

# **Council Budget 2008 – 2011 Medium Term Financial Plan**



**Focusing on our Priorities  
Budget Recommendations**

**South Tyneside Council  
28<sup>th</sup> February 2008**



**South Tyneside Council**

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

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

Bengali

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

Punjabi

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

Hindi

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

Urdu

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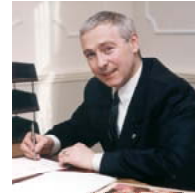
# Council Budget 2008 – 2011 *“Focusing on our Priorities”*

## Foreword by the Leader of the Council

South Tyneside Council maintained a 4 star excellent council rating in the 2007 Audit Commission inspection and we are improving well.

As Leader of the Council, I was particularly pleased inspectors found that services are improving outcomes for local people in priority areas. We have an excellent track record of listening to our community, working with partners and focusing on what really matters to improve people's lives.

It is only through focusing our resources on our priorities that we can continue to deliver on the achievements that are really important for the people of South Tyneside. This plan sets out how we will allocate our financial resources over the next three years.



Councillor Paul Waggott  
Leader of the Council

To be a high performing organisation we need to ensure everything we do is fully focused around our customers to continually improve services for the people of our Borough.

Knowing where we are going, being clear about what needs to be done most urgently and taking tough decisions when we have to are the reason that we and our partners focus strongly on our priorities.

In the last year we have seen some excellent achievements and improvements to services, performance and resident satisfaction. They include:

### **Children and young people**

**We continue to improve outcomes for Children and Young People.**

- The Annual Performance Assessment produced by Ofsted said that “South Tyneside continues to deliver good services for children and young people and that most outcomes are good and some outstanding”.
- Our students have again achieved their best ever exam results with the proportion of pupils obtaining 5 GCSE’s at A\* to C increased significantly from 55.5% in 2006 to 60.78% in 2007 and A-level students averaged a 96.6% A-E pass rate which is above the national average for the first time in our history.
- 16 schools in South Tyneside have been awarded National Healthy School status with a significantly improved uptake of school meals in the last year.

### Independent and healthy lives

**We are committed to making South Tyneside a place where people enjoy independent and healthy lives.**

- Adult care services have improved with increased extra-care housing and a wider range of support packages.
  - A second Quality Forum Home Care Client Satisfaction survey found high levels of client satisfaction as high as 95% in many cases.
- A new state of the art one stop shop for health and social care has opened at Flagg Court in South Shields.
  - The third annual Older Peoples Festival for everyone over 50 was a huge success in partnership with Age Concern, South Tyneside Primary Care Trust, Council for Voluntary Services, Customs House, Bedes World and Tyne and Wear Museums.
  - Our “Let’s Do It” campaign was launched to encourage people to take part in a range of activities to make them happier, healthier and live longer.

### Safer and stronger communities

**This is extremely important to our residents - they tell us community safety, crime reduction and anti-social behaviour are among their top priorities.**

- The Local Government User Satisfaction Survey 2007 found that 28% of people believe there is a high level of anti-social behaviour, down from 49% in 2004.
- The Borough’s overall crime rate reduced by 16.3% between April and December 2007.
- Our innovative approach to neighbourhood working was externally recognised as good practice by independent

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Audit Commission inspectors. We also received further national recognition by achieving two Beacon status awards for 'Promoting Financial Inclusion and Tackling Over Indebtedness' and 'Neighbourhood and Community Champions: The Role of Elected Members as Community Leaders'.

### Environment, housing and transport

**We are determined to provide our residents with a clean, safe and tidy environment.**

- Satisfaction with grounds maintenance has risen by 6% and satisfaction with the cleanliness of streets has risen by 19%. Our Blitz-It service reached the national finals of the prestigious ENCAMS Cleaner Safer Greener Awards and one of only four finalists short listed in the street cleansing category of the APSE Public Service Excellence
- The Recycling Village has won a national award for 'Civic Amenity Site of the Year' in the Awards for Excellence in Recycling and Waste Management.

- Improved maintenance of streets and open spaces, linked to community involvement, has led to 13 awards being presented by Northumbria in Bloom judges.
- South Tynesides Planning Service won a regional award for our Local Development Framework with the Royal Town Planning Institute recognising "exemplary work" in this area.

### Jobs and enterprise

**We are committed to helping people into jobs, expand businesses and encourage enterprise.**

- The Borough's employment rate and rate of business creation continue to improve. The Audit Commission has recognised that the increase in employment levels is above regional and national rates of improvement. Our benefits claimants have also reduced significantly.
- Our £16.2 million Local Enterprise Growth Initiative is already making a real difference. Three Business Matters outlets have opened in our town centres to support business growth.
- Our £6.4 million 'Supporting People into Work' Programme has supported 2070 residents into

employment, many of these in our 6 employment priority areas.

- Garlands announced the creation of 1000 additional jobs at South Shields riverside in a new call centre.

### Wellbeing and culture

**It is important South Tyneside promotes a sense of place, cultural opportunities and wellbeing**

- The Mouth of the Tyne Festival, a joint venture with North Tyneside, attracted over 60,000 people and received a Silver North East Tourism Award in the Best Visitor Experience Category.
- Both Hebburn Pool and Temple Park have received the QUEST Award for the running and management of services and the satisfaction rate with the Borough's sports facilities is second highest in the whole country.
- In April 2007 a new play park was opened in Marine Park, the first stage in the restoration of the park.

### Regeneration

**Strong progress continues to be made to ensure we have the correct physical infrastructure in place to support the transformation our Borough deserves.**

- The Audit Commission judged that the Council is delivering a "good regeneration and neighbourhood renewal service with promising prospects for improvement".
- The building of a new £1m Registry Office in South Shields commenced in October.
- We have continued to work with One North East to bring forward a 30hectare brownfield site at South Shields Riverside for a mix of employment, residential and leisure uses.
- The Council's best practice in consulting and connecting with its communities has been recognised by the Government and the Audit Commission.
- Bouygues consortium was appointed to finance, design, build, maintain and operate the second Tyne Tunnel crossing.



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- We have made good progress in implementing our foreshore strategy; agreed in 2005. A new play area has been opened in South Marine Park and a developer identified for a hotel and conference centre at Gypsies Green.

### Resources

**We have worked hard to improve our Value for Money by making the best possible use of our limited resources.**

- The Audit Commission reported a strengthened position following their Use of Resources assessment in December 2007, with improvements in both our Financial Standing and Value for Money scores.
- The Benefits Service improved from 3 to the maximum score of 4 out of 4 for the Benefits block of Comprehensive Performance Assessment.
- The South Tyneside Local Strategic Partnership and the Partnership's Local Area Agreement have both been short listed for Beacon status.
- We successfully retained the Investors in People (IIP) award, against a new harder standard for accreditation.

This year the Council faces significant financial challenges due to increased demand for our services, especially in adult care, which continues to increase and means that we need to spend more money just to carry on providing the services we currently offer. To continue to deliver our current services in the way that we do now we need to spend an extra £12.677m next year. (Total standstill pressures £32.095m less changes in government grant).

South Tyneside Council has a good track record of delivering value for money, attracting investment and improving services. However, there is always more that can be done and we are totally committed to improving performance while making savings and further embedding value for money. We listen to what our residents say about how we spend our money and have a strong record of keeping Council Tax increases as low as possible.

This budget for 2008 to 2011 focuses on how we can use our limited resources as efficiently as possible to redirect spending to our priority areas, those areas that you tell us matter most to you. In preparing the budget we have

consulted extensively with all stakeholders and have listened very carefully to what people have told us - this has helped us to focus on what is most important to our communities.

During January, we held a series of consultation events with communities across the whole of South Tyneside, and in February we undertook our statutory consultation, which told us that:

- The **business sector** wants us to continue to focus on our efficiency and value for money in providing services. We have agreed to continue to improve how we manage the business of the Council by developing challenging value for money targets.
- The **voluntary sector** is particularly concerned about the impact of loss of Neighbourhood Renewal Funding and reductions in funding from the Northern Rock Foundation. We are committed to working closely with the voluntary sector to ensure that we obtain value for money with all of our funding and to

bring Neighbourhood Renewal Fund supported schemes to a conclusion.

- Our **trade union** colleagues are concerned about potential job losses and the need to manage change through the redeployment of staff. We are committed to working with Trade Unions to ensure that any job losses are minimised and that the redeployment process is used fully and effectively to manage change.

