500
Other Demand Pressures	1.160	-	-	-	-
Local Welfare Provision	0.200	-	-	-	-
Low Carbon Strategy	0.120	-	-	-	-
Forecasted Pressures	-	0.320	0.570	(0.130)	0.870
TOTAL Other Pressures	5.280	2.120	2.370	2.370	2.370
Changes to External Grant					
Changes in External Funding	(2.833)	0.080	0.080	0.080	0.080
TOTAL Changes to External Grant	(2.833)	0.080	0.080	0.080	0.080
TOTAL Revenue Standstill Pressures	9.077	8.000	8.000	8.000	8.000

Appendix 2A: Council Capital Investment Programme 2020/21

Line Ref		2020/21 Budget £	External Funding £	Council Funding £
	Council Capital Budget			
	BUSINESS AND RESOURCES			
	Budget Holder			
	Stuart Reid			
1	ICT and Digital Development	2,000,000	550,000	1,450,000
2	CAF Grants	500,000	-	500,000
3	Monkton Stadium	300,000	-	300,000
4	Leisure Equipment	50,000	-	50,000
	TOTAL BUSINESS AND RESOURCES	2,850,000	550,000	2,300,000
	REGENERATION AND ENVIRONMENT			
	George Mansbridge			
5	Holborn Riverside Development	13,155,000	12,000,000	1,155,000
6	South Shields 365	5,335,000	-	5,335,000
7	Heritage Lottery Fund - North Marine Park	1,426,000	1,194,000	232,000
8	Winchester Street Regeneration	250,000	-	250,000
9	International Advanced Manufacturing Park	3,660,000	3,660,000	-
10	Business Centre Alarms and CCTV	45,000	-	45,000
11	Local Transport Plan	2,351,000	2,351,000	-
12	Flags to Flexible Footway Programme	2,000,000	-	2,000,000
13	Road Resurfacing	2,000,000	-	2,000,000
14	Healthier/Smart Metro Stations	1,350,000	1,100,000	250,000
15	Highway Structures	1,000,000	-	1,000,000
16	Strategic Bus Corridor (including Tiledsheds)	750,000	600,000	150,000
17	Sunderland to South Shields Strategic Bus Corridor	750,000	600,000	150,000
18	Concrete Road Bay Replacement	250,000	-	250,000
19	School Safety Works	200,000	-	200,000
20	Ultra Low Emissions Project	100,000	-	100,000
21	Resurfacing of Car Parks	50,000	-	50,000
22	Major Transport Schemes	100,000	-	100,000
23	Asset Management	3,514,000	1,114,000	2,400,000
24	LED Street Lighting	1,000,000	-	1,000,000
25	Demolitions	300,000	-	300,000
26	Brinkburn CA Site Redevelopment Works	465,000	-	465,000
27	Remodelling of Crematorium	400,000	-	400,000
28	Foreshore Paving Improvements	310,000	-	310,000
29	Hebburn Mine Water Project	159,000	80,000	79,000
30	Asset Transfer Works	150,000	-	150,000
31	Pier Head Yard Improvement	120,000	-	120,000
32	Playgrounds	100,000	-	100,000
33	Securing Vacant Buildings	100,000	-	100,000
34	Allotment Fencing Programme	40,000	-	40,000
35	Fleet Vehicle Replacement Programme	1,250,000	-	1,250,000
36	Recycling Village Extension (Phase 1)	360,000	170,000	190,000
37	Relocation of CCTV Control Room	100,000	-	100,000
38	Wheeled Bin Replacement Programme	50,000	-	50,000
39	Litter Bins	50,000	-	50,000
40	Housing Ventures	5,000,000	5,000,000	-
41	Centaurea Homes	3,000,000	3,000,000	-
	TOTAL REGENERATION AND ENVIRONMENT	51,240,000	30,869,000	20,371,000

Appendix 2A: Council Capital Investment Programme 2020/21

Line Ref		2020/21 Budget £	External Funding £	Council Funding £
	Council Capital Budget			
	CHILDREN, ADULTS AND HEALTH			
	Budget Holder			
	Mike Conlon			
42	Disabled Facilities Grant	750,000	750,000	-
43	South Shields School	500,000	500,000	-
44	Schools Devolved Formula Capital	339,000	339,000	-
45	Lord Blyton Additional Classroom	320,000	320,000	-
46	BSIL Locality Partnerships - Early Excellence Centre	314,000	-	314,000
47	Keelman's Way Additional Classroom	240,000	200,000	40,000
48	Fellgate Additional Classroom	150,000	150,000	-
	TOTAL CHILDREN, ADULTS AND HEALTH	2,613,000	2,259,000	354,000
	TOTAL COUNCIL CAPITAL BUDGET 2020/21	56,703,000	33,678,000	23,025,000
	HOUSING CAPITAL PROGRAMME			
	SOUTH TYNESIDE HOMES			
	Budget Holder			
	Paul Mains			
49	Decent Homes	10,400,000	-	10,400,000
50	Programme Fees - Housing Capital	1,100,000	-	1,100,000
51	Voids	1,000,000	-	1,000,000
52	Public Sector Housing Stock (Other)	2,600,000	-	2,600,000
	TOTAL SOUTH TYNESIDE HOMES	15,100,000	-	15,100,000
	COUNCIL RETAINED			
	Budget Holder			
	George Mansbridge			
53	Disabled Adaptations	900,000	-	900,000
	TOTAL COUNCIL RETAINED CAPITAL PROGRAMME	900,000	-	900,000
	TOTAL HOUSING CAPITAL PROGRAMME 2020/21	16,000,000	-	16,000,000
	TOTAL CAPITAL BUDGET 2020/21	72,703,000	33,678,000	39,025,000