Most importantly we have listened to what residents have said to us. We are pleased that more of our residents have taken the time to help us with our budget planning. The number of returned questionnaires and people taking part of our SIMALTO has grown each year.

It is very pleasing that during the consultation our residents have expressed that they value our services and are willing to pay increased Council Tax to maintain them. They do ask us to ensure that we ensure value for money in all that we do and not make cuts in services that they think are important.

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Residents have expressed support for our summer seaside events and regeneration schemes therefore we will be building on our investments in the South Marine Park and along with significant investments in our Foreshore. South Shields Foreshore is recognised as a precious asset for the Borough and a vital part of both our heritage and our future.

We are also taking forward our regeneration schemes in Cleadon Park, the Riverside our Town Centres and our Housing Estates.

Because the environment is important to our residents we will be increasing our capital budgets for our footpaths and highways infrastructure by 25% over the next five years.

We are seeing the start of our significant investment in our Schools across the Borough. We have already delivered the new schools at Boldon and Horsley Hill. This year work will start at our Jarrow and Mortimer schools followed by the whole of the Building Schools for the Future programme for our secondary and primary schools. Consultation is also underway on a major transformation of our primary schools through the TOPS (Transforming our Primary Schools)

Project. Capital funding from Central Government will support this project.

We have made significant improvements about our looked after children. We will continue the successes of our Sure Start programme by increasing the adoption rates that we pay to encourage more people to become carers.

Some of our residents have asked us to keep Council Tax down to a minimum. We therefore propose a 2.95% increase in Council Tax for 2008/09. This represents a weekly increase for Band A Council Tax payers of just 45p. This is substantially below the current rate of inflation and is the lowest Council Tax increase in well over a decade.

I am confident that this budget will help us to continue to deliver the best possible services for the people of South Tyneside. We are firmly committed to focusing on what matters most to everyone in South Tyneside and continually aim to deliver real impacts and improved value for money.

*Paul Waggott*

Leader of the Council

### Everything we do...

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

**“Our young people will have new hope because they will have a bright future.**

**People of all ages will have high aspirations, great confidence and the skills and opportunities they need to succeed. People will be healthy, able to find work and will enjoy living here.**

**Our reputation for excellence in service to communities will be widely recognised and South Tyneside will be playing a full role in contributing to a thriving and prosperous region.”**

2. Realising our vision cannot be achieved in isolation and as we move forward we recognise that service planning, commissioning and delivery must be planned, consistent

and joined-up. All of our services must remain focused on improving outcomes for all of our communities.

### What is the Medium Term Financial Plan?

3. We are committed to providing the best possible services for **everyone** in South Tyneside. This Medium Term Financial Plan outlines our approach to setting out the Council's medium term strategic planning in monetary terms. This document also sets the Council's budget for 2008/09.
4. The Council's Medium Term Financial Plan is one of the key Council strategic planning documents:
  - **Performing Together** (the Council's master service plan) – this sets out the Council's priorities and describes in detail what we plan to achieve
  - **Focusing on our Priorities** (the Council's Medium Term Financial Plan) – this plan directs overall spending to our key areas for improvement or where investment is needed; and

## Introduction

- **Building Capacity** (the Council's Workforce Development Plan) – this plan ensures we have the right people with the skills to deliver our priorities.

5. These strategic planning documents are fully integrated and flow from 'the Spirit of South Tyneside', the Authority's joint Sustainable Community Strategy, Local Area Agreement and Regeneration Strategy.

### **Why do we need a Medium Term Financial Plan and Council Budget**

6. Part 2 of the Local Government Act 2003 provides a legislative framework for the process and places duties on the Head of Finance to make a report to the authority when it is considering its budget and council tax. The report must deal with:

- The robustness of the estimates
- The adequacy (or otherwise) of the Council's reserves.

7. Budget setting is at the core of the financial process within a local authority. CIPFA's Standards of Professional Practice set out the key principles and objectives that should underpin each aspect of the budget planning process.

- To help elected members to determine priorities and their timing
- To forecast the changes in demand for services
- To show the likely implications of changes in legislation on spending
- To show the future costs of alternative policies
- To match demand with likely resources
- To provide a framework for programming activities by individual services

## The national picture

8. At the heart of the Government's agenda is one overarching aim: to create thriving, vibrant, sustainable communities which will improve everyone's quality of life. A sustainable community is a place where people want to live and work now and in the future.
9. Local Government has a key role to play. We feel that we are setting the pace nationally around what Central Government calls 'place-shaping'. This describes how Local Government can work with residents to develop and deliver high quality public services that meet the needs and preferences of local people. The place-shaping role forms the basis for everything we do in South Tyneside including our approach to the Medium Term Financial Plan.
10. The Council is dependant for a significant part of its funding upon the allocation of resources from Government.

11. The Government has carried out a comprehensive spending review in 2007 which has set the spending priorities for the next three years.

## The regional picture

12. In establishing our strategic and financial plans, we need to consider regional policies, plans and strategies. These include the following:
  - The Regional Economic Strategy
  - The Tyne Wear City Region Business Case
  - One North East Regional Development Agency Business Support Review
  - Service delivery by key partners in the Region including Business Link Tyne and Wear.
  - National Efficiency and Improvement Strategy
  - National Procurement Strategy

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### The local picture

13. The Medium Term Financial Plan is central to achieving our vision of a “better future for South Tyneside’s People”. Our plans for delivering this ambitious vision are set out in “**Spirit of South Tyneside**”, our combined **Local Area Agreement, Sustainable Community Strategy, Regeneration and Working Neighbourhoods Strategy**.
14. Spirit of South Tyneside sets out how South Tyneside’s Local Strategic Partnership (LSP) will deliver the community’s vision, how we will tackle community leadership and the regeneration of our most deprived neighbourhoods.
15. Wellbeing and quality of life are considered to be an important part of life in South Tyneside and so we have placed wellbeing at the heart of our approach. Whilst we know that the things we are doing to deliver all of our priorities will impact on increasing wellbeing, we have a shared ambition to do the extra things that directly make a difference and enhance people’s lives.
16. But we have not stopped there. We are passionate about delivering for our communities and we know that in the current local government financial climate, if we are to continue to deliver excellent services and meet the needs of our residents we will have to innovate. We have developed our model for innovation and used this to drive the delivery of our key priorities in Spirit of South Tyneside.
17. Our approach to the Medium Term Financial Plan will ensure the maximum contribution to the outcomes and objectives agreed with our partners in Spirit of South Tyneside.
18. As well as the clear links with Spirit of South Tyneside, the Medium Term Financial Plan is consistent with priorities set out in a number of national and local policies, plans and strategies.
19. Our Corporate Policy Framework is designed to ensure we have a joined-up approach to policy development across the Council. This ensures that our policies, plans and strategies are absolutely focused on delivering our priorities and that

all plans and strategies are consulted on and are based on robust policy and data analysis.

20. The Corporate Policy Framework sits alongside our Planning Framework and together they ensure all of the Council's actions are developed and delivered at the right time and in the right way to improve the lives of the people of South Tyneside.
21. For the Council and the Partners performance management and value for money is part of our "day job". This means we set out clearly what we plan to do, check our progress regularly to make sure we are delivering our plans and take action where we are not doing as well as we could. Our performance management framework includes a robust corporate performance information monitoring and reporting system (PIMS). This ensures that we regularly and comprehensively monitor performance.
22. Performance against the Medium Term Financial Plan will be managed through our corporate systems.



# Introduction

## Equality, diversity and inclusion

23. Equality matters to us. We want our Borough to be a place where everyone feels accepted as part of our community and where everyone who lives, works or visits South Tyneside can realise their full potential and be the best that they can be.
24. Our equality and diversity principles are embedded in everything we do. In developing the Medium Term Financial Plan we carried out an Equality Check to ensure that our services are accessible for all customers. The issues identified in the assessment are integrated throughout this document and specific actions are detailed in this strategy as well as in “**Performing Together**” and supporting Theme and Service plans and will be monitored as part of our robust approach to performance management.

## Value for Money

25. We feel the aim of the local government Value for Money agenda is straightforward – we must use our resources in the best possible way to deliver better public services for

the best price in line with the priorities of local people.

26. In South Tyneside, we work hard to ensure that we achieve high value for money. We always challenge ourselves to make sure our costs compare well with others by identifying and challenging areas of high spend. Our overall aim is to ensure that the money we spend results in high quality services that meet and satisfy local needs.
27. In developing this strategy, Value for Money issues have been considered and embedded in our actions. We aim to reduce costs while maintaining or improving performance and resident satisfaction.
28. In 2007/08 and 2008/09 Invest to Save funds have been used to devise a programme of business process review with the intention of delivering better value for money.