Appendix 2B: Council Capital External Funding 2020-25

The table below identifies the external funding for the capital programme, the majority of which is secured or probable for the 2020/21 programme. For later years the majority of the funding has been classified as secured as it mainly relates to central government grants.

External Capital Funding Forecast	2020/21	2021/22	2022/23	2023/24	2024/25	Funding TOTAL
	£m	£m	£m	£m	£m	£m
Capital Grant from Government and other Agencies						
Local Enterprise Partnership	11.460	19.563	12.588	10.408	-	54.019
Housing Ventures	5.000	5.000	5.000	5.000	5.000	25.000
Transforming Cities	2.300	2.300	14.600	-	-	19.200
Centaurea Homes	3.000	3.000	3.000	3.000	3.000	15.000
Department for Transport	2.351	2.601	2.351	2.351	2.351	12.005
Department for Education	2.623	1.953	1.453	1.453	1.453	8.935
Disabled Facilities Grant	1.300	1.300	1.300	1.300	1.300	6.500
Housing Infrastructure Fund	4.200	-	-	-	-	4.200
Sunderland City Council	-	3.872	-	-	-	3.872
Private Sector Contributions	0.053	0.053	2.053	0.010	-	2.169
European Regional Development Fund	0.080	-	1.400	-	-	1.480
Heritage Lottery Fund	1.141	0.145	-	-	-	1.286
Department of Environment, Food and Rural Affairs	0.170	-	-	-	-	0.170
Council Capital Programme	33.678	39.787	43.745	23.522	13.104	153.836
External Funding Secured and Provisional						
External Funding Secured	31.075	26.426	14.504	13.104	13.104	98.213
External Funding Probable	0.133	10.811	14.641	10.418	-	36.003
External Funding Possible	2.470	2.550	14.600	-	-	19.620
TOTAL External Capital Funding Forecast	33.678	39.787	43.745	23.522	13.104	153.836

Appendix 3: Housing Revenue Account service charges

Landlord Charges - Services & Facilities		No	Current Charge £/wk	Inflation Increase/ Decrease	Proposed Revised Charge £/wk
Garage Rents	General	2,524	£6.00	8.5%	£6.50
Tenant Heating Charges	Newtown 1-bed	67	£3.80	2.5%	£3.90
	Newtown 2-bed	75	£10.50	2.4%	£10.75
	Jarrow Card Price		£20.25	2.5%	£20.75
Housing Plus - Landlord Charges for Scheme Managers and Communal Facilities					
Service Charges	Purpose built flats with scheme manager & communal facilities	695	£13.50	1.5%	£13.70
	Group dwellings with scheme manager & nearby communal facilities	383	£6.00	2.5%	£6.15
Guest Room Charges	Charges for overnight stay or emergency situations per night		£12.30	2.0%	£12.55
Furnished Tenancies	New Tenancies supplied with a package of furniture and Electrical Goods - Option 1 Points up to 110		£23.88	0.0%	£23.88
	New Tenancies supplied with a package of furniture and Electrical Goods - Option 2 Points up to 160		£31.82	0.0%	£31.82
	New Tenancies supplied with a package of furniture and Electrical Goods - Option 3 Points up to 200		£39.74	0.0%	£39.74
	New Tenancies supplied with a package of furniture and Electrical Goods - Mini Option Points up to 60		£15.23	0.0%	£15.23
	Decent Homes decant properties supplied cookers		£6.21	0.0%	£6.21

Caretaker and Concierge Charges	Caretaker		Concierge	
	Cost per Prop per wk 2019/20	Cost per Prop per wk 2020/21	Cost per Prop per wk 2019/20	Cost per Prop per wk 2020/21
Durham Court	£2.95	£3.00	£10.50	£10.60
Ellen Court	£7.40	£7.50	£10.50	£10.60
Monastery Court	£7.40	£7.50	£10.50	£10.60
Wilkinson Court	£7.40	£7.50	£10.50	£10.60

Support Service Charges - Supporting People		No	Current Charge £/wk	Inflation Increase	Proposed Revised Charge £/wk
Community Alarms - Support					
Council Tenants	Standard - Hardwired or Solo Unit	884	£3.10	1.7%	£3.15
Council Tenants	Enhanced - Hardwired or Solo Unit	1	£4.70	2.1%	£4.80
Scheme Managers - Support					
Council Tenants	Scheme Managers - Support Services	1,064	£11.65	1.7%	£11.85