## Understanding our current position

29. In order to develop the Medium Term Financial Plan it is important to understand the characteristics of the Borough and its communities.

## What is South Tyneside like?

30. South Tyneside is part of the Tyne and Wear conurbation, on the coast next to the River Tyne. Created in 1974 under local government reorganisation, it covers 64 square kilometres with 6 areas – South Shields, Jarrow, Hebburn, Whitburn, Boldon and Cleadon.
31. South Tyneside's place in world history is visible through the presence of one World Heritage Site, Arbeia, and another to be the UK's nomination in 2010 – Wearmouth-Jarrow, an 8th century European centre of learning and culture.
32. The more recent history of the borough is characterised by heavy industries such as shipbuilding, coal mining and engineering. South Tyneside suffered industrial decline in the 1970s and 1980s with severe social and economic

consequences. As a result, deprivation is widespread in South Tyneside.

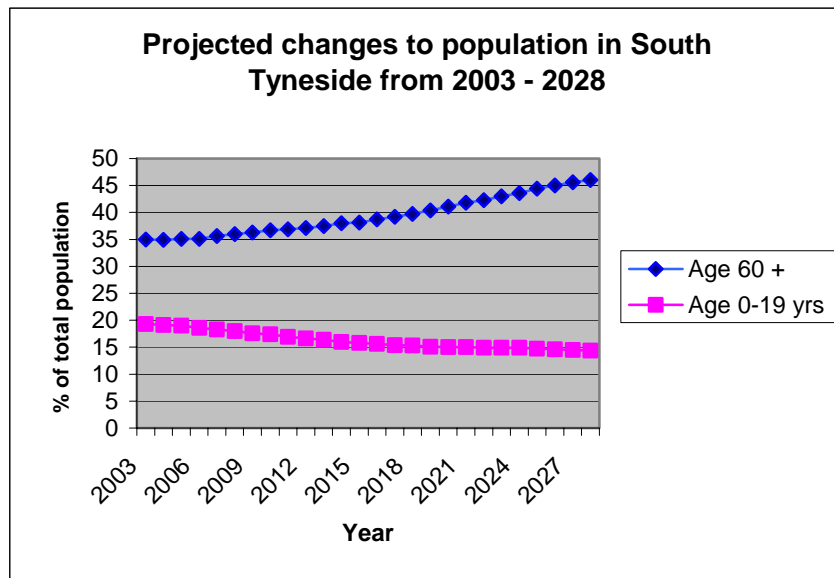
33. The population is reducing overall, and at a faster rate among children and young people. The falling numbers of children and young people and rising numbers of older people in South Tyneside will have a significant impact on how we provide services, and represents a major challenge for the future.

### South Tyneside – population facts

- The majority of South Tyneside's population is white British.
- 2.7% of South Tyneside's total population and 3.9% of under-18s are from black or ethnic minority communities, mainly Indian and Bangladeshi.
- Our total population has fallen from 156,847 in 1993 to 151,000 today and indications are that it may fall as low as c.145,000 by 2020/2021.
- 6 out of 10 residents live in neighbourhoods ranked in the 25% most deprived in England.

## The South Tyneside picture

34. The following graph shows the results from population projections from the Office of National Statistics (ONS) predicting a rise in the number of older people and a reduction in the number of children and young people in South Tyneside over the next 20 years:



35. The results show that the numbers of 60+ year olds in South Tyneside are anticipated to increase by 11,000 from 35,000 in 2003 to 46,000 in 2028, which is an overall increase of 31.43%. The numbers of 0-19 year olds are anticipated to reduce by 9,900 from 2003 to 2028, which is an overall reduction of 26%. The implications of this ageing population and our approach for supporting older people are set out in our Older People's Plan.

36. Significantly, there is a rapid reduction in 0-19 years olds of 7,900 up to 2017 followed by a more gradual decline of 2,000 up to 2028. It is important to note that the 0-4 year olds show a gradual decline over the 25 year period up to 2028, but the other sub groups all show a rapid decline in the period up to 2017 and then this fall slows and numbers reduce at a much slower rate up to 2028.

37. While these trends may change by 2028, a predicted fall of 9,900 is equivalent to over 300 school classes (assuming a class size of 30 pupils). The falling numbers of children and young people in South Tyneside will have a significant impact on how we provide services.

## What progress have we made so far?

38. South Tyneside has come a long way in a short space of time. In 2004 we became the only council in the history of the Comprehensive Performance Assessment (CPA) to move directly from 'fair' to 'excellent' and under the new harder test in 2005, we achieved a 3 Star, Improving Well rating.
39. In the 2006 CPA we were awarded the best possible rating by the Audit Commission - judged as an excellent, four-star council, improving strongly. We were one of only 10 Authorities nationally to have achieved the maximum score with top marks in both the direction of travel and overall performance. In the 2007 CPA harder test, we rose to the challenge and achieved the maximum 4 star rating whilst improving well.
40. The CPA Direction of Travel report in 2007 said:  
*"South Tyneside is improving well. Services are improving outcomes for local people in priority areas. Services for children are good and improving. Improvement in exam results is above the national average and children's social care is improving. More older people are being helped to live at home. Levels of household waste are reducing. Recycling is increasing but the rate of improvement is slow. Cultural Services initiatives and improvements have contributed to increased participation. Regeneration schemes are increasing employment opportunities and delivering physical improvements to communities. Levels of crime are reducing and there has been an increased focus on tackling anti-social behaviour. The Council has improved the quality of public sector housing with repairs completed faster. The Council has improved value for money and benefits processing. The Council is improving access to services and continues to work well with communities through improved consultation to develop future plans. There are robust arrangements in place to focus on areas for improvement in priority services. The challenge for the Council is to sustain improvement in environmental and housing services and services to older people and cared for children."*
41. As part of the LAA Annual Review Government Office North East assess the LSP's performance against the floor targets for crime, education, employment, health, housing and

## The South Tyneside picture

liveability. The LSP is also assessed on the strength of the partnership. In 2005/06 we saw a marked improvement in overall performance and the LSP retained its 'Green' rating for partnership working and achieved 'Green' status for liveability in the first year of it being monitored.

42. Every year our Local Strategic Partnership undergoes an Annual Review with Government Office North East. Our most recent review highlighted the many strengths of our LSP but also some key areas for improvement.
43. We are continuing to narrow the gap between the local and national employment rate and were awarded an "Amber/Green" rating for our progress; last year we had received an "Amber/Red" rating.
44. We maintained our "Green" rating for our work on meeting the crime targets and we also received a "Green" rating for our work on the liveability agenda.
45. We have identified our key areas of improvement as increasing male and female life expectancy, meeting the

Decent Homes Standard and continuing to improve the employment rate.

46. Since the production of our previous Community Strategy in 2003, a number of significant improvements have been made for the people of the Borough. We have secured exciting new retail developments at Waterloo Square providing a number of jobs for local people, we have launched award winning Kerb-it, Kerb-it Green and Blitz-it campaigns, and we have started a comprehensive programme of investment in the Borough's schools through the Building Schools for the Future programme.
47. We have other significant projects to transform the Borough and the way we work. We have started a comprehensive programme of investment in Transforming our Primary Schools (TOPS project), which is supported through the Governments Primary Capital Programme. This will see the replacement or refurbishment of up to half our primary schools over 15 years. To ensure that we deliver on this project, we will be investing £0.104m to establish a project team.

48. We are in the latter stages of seeking a Strategic Partner to deliver our back office support functions, bringing jobs to the borough. We are also embarking on a joint PFI project for waste management with our neighbouring authorities to manage the growing financial and environmental pressures of waste management.
49. We have made good progress in implementing our foreshore strategy agreed in 2005. A new play area has been opened in South Marine Park and a developer identified for a hotel and conference centre at Gypsies Green.

## Our vision, objectives and priorities

### Our vision for the Medium Term Financial Plan

50. Our vision is that:

*The Council's medium term financial strategy, budgets and capital programme are soundly based and designed to deliver our strategic priorities.*

### Our Financial Strategy

51. The Council has adopted an overall strategy which commits us to a number of guiding principals. These are:

- Council tax should be affordable for our residents;
- Increase in Council Tax should be kept as low as possible;
- Spending should be allocated to our priorities;
- Resources should be prioritised to our statutory duties;
- Value for Money is achieved for all our spending;

- Members make real choices about investments.