Other Specific Service Charges		No	Current Charge £/wk	Inflation Increase	Proposed Revised Charge £/wk
Council - HRA Temporary Accommodation - existing					
	1 - bed accommodation	7	£26.70	1.0%	£26.95
	2 - bed accommodation	3	£37.70	0.7%	£37.95
	3 - bed accommodation	12	£55.10	0.5%	£55.35

Appendix 3: Housing Revenue Account service charges

Tenants - Housing Plus Heating Charges	2019/20			2020/21		
	Cost per property per wk - Bed Sit	Cost per property per wk - 1 Bed	Cost per property per wk - 2 Bed	Cost per property per wk - Bed Sit	Cost per property per wk - 1 Bed	Cost per property per wk - 2 Bed
Davies Hall	£0.00	£11.16	£13.43	£0.00	£11.16	£13.43
McIntrye Hall	£0.00	£12.43	£0.00	£0.00	£12.43	£0.00
Birch Grove	£0.00	£13.28	£0.00	£0.00	£13.28	£0.00
Calf Close	£0.00	£10.58	£12.71	£0.00	£10.58	£12.71
Porlock House	£0.00	£10.13	£12.20	£0.00	£10.13	£12.20
Bishop Ramsey	£0.00	£11.02	£13.22	£0.00	£11.02	£13.22
Farding Lake	£0.00	£10.45	£0.00	£0.00	£10.45	£0.00
Prince Ed Court	£0.00	£9.37	£11.22	£0.00	£9.37	£11.22
Blenkinsop House	£6.45	£7.16	£0.00	£6.45	£7.16	£0.00
Borrowdale House	£0.00	£7.31	£0.00	£0.00	£7.31	£0.00
Huntcliffe House	£0.00	£7.94	£0.00	£0.00	£7.94	£0.00
Inskip House	£0.00	£9.80	£0.00	£0.00	£9.80	£0.00
Wingrove House	£0.00	£9.73	£11.74	£0.00	£9.73	£11.74
Clayside House	£0.00	£8.39	£0.00	£0.00	£8.39	£0.00
Glenthorpe House	£0.00	£10.92	£13.15	£0.00	£10.92	£13.15
Hallgarth House	£0.00	£10.51	£12.65	£0.00	£10.51	£12.65
Julius Court	£0.00	£8.59	£0.00	£0.00	£8.59	£0.00
Thomas Bell SA	£0.00	£11.26	£0.00	£0.00	£11.26	£0.00
Patrick Cain House	£0.00	£8.72	£10.51	£0.00	£8.72	£10.51

Tenants Heating Charges

Freeze on all Housing Plus establishments for 2020/21

Leaseholder Charges		
Management Fee	Cost per property per annum 2019/20	Cost per property per annum 2020/21
All Leaseholders	£134.60	£134.60

Appendix 3: Housing Revenue Account service charges

Tenant Communal Cleaning Charges		
	Cost per property per week 2019/20	Cost per property per week 2020/21
HIGH RISE PROPERTIES		
Durham Court	£1.68	£1.75
MID RISE PROPERTIES		
Dean Road	£2.76	£2.87
Laygate & Trinity	£2.68	£2.79
Whiteleas	£2.76	£2.87
Green Lane	£5.58	£5.80
Tyne Dock	£3.78	£3.93
Galsworthy Road	£2.76	£2.87
River Drive	£0.86	£0.89
Mowbray Road	£1.28	£1.33
Stewart & Fulwell	£0.76	£0.79
SHELTERED HOUSING		
Birch Grove SA	£7.11	£7.40
Bishop Ramsay SA	£7.85	£8.17
Blenkinsop House SA	£3.82	£3.97
Borrowdale House SA	£6.70	£6.97
Calf Close House SA	£5.58	£5.81
Cheviot House SA	£6.17	£6.41
Clayside House SA	£5.57	£5.80
Curren House SA	£9.09	£9.45
Davies Hall SA	£8.82	£9.17
Farding Lake SA	£6.52	£6.78
Fernyhough Hall SA	£5.09	£5.29
Glenthorpe House SA	£5.58	£5.81
Hallgarth House SA	£5.22	£5.43
Henley House SA	£6.80	£7.07
Huntcliffe House SA	£7.62	£7.93
Inskip House SA	£6.77	£7.04
Julius Court SA	£5.22	£5.43
Lincoln Court SA	£7.85	£8.17
McIntyre Hall SA	£7.01	£7.29
Patrick Cain House SA	£8.04	£8.36
Porlock House SA	£5.79	£6.03
Prince Edward Court SA	£8.74	£9.09
Thomas Bell SA	£6.26	£6.51
Wingrove House SA	£5.22	£5.43

Appendix 4: Glossary

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

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

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

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

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

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

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

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

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

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

Appendix 4: Glossary

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

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

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

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

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

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