### Focusing on our Priorities (the Council's Medium Term Financial Plan)

52. Each year, we have to identify what we need to spend on Council services for the following year and also identify provisional spending plans for the following two years to ensure our spending plans are balanced, and match the money we will receive from government and council tax payers. These plans form part of the Council's Medium Term Financial Plan.
53. The following pages identify what extra money we plan to spend over the coming three years to continue delivering services, what we plan to spend on priority led initiatives, what we plan to invest in major capital projects and what current spending we plan to redirect to help fund our priorities.

The Head of Finance confirms to Council (as required by the Local Government Act 2003) that the spending plans identified in this Medium Term Financial Plan and the council tax calculation for 2008/09 are robust estimates that:

- Redirect resources towards our priorities in a way that is achievable;
- Reflect the best estimate of inflation and pay award factors available at this time;
- Consider and recognise the major financial risks facing the Council over the next three years;
- Contain proposals for increased income or reduced expenditure that is achievable over the medium term.

The Head of Finance also confirms that the level of Council reserves is adequate to meet the known financial risks facing the Council over the medium term.



## What are the Council's spending plans

54. The tables below summarise our revenue spending plans for 2008/09 and provisional spending plans for 2009/10 and 2010/11.

<b>2007/08</b>		<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
<b>Budget</b>	<b>Revenue Spending Forecast</b>	<b>Budget</b>	<b>Provisional Spending</b>	
<b>£m</b>		<b>£m</b>	<b>£m</b>	<b>£m</b>
130.454	Base Budget	135.153	162.419	171.069
14.879	Standstill Pressures	32.095	14.908	8.376
0.502	Priority Led initiatives	0.632	0.244	0.200
-10.682	Redirection of Current Spending	-5.461	-6.502	-5.488
<b>135.153</b>	<b>TOTAL Revenue Spending Plans</b>	<b>162.419</b>	<b>171.069</b>	<b>174.157</b>
<b>2.17%</b>	<b>Percentage increase in Council budget</b>	<b>20.17%</b>	<b>5.33%</b>	<b>1.81%</b>

55. The significant increase in budget in 2008/09 from 2007/08 is due to the amalgamation of a number of specific grants into the Revenue Support Grant (RSG) and thirty-eight specific grants amalgamating into the new Area Based Grant. This was a Central Government change to funding for all Councils and gives greater flexibility on where these previously ring fenced grants can be spent. The increase in Revenue Support Grant funding and Area Based Grant can be seen in the overall resources available to the Council in paragraph 151 of this report.
56. Our budget for 2007/08 has been amended to show spending net of the Dedicated Schools Grant. Our budget for 2007/08 was agreed as £221.064m less Dedicated Schools Grant of £85.911m. Making this change to show our budget net of Dedicated Schools Grants will bring us in line with other regional Authorities.

## What are the Council's spending plans

2007/08 Budget £m	Revenue Spending Forecast	2008/09 Budget £m	2009/10 Provisional Spending £m	2010/11 £m
	<b>Directorate Revenue Budgets</b>			
29.763	Children and Young People	36.591	38.106	38.992
82.302	Neighbourhood Services	85.756	95.687	101.029
22.895	Regeneration and Resources	39.759	36.951	33.805
0.192	Chief Executive's Office	0.313	0.325	0.331
<b>135.152</b>	<b>TOTAL Directorate Revenue Budgets</b>	<b>162.419</b>	<b>171.069</b>	<b>174.157</b>

57. During 2008/09 the budget responsibility for Regulatory Services transferred to the Executive Director for Regeneration and Resources from Neighbourhood Services Directorate. This was a budget transfer of £7.576m.
58. 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 the following two years. This is so that we can make sure our spending plans are affordable and match the money we expect to receive from government and council taxpayers.
59. Appendix 1 details the 2008/09 revenue budgets for each service and names the budget holder responsible for managing the budget. Appendix 2 details the 2008/09 capital budgets for each service.

## What are the Council's spending plans

60. Our capital budget plans at Appendix 2 use a simple colour coding system to assess each scheme's state of readiness to proceed.

**Green** The scheme is ready to proceed within the timescales identified and funding has been secured.

**Amber** The scheme is included within our spending plans but either requires further design and feasibility work or funding needs to be confirmed / secured before proceeding further.

61. The table below summarises our capital spending plans for 2008/09 and provisional spending plans for 2009/10 to 2012/13.

2007/08 £m	Council Capital Programme	Provisional Capital Programme					Programme
		2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	TOTAL £m
6.363	Planned Maintenance Programme	8.636	7.751	7.158	7.098	7.098	<b>37.741</b>
33.466	Capital Priority Schemes	55.486	24.477	21.419	28.426	24.455	<b>154.263</b>
14.336	Housing Programme	15.522	15.278	15.039	14.805	14.575	<b>75.219</b>
20.004	ALMO Decent Homes Programme	17.398	27.744	37.251	39.805	40.313	<b>162.511</b>
<b>74.169</b>	<b>TOTAL Council Capital Spending Plans</b>	<b>97.042</b>	<b>75.250</b>	<b>80.867</b>	<b>90.134</b>	<b>86.441</b>	<b>429.734</b>

## What are the Council's spending plans

62. For the 5 year programme 2008-13, we plan to spend £192.004m on our services and capital priorities and maintenance programmes. Our capital plans for later years reflect funding for the Building Schools for the Future and Primary Reorganisation Programme to modernise and upgrade our primary and secondary school buildings. The plans also reflect investment to meet the Decent Homes standard across all our council housing stock. The funding for our Decent Homes Programme is largely dependent on the successful achievement of a minimum 2-star inspection rating for our Housing Service in 2008.
63. Our spending plans are explained in more detail in the following sections.

## Spending on current services

64. The Council needs to spend money to keep services at their current level. Just to standstill and continue to deliver our current services we will need to spend an extra £32.095m next year (including £19.418m of changes to specific grant funding), a further £14.908m in 2009/10 and a further £8.376m in 2010/11.
65. The table below details our standstill pressures over the next three years.

<b>Revenue Standstill Pressures</b>	<b>2008/09 £m</b>	<b>2009/10 £m</b>	<b>2010/11 £m</b>
<b>Inflation</b>			
Pay Inflation	2.243	2.354	2.440
Pay Increments and adjustments	0.304	0.480	0.371
Net inflation on prices and income	2.375	3.324	3.759
Net inflation on prices and income (Dedicated Schools Grant)	1.542	-	-
Increase in Passenger Transport Authority Levy	0.375	0.290	0.299
Ongoing paybill increase resulting from Job Evaluation	0.455	0.880	0.145
Equal pay costs	0.250	-	-0.250
Increase in Employers Pension Rate	0.796	0.269	0.282
	<b>8.340</b>	<b>7.597</b>	<b>7.046</b>

## Spending on current services

.....Revenue Standstill Pressures cotinued	2008/09 £m	2009/10 £m	2010/11 £m
<b>Demand Led</b>			
Independent Foster Agency Payments	0.373	0.150	0.150
Out of Borough Placements continuation of high cost secure placements	0.144	-	-
Additional Early Intervention & Safeguarding posts for increasing demand	0.055	-	-
Additional Social Worker posts for increasing demand	0.122	-	-
Increase in demand for care & commissioning procured services	0.960	1.000	1.000
Supported Living loss of housing benefit from transfer to Housing Associations	0.123	-	-
Potential additional cost of funding for MENCAP client group	0.100	-	-
Purchase of Landfill Allowance Trading Scheme Permits to cover deficit	-	0.740	-0.740
Additional revenue costs of Cleadon Park Library	-	0.007	0.021
	<b>1.877</b>	<b>1.897</b>	<b>0.431</b>
<b>Statutory / Legislative</b>			
Joint Area Review (1 yr only)	0.100	-0.100	-
Landfill Tax rise	0.568	0.643	0.568
Increased fees for local development framework inspection and activity	0.185	-0.109	-0.005
End of 3 year Local Authority Business Growth Incentive Scheme	0.200	-	-
	<b>1.053</b>	<b>0.434</b>	<b>0.563</b>

## Spending on current services

.....Revenue Standstill Pressures cotinued	2008/09 £m	2009/10 £m	2010/11 £m
<b>Other Unavoidable Changes</b>			
Reduction in change fund budget	-0.150	0.150	-
Increased cost to continue Kerb-It Collection after expiry of contract	0.150	-	-
Joint Waste Partnership Strategy	0.449	-	-0.100
Future Waste Disposal Contract	-	-	1.775
Removal of one year budget saving - use of external funding by Community Services	0.100	-	-
Sale of caravan sites - absorb central & admin overheads	0.042	-	-
Tyne Crossing Backfill	0.050	-0.050	-
Removal of Fees and Charges Estimate	0.103	-	-
Removal of Strategic Partnership Budget	-0.425	-	-
Reduction in Land Charges Income	0.085	-	-
Increased Debt Charges	1.425	1.141	0.183
Increased Audit costs re Comprehensive Performance Assessment Inspection	0.099	-0.099	-
Revenue costs of equal Pay Claims	-0.618	-	-
Third Sector review	0.300	-	-
Community Education pressures	0.146	-	-
	<b>1.756</b>	<b>1.142</b>	<b>1.858</b>

.....Revenue Standstill Pressures cotinued	2008/09 £m	2009/10 £m	2010/11 £m
<b>Changes to External Grant</b>			
Excellence in Cities grant top slice removal	0.030	-	-
Increase in Dedicated Schools Grant	-1.721	-1.754	-1.789
Young Carers Project	0.030	-	-
End of current Planning Delivery grant regime	0.166	-	-
Reduction in ST Homes SLA income	0.466	-	-
End of assistive technology grant	0.176	-	-
Reduction in asylum seekers grant income	0.150	0.088	-
Loss of grant re Neighbourhood Renewal Fund Admin Officer post	0.037	-	-
Reduction in Urban Programme Grant Repayment	-0.071	-	-
Reduction in Housing Benefit / Council tax Admin Grant	0.238	0.122	-
Net effect of reduction in various Admin grants	0.095	-	0.090
Removal of Neighbourhood Renewal Fund Grant re Econ Dev (1 year saving only)	0.055	-	-
Grants transferring to Revenue Support Grant	3.539	-	-
Grants transferring to Area Based Grant	13.504	5.382	0.177
Working Neighbourhoods Fund	2.375	-	-
	<b>19.069</b>	<b>3.838</b>	<b>-1.522</b>
<b>TOTAL STANDSTILL PRESSURES</b>	<b>32.095</b>	<b>14.908</b>	<b>8.376</b>



## Spending on current services

66. The Council, like many other Local Authorities, faces significant financial challenges due to new employment legislation which works to ensure fairness and equality in pay for men and women employed by the Public Sector. The new arrangements will result in increased employment costs for the Council.
67. As well as this, demand for our services, especially adult care and looked after children, continues to increase and means that we need to spend more money just to carry on providing the services we currently offer.

68. The Council also needs to spend money to maintain our assets and meet estimated capital commitments carried forward from 2007/08.

69. We plan to spend £8.636m on planned capital maintenance in 2008/09. The table over the page shows our detailed programme.

## Spending on planned maintenance

Capital Planned Maintenance Programme	Provisional Programme					TOTAL £m
	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	
<b>Council Assets Maintenance Programme</b>						
R&RPM01 Energy Efficiency Improvements	0.045	0.045	0.045	0.045	0.045	0.225
R&RPM02 Social Care & Health Facilities	0.650	0.405	-	-	-	1.055
R&RPM03 Improve Access to Building (DDA Programme)	0.090	0.090	-	-	-	0.180
R&RPM04 Health & Safety Works to Asset Portfolio	0.135	0.135	0.045	0.045	0.045	0.405
R&RPM05 Community Centre Repair Programme	0.250	-	-	-	-	0.250
R&RPM06 Front Line Buildings / Civic Buildings Maintenance	0.430	0.270	0.180	0.180	0.180	1.240
R&RPM07 Riverside Maintenance	0.250	0.050	0.050	0.050	0.050	0.450
	<b>1.850</b>	<b>0.995</b>	<b>0.320</b>	<b>0.320</b>	<b>0.320</b>	<b>3.805</b>
<b>Neighbourhood Services Maintenance Programme</b>						
NSPM01 Adoption of Back Lanes	0.090	0.090	0.090	0.030	0.030	0.330
NSPM02 Improving the Quality of Footpaths	0.250	0.250	0.250	0.250	0.250	1.250
NSPM03 Maintain and Improve Subways	-	0.100	-	-	-	0.100
NSPM04 Integrated Transport Programme (LTP)	1.582	1.692	1.803	1.803	1.803	8.683
NSPM05 Highways Maintenance Programme (LTP)	1.344	1.479	1.700	1.700	1.700	7.923
NSPM06 Highways Infrastructure Improvements	0.250	0.250	0.250	0.250	0.250	1.250
NSPM07 Maintain and Improve Footbridges	0.150	0.150	-	-	-	0.300
NSPM10 Bridges - LTP Specific allocation	0.325	-	-	-	-	0.325
	<b>3.991</b>	<b>4.011</b>	<b>4.093</b>	<b>4.033</b>	<b>4.033</b>	<b>20.161</b>

## Spending on planned maintenance

Capital Planned Maintenance Programme	Provisional Programme					TOTAL £m
	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	
<b>School Assets Maintenance Programme</b>						
CYPPM01 School Asset Condition and Suitability	0.500	0.500	0.500	0.500	0.500	2.500
CYPPM02 Schools Devolved Capital Spending	2.205	2.155	2.155	2.155	2.155	10.825
	<b>2.705</b>	<b>2.655</b>	<b>2.655</b>	<b>2.655</b>	<b>2.655</b>	<b>13.325</b>
<b>Design and Feasibility</b>						
R&RPM08 Design and feasibility - new schemes	0.090	0.090	0.090	0.090	0.090	0.450
<b>TOTAL Council Planned Maintenance Programme</b>	<b>8.636</b>	<b>7.751</b>	<b>7.158</b>	<b>7.098</b>	<b>7.098</b>	<b>37.741</b>

## Spending on Council priorities

70. We also need to spend money to deliver our vision for South Tyneside by progressing with our Council priorities. The following sections outline our spending priorities and why we believe we need to spend money on these actions.

We have identified many priorities for which we need to allocate resources towards over the medium term. In prioritising our priorities we have identified 14 critical projects for the Council for 2008-11.

Each project has been selected on the basis that it directly contributes to the Local Area Agreement Top 10 Outcomes.

These “must do” projects will get close political engagement; more rigorous programme management, monitoring and evaluation; and the resources they need to maximise success. They will help us to make a tangible difference.

Many of these projects cut across all of our priority themes. The table over the page sets out each project against the relevant Top 10 Outcome. These projects will be managed in line with our corporate approach to project management and have a senior Project Sponsor. Some of these projects will take a number of years to complete.

Our 4\* Plus projects for 2008/09 are:



## Spending on Council priorities

4 Stars Plus Project	Project Sponsor	LAA Top 10 Priority Objectives
Develop and implement 14-19 year old collaborative arrangements between schools and colleges, and explore the viability of a studio school	Executive Director of Children and Young People's Services	Increasing opportunities and participation in education, employment and training
Ensure all children and young people are helped to succeed at school through the TOPS programme and Special Educational Needs review	Executive Director of Children and Young People's Services	Improving outcomes for vulnerable children and young people
Strengthen partnership working and information sharing to develop an intelligence led, targeted approach to tackle anti-social behaviour	Executive Director of Neighbourhood Services	Building respect in communities and reducing Anti Social Behaviour
Implement appropriate and meaningful initiatives to increase public involvement in Council meetings, Scrutiny and Community Area Forums in consultation with partners	Executive Director of Regeneration and Resources	Engaging people to have a greater voice and influence over decision-making and the delivery of local services
Improve services and support for older people	Executive Director of Neighbourhood Services	Improving the health and wellbeing of older people
Deliver a joint agency approach in neighbourhoods to improve health	Executive Director of Neighbourhood Services	Reducing health inequalities through reducing smoking, alcohol and obesity
Continue to transform South Tyneside via major regeneration schemes	Executive Director of Regeneration and Resources	Reducing the gaps in employment and benefit claimant rates between the worst performing neighbourhoods and national averages
Develop and deliver Multi Area Agreement with partners at City Region level	Chief Executive	

## Spending on Council priorities

4 Stars Plus Project	Project Sponsor	LAA Top 10 Priority Objectives
Work with partners to deliver an excellent social and private housing service	Executive Director of Regeneration and Resources	Improving housing conditions and quality across all tenures to meet the decent homes standard
Increase recycling, reduce waste and develop a waste disposal partnership	Executive Director of Neighbourhood Services	Reducing waste to landfill and increasing recycling to help reduce our carbon footprint
Reduce our carbon footprint to help tackle climate change	Executive Director of Regeneration and Resources	
Target emotional resilience programme at vulnerable children and young people	Executive Director of Children and Young People's Services	Promoting culture and wellbeing so that everyone in our communities can be the best that they can be
Use culture and wellbeing to improve outcomes for vulnerable children, children with disabilities, older people, black and minority ethnic groups	Executive Director of Neighbourhood Services	
Improve value for money through better use of our resources	Chief Executive	To help us achieve all of the Top 10 Priority Objectives

### Helping people into jobs and encouraging enterprise

71. Jobs and enterprise are crucial to the regeneration of the borough. Over the last year substantial progress has been made in making South Tyneside **a centre for enterprise and innovation where new and existing businesses can realise their potential and people can find jobs.**
72. The borough's employment rate and the rate of business creation continue to improve. The Audit Commission has recognised that the increase in employment levels is above regional and national rates of improvement.
73. Our £16.2 million Local Enterprise Growth Initiative is already making a real difference. Three Business Matters outlets have been opened in our town centres with the refurbished buildings fully staffed by a team of advisors, including representatives from Business Link, the Tyneside Economic development Company, North East Chamber of Commerce and the Council's Business Development Team. Our Access to Markets project has advised over 100 local companies on how best to grow their business.
74. Since October 2006 we have used financial schemes to create 173 new businesses and support 163 existing businesses, creating 1,389 new jobs and safeguarding 785 existing jobs. We have also supported the development of the 'Spectrum Network', an independent group of creative business people looking to foster creative enterprise in the borough.
75. Our £6.4 million 'Supporting People into Work' Programme, developed with the South Tyneside Enterprise Partnership, has supported 2070 residents into employment, many of these in our 6 employment priority areas. Links with welfare rights services and agencies like the Probation Service have helped to ensure that those furthest from the labour market benefit from expert support.



## Spending on Council priorities

76. We plan to invest capital resources towards this priority area in 2008/09. The table below shows the key capital projects for Jobs and Enterprise over the next five years.

Capital Priority Schemes	Provisional Programme					Scheme Value £m
	2008/09	2009/10	2010/11	2011/12	2012/13	
	£m	£m	£m	£m	£m	
<b>Jobs and Enterprise</b>						
R&RC02      A19 Jobslink Corridor	5.000	-	-	-	-	<b>5.000</b>
	<b>5.000</b>	-	-	-	-	<b>5.000</b>

### Helping people to live independent and healthy lives

77. We are continuing to work towards making South Tyneside a place where people enjoy health, uncompromised by unhealthy lifestyles, environmental hazards and poor economic circumstances.
78. Adult care services continue to improve, supporting independent and healthy living through increased extra-care housing and wider range of support packages.
79. We are also working in partnership with the Primary Care Trust to develop multi-agency health centres across the borough. This year has seen the opening of a state of the art one stop shop for health and social care at Flagg Court in South Shields. Another new health centre is under development in central Hebburn and plans for a new facility in East Shields are being developed.

## Spending on Council priorities

80. A joint Council / Primary Care Trust Choosing Health Team has been working hard to improve lifestyles and reduce health inequalities. Over 500 people have completed a preventative programme with 74% reducing their body mass index.
81. Our Sports Development Team has made significant progress in engaging people to adopt healthier lifestyles. Attendance at development programmes increased from 43,000 in 2005/06 to 67,000 in 2006/07, a 55.8% increase.
82. The table below shows a priority-led growth item for the next three years.

<b>Priority-Led Growth Proposals</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Independent and Healthy Lives</b>			
IHL01: Further implementation of fee increases under social services cost of care	0.200	0.200	0.200

## Spending on Council priorities

83. The table below shows capital priorities for Independent and Healthy Lives over the next five years.

Capital Priority Schemes		Provisional Programme					Scheme Value £m
		2008/09	2009/10	2010/11	2011/12	2012/13	
		£m	£m	£m	£m	£m	
<b>Independent and Healthy Lives</b>							
NSC01	Disabled Facilities in Private Housing	1.096	1.153	1.183	1.183	1.183	<b>5.798</b>
NSC02	Social Care & Health ICT System upgrade	0.107	0.107	0.107	0.107	0.107	<b>0.535</b>
		<b>1.203</b>	<b>1.260</b>	<b>1.290</b>	<b>1.290</b>	<b>1.290</b>	<b>6.333</b>

### Making communities safer and stronger

84. Safer and stronger communities are crucial to regenerating South Tyneside. We have continued to make real progress towards achieving our vision of making South Tyneside a place where crime is the exception rather than the rule, everyone feels involved and people understand and respect each other.
85. Over the last year, responding to residents concerns, we have continued to give a high priority to tackling the problem of anti-social behaviour. A strategic Anti Social Behaviour Task Force has been established to work alongside existing staff and partners dealing with this issue and South Tyneside is now one of 40 Respect Action Areas nationwide to fund new initiatives such as a family intervention project to break patterns of anti social behaviour. Our increased focus on anti-social behaviour is paying dividends - this years Local Government User Satisfaction Survey found that 28% of people believe there is a high level of anti-social behaviour, down from 49% in 2004.

## Spending on Council priorities

86. Strong partnership working with the Police and other agencies involved in reducing crime is also producing results. Between October 2006 and October 2007 the overall crime rate reduced by 22%. In this period criminal damage went down 33%, vehicle crime by 38% and burglary by a massive 62%.
87. We have continued to strengthen area and neighbourhood working to ensure that we deliver improvements in the things that matter most at a more local level. Neighbourhood Action Plans and our emerging Community Area Plans are based on a robust analysis of the issues facing communities and are clearly focused on addressing the things that matter to local people. In August 2007 the Audit Commission judged the Council's Neighbourhood Renewal and Regeneration work as a 'Good, Two Star Service' with 'Promising Prospects for Improvement'. The Audit Commission found that we have improved services to our most disadvantaged neighbourhoods and praised the Council for attracting investment into the borough as well as its good partnerships with other agencies such as the Police.
88. In March the Council was awarded Beacon Status for the role which our elected members play as neighbourhood and community champions. We are also proud of being awarded Beacon Status for 'promoting financial inclusion and tackling indebtedness'. Financial exclusion and indebtedness are significant problems nationally and locally and by working in partnership with Tyneside Economic development Company, the Credit Union and Citizen's Advice Bureau, our customer and community engagement was judged as outstanding.
89. We are continuing to make a real difference to people's lives through our 'personal to each... fair to all' approach to equality and diversity. We have produced a new Race Equality Scheme for 2006/09 and a disability and gender equality scheme.
90. The Audit Commission has reported that 'community engagement is a strength of the Council'. We continue to see this as a high priority and in the last year we have enhanced the way in which we consult with young people, the over 50's, disabled people and our black and minority ethnic community. A new Community Involvement Strategy is currently being prepared which will set out how we intend to take forward work on this nationally important priority.

## Spending on Council priorities

91. The table below shows the key Safer and Stronger Communities Capital Projects over the next five years.

Capital Priority Schemes	Provisional Programme					Scheme Value £m
	2008/09	2009/10	2010/11	2011/12	2012/13	
	£m	£m	£m	£m	£m	
<b>Safer and Stronger Communities</b>						
R&RC01 Community Area Forums Grant	0.120	0.120	0.120	0.120	0.120	<b>0.600</b>
	<b>0.120</b>	<b>0.120</b>	<b>0.120</b>	<b>0.120</b>	<b>0.120</b>	<b>0.600</b>

### Helping every child and young person achieve their potential

92. Achieving our vision of a **brighter future for all children and young people in South Tyneside** is fundamental to the future of the borough.
93. Over the last year we have continued to improve the life chances for children and young people by making sure they are safe, involved, and listened to and we will continue to provide opportunities to help them reach their full potential. The 2007 Annual Performance Assessment produced by Ofsted said that South Tyneside continues to deliver good services for children and young people and that most outcomes are good and some outstanding. It also recognised that “the council puts children and young people at the heart of everything it does and has designed many of its services and systems to include the voice of children and young people”.
94. South Tyneside exam pass rates have increased faster than the national average over the past four years and are now broadly in line with national averages despite our high levels of deprivation. Our performance, both in terms of achievement and rate of improvement, is consistently above that of our near neighbours. The proportion of pupils obtaining at least 5 GCSE’s grade A\* to C increased significantly

## Spending on Council priorities

from 51.7% in 2005 to 55.5% in 2006, and provisional data for 2007 indicates a 60.78% pass rate. Our Key Stage 3 results are amongst the most improved in the country. In 2007 our biggest improvement at Key Stage 3 was in Science, where attainment improved by 4% against a national rise of 1%, putting us at the national average for the first time. Our A level students averaged a 96.6% A-E pass rate which is above the national average for the first time in our history.

95. Robust action has been taken to improve school attendance and this is now in line with national figures in both primary and secondary schools. Absence in secondary schools has reduced slightly in the last year from 9.7% to 8.4% as a result of several attendance initiatives that were introduced.
96. We are continuing to progress our joint Building Schools for the Future Programme with Gateshead Council. This £112 million programme will allow us to rebuild, remodel and refurbish schools across the borough. In September 2007 we opened a new 420-place primary school in Cleadon Village, amalgamating the Infant and Junior schools. The community were involved in the design and have been pleased with the smooth transition.
97. Ofsted has reported that the council continues to make an excellent contribution to improving the health of children and young people, with a trend of continuous and sustained improvement. As part of South Tyneside's Child Obesity Strategy we run the national Mind, Exercise, Nutrition, Do it (MEND) programme in partnership with the Great Ormond Street Hospital and children from participating families have shown significant weight loss. The council and its partners also continue to work well together in lowering the numbers of teenage pregnancies. Teenage conception rates are below those of similar councils and have fallen consistently over a three-year period at a faster rate than those nationally and locally as a result of a comprehensive range of services which are in place.

## Spending on Council priorities

98. Priority led initiatives (new spending plans) for 2008/09 are shown in the table below:

<b>Priority-Led Growth Proposals</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Children and Young People</b>			
CYP01: Adoption Rates - To bring rates up to FCN recommended rates	0.128	0.000	0.000
CYP02: TOPS Project - to resource delivery of TOPS scheme	0.104	0.000	0.000
CYP03: Family Group Conferencing	0.090	0.000	0.000

99. We intend to invest capital resources towards our planned capital priorities for Children and Young People over the next five years. The Building Schools for the Future Programme is funded primarily from central government funding, provided in various ways - some capital, some revenue (Private Finance Initiative). The Council funding below relates to supported borrowing. The funding for school access initiatives is also provided via specific supported borrowing. Our capital spending plans are shown in the following table.

100. We have also started a major programme to Transform our Primary Schools – the TOPS project. This will see the rebuild or refurbishment of up to 50% of our primary schools within 15 years. We have invested in a project team to ensure that this project is delivered.

101. Upgrading our Children’s Homes is a priority for the Council. The full cost of this project is not on the provisional capital programme as options are at an early stage of consideration.

## Spending on Council priorities

102. The table below shows the key Children and Young People Capital Projects over the next five years.

Capital Priority Schemes	Provisional Programme					Scheme Value £m
	2008/09	2009/10	2010/11	2011/12	2012/13	
	£m	£m	£m	£m	£m	
<b>Children &amp; Young People</b>						
CYPC01 Building Schools for the future	30.795	8.666	13.925	22.528	19.107	<b>95.021</b>
CYPC02 Primary School Reorganisation	0.100	3.350	0.750	1.000	1.200	<b>6.400</b>
CYPC03 Extended Schools	0.262	0.277	0.143	-	-	<b>0.682</b>
CYPC04 Accommodation for Alternative Education Service	0.300	-	-	-	-	<b>0.300</b>
CYPC05 Asbestos Removal in Schools	0.200	0.200	0.200	-	-	<b>0.600</b>
CYPC06 School Access Initiative	0.238	0.238	0.238	0.238	0.238	<b>1.190</b>
CYPC07 Harnessing technology	0.446	0.495	0.540	-	-	<b>1.481</b>
CYPC08 Childrens Centres	0.499	0.518	0.520	-	-	<b>1.537</b>
CYPC09 Youth Capital Fund	0.096	0.096	0.096	-	-	<b>0.288</b>
CYPC10 Children's Homes	0.050	-	-	-	-	<b>0.050</b>
	<b>32.986</b>	<b>13.840</b>	<b>16.412</b>	<b>23.766</b>	<b>20.545</b>	<b>107.549</b>



## Spending on Council priorities

### Building a sustainable environment with great housing and transport links

103. We are determined to provide our residents with a clean, safe and tidy environment. We want South Tyneside to be a place where people choose to live, work and visit and continue to make strong progress in this highly visible priority area.
104. We are committed to improving housing in the borough. We have already been allocated £58m over the next 5 years to progress the decent homes programme and we have worked closely with South Tyneside Homes to implement several improvements including the Choice Based Lettings System. We are also making strong progress on private housing issues.
105. Priority led initiatives (new spending plans) for 2008/09 are shown in the table below:

<b>Priority-Led Growth Proposals</b>	<b>2008/09 £m</b>
<b>Environment, Housing and Transport</b> EHT02: Borough wide roll out of our private rented accreditation scheme	0.080

106. Our “Do your Bit ...More” campaign continues to encourage all residents to contribute to an improved environment and a cleaner borough, and resident satisfaction levels have risen substantially.

## Spending on Council priorities

107. 'Blitz It' and grounds maintenance continue to improve liveability across the borough. Satisfaction with grounds maintenance has risen by 6% and satisfaction with the cleanliness of streets has risen by 19%. Community Wardens have been integrated into the Blitz It operation and are now issuing fixed penalties for littering offences. Payment rates are currently in excess of 90%. Improved maintenance of streets and open spaces, linked to local community involvement, has led to 13 awards being presented by Northumbria in Bloom judges.
108. The new recycling village has expanded our capacity to recycle more waste, diverting it away from landfill sites. The Recycling Village has won a national award for 'Civic Amenity Site of the Year' in the Awards for Excellence in recycling and waste management. It was praised for its sustainability, increased recovery rates and successful day to day operations.
109. We continue to have a strong partnership with Balfour Beatty and 'Light It', our £63m programme to improve street lighting, went live in February 2006. Since then nearly 5,000 columns have been replaced. Customer satisfaction with the quality of the new lighting and consultation process remains high, as improved street lighting makes residents feel safer at night and will also contribute to the reduction of accidents and vandalism.

## Spending on Council priorities

110. The table below shows the key Environment, Housing and Transport capital priorities for the next five years. Many schemes are dependent on the securing of external funds before they can proceed.

Capital Priority Schemes		Provisional Programme					Scheme Value £m
		2008/09	2009/10	2010/11	2011/12	2012/13	
		£m	£m	£m	£m	£m	
<b>Environment, Housing and Transport</b>							
NSC12	Crematorium - compliance with mercury emissions legislation	0.020	0.455	0.000	-	-	<b>0.475</b>
NSC13	Replacement of Vehicles & Plant Transport Section	1.000	0.600	0.600	0.600	0.600	<b>3.400</b>
NSC14	Alternative Waste Collection/Recycling Project	0.761	0.731	0.095	-	-	<b>1.587</b>
NSC15	Waste Partnership project	-	-	-	-	-	<b>0.000</b>
NSC16	Cleadon Park Regeneration	1.260	-	-	-	-	<b>1.260</b>
NSC17	Boldon Colliery Regeneration Scheme	0.080	-	-	-	-	<b>0.080</b>
NSC18	Ebchester/Aldbrough Regeneration Scheme	0.655	-	-	-	-	<b>0.655</b>
NSC22	Jarrow Town Centre Pedestrian Linkages	0.146	-	-	-	-	<b>0.146</b>
NSC19	Improve Private Housing in the Borough	0.640	0.640	0.640	-	-	<b>1.920</b>
NSC20	Coastal Protection Infrastructure	3.725	2.000	-	-	-	<b>5.725</b>
R&RC07	Carbon Management Strategy	0.100	0.100	0.100	0.100	0.100	<b>0.500</b>
		<b>8.387</b>	<b>4.526</b>	<b>1.435</b>	<b>0.700</b>	<b>0.700</b>	<b>15.748</b>

## Spending on Council priorities

111. In addition to these capital priorities, the table below shows the investment priorities for our Council housing portfolio over the next 5 years.

<b>Housing Capital Programme</b>	<b>Provisional Housing Programme</b>					<b>Programme</b>
	<b>2008/9</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>TOTAL</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Secured Resources</b>						
Delivering Decent Homes	8.588	9.144	8.905	8.671	8.441	<b>43.749</b>
High Priority Essential Work	4.534	3.734	3.734	3.734	3.734	<b>19.470</b>
<b>TOTAL South Tyneside Homes Secured</b>	<b>13.122</b>	<b>12.878</b>	<b>12.639</b>	<b>12.405</b>	<b>12.175</b>	<b>63.219</b>
<b>Council Retained</b>						
Special Adaptations Dwellings	1.400	1.400	1.400	1.400	1.400	<b>7.000</b>
Area Redevelopment Support	1.000	1.000	1.000	1.000	1.000	<b>5.000</b>
<b>TOTAL Council Secured</b>	<b>2.400</b>	<b>2.400</b>	<b>2.400</b>	<b>2.400</b>	<b>2.400</b>	<b>12.000</b>
<b>TOTAL SECURED PROGRAMME</b>	<b>15.522</b>	<b>15.278</b>	<b>15.039</b>	<b>14.805</b>	<b>14.575</b>	<b>75.219</b>
South Tyneside Homes - ALMO Funding	17.398	27.744	37.251	39.805	40.313	162.511
<b>TOTAL Housing Capital Programme (with ALMO)</b>	<b>32.920</b>	<b>43.022</b>	<b>52.290</b>	<b>54.610</b>	<b>54.888</b>	<b>237.730</b>

## Spending on Council priorities

### Promoting well-being, a sense of place and cultural opportunities

112. We want to **make the most of our world-class heritage, breathtaking natural assets, events and festivals.**
113. The refurbishment of Hebburn Library has been a huge success and satisfaction rates with our libraries is the highest of all single tier and county councils.
114. Following assessment in May 2007, the Adult and Community learning service was awarded Matrix accreditation. Despite the level of funding staying at similar levels from 2005/06 to 2006/07 there was a 55% increase in the numbers of learners.
115. Two of the borough's leisure facilities have received the QUEST award for the running and management of the service. Both Hebburn Pool and Temple Park were accredited, and the satisfaction rates with the Borough's sports facilities are second highest in the whole country.
116. We continue to attract large numbers of visitors to our annual programme of events. We again hosted the finish of the 27th Great North Run, with approximately 50,000 runners competing, making it the world's largest half marathon. This is a fantastic opportunity to show off our borough through the national and international publicity that is generated.
117. The Mouth of the Tyne Festival, a joint venture with North Tyneside, attracted over 60,000 people and received a Silver North East Tourism Award in the Best Visitor Experience Category. Our research has shown that 64% of visitors rated the Summer Festival 'Excellent' and a further 30% rated it 'Good'.
118. In September 2007, a Play Strategy was adopted that will outline our plans for investment over the next 5 years. In April 2007, a new play park was opened in South Marine Park and it has been a huge success with over 20,000 children visiting during the summer holidays. The play area is the first stage in the restoration scheme for the park.

## Spending on Council priorities

119. Around 6,000 young people took part in the Get Involved summer activity scheme. We recorded 60,000 attendance at a range of sporting, leisure and arts activities. Marketing for the summer events was centred on Hype, our young peoples website. The site received 13,000 visit, 18 times higher than in the previous year.

120. We plan to contribute to the World Heritage Bids in 2008/09 and this priority led initiative (new spending plan) is set out in the table below.

<b>Priority-Led Growth Proposals</b>	<b>2008/09 £m</b>
<b>Culture and Wellbeing</b> CW01: Contribution to World Heritage Bids	0.030

121. The table over the page shows our planned capital investment over the next five years.

## Spending on Council priorities

Capital Priority Schemes		Provisional Programme					Scheme Value £m
		2008/09	2009/10	2010/11	2011/12	2012/13	
		£m	£m	£m	£m	£m	
<b>Culture and Well Being</b>							
NSC03	South Marine Park	2.118	0.121	0.198	-	-	<b>2.437</b>
NSC04	Parks Infrastructure	0.050	0.050	0.050	0.050	0.050	<b>0.250</b>
NSC05	Foreshore - Public Realm and Street Furniture	0.100	0.250	0.100	0.100	0.100	<b>0.650</b>
NSC06	Foreshore - Bents Park Stage	-	-	0.104	0.750	-	<b>0.854</b>
NSC07	Foreshore - Bents Park Changing Rooms Refurbishment	0.400	0.200	-	-	-	<b>0.600</b>
NSC08	Monkton Stadium Artificial Turf Pitch	0.550	-	-	-	-	<b>0.550</b>
NSC09	Customs House	0.022	-	-	-	-	<b>0.022</b>
NSC10	Provide 21st Century Leisure Facilities	-	-	-	-	-	<b>0.000</b>
NSC11	Arbeia	-	-	-	-	-	<b>0.000</b>
		<b>3.240</b>	<b>0.621</b>	<b>0.452</b>	<b>0.900</b>	<b>0.150</b>	<b>5.363</b>

122. Providing 21<sup>st</sup> century leisure facilities is a priority for the Council. This project is not on the provisional capital programme as options are at an early stage of consideration. Arbeia is also a Council priority for which we are reviewing external funding opportunities.

## Regeneration and Resources

123. We are working hard to make South Tyneside **a place where people are proud to live work and visit.**

## Spending on Council priorities

124. The Audit Commission has judged that the Council is delivering a good regeneration and neighbourhood renewal service with promising prospects for improvement. It noted that the Council has made good progress with some key regeneration schemes and has a good track record of attracting the necessary investment to support such schemes.
125. The regeneration of the Cleadon Park Estate, the largest ever regeneration project in South Tyneside, continues with 94 social rented properties now in occupation and nearly 50 reservations taken for owner occupation.
126. At South Shields Riverside we are working with One NorthEast to bring forward a 30 hectare brownfield site for comprehensive regeneration for a mix of employment, residential and leisure uses. The exciting vision for the area, agreed earlier this year, shows a waterfront urban park which links five new neighbourhoods, each incorporating new housing and commercial floorspace in a high quality landscape. It promises to deliver over 1,200 new homes, at least 3,400 new jobs, 2,000 training places and 400 new enterprises.
127. The regeneration of Hebburn Town Centre remains a high priority for the Council. Following the publication of a prospectus in relation to this the Council has received significant developer interest and is expecting to identify a preferred bidder in February 2008. The project aims to create a vibrant town centre that includes new social rented and private housing at Hebburn Newtown and new commercial and retail facilities including a major supermarket.
128. The building of a new £1m Registry Office in South Shields commenced in October and is due to be completed in August 2008. The office, which it will replace, is no longer adequate for the needs of the service and has poor disabled access.
129. The Council's best practice in consulting with and connecting with its communities has been recognised by the Government and the Audit Commission. Our listening campaign, 'We asked, You Said, We Did', has been recommended nationally and we were also highly commended in the 2007 Chartered Institute of Public Relations for our a-z guide to services. However, we are not resting on our laurels – we are currently preparing a new comprehensive Community Involvement Strategy which will see further enhancements in the way we involve residents in improving services.



## Spending on Council priorities

130. The Benefit Fraud Inspectorate have awarded our benefit service an overall performance score of 4 out of 4 for Comprehensive Performance assessment 2007 following improved performance against claims administration performance measures. In particular, it acknowledges improvements in the average time taken to deal with processing new claims and changes of circumstances.

131. The table below shows the key Regeneration and Resources Capital Priorities over the next five years.

Capital Priority Schemes		Provisional Programme					Scheme Value £m
		2008/09	2009/10	2010/11	2011/12	2012/13	
		£m	£m	£m	£m	£m	
<b>Regeneration</b>							
R&RC03	Tyne Gateway/Riverside Regeneration	1.000	1.000	1.000	1.000	1.000	<b>5.000</b>
R&RC04	Customer Service Strategy	0.500	0.000	0.000	0.000	0.000	<b>0.500</b>
NSC21	Hebburn New Town	0.000	0.060	0.060	0.000	0.000	<b>0.120</b>
R&RC05	Regeneration & Transformation Fund	0.550	0.550	0.550	0.550	0.550	<b>2.750</b>
		<b>2.050</b>	<b>1.610</b>	<b>1.610</b>	<b>1.550</b>	<b>1.550</b>	<b>8.370</b>
<b>Resources</b>							
R&RC06	Single Status	2.500	2.500	0.100	0.100	0.100	<b>5.300</b>
		<b>2.500</b>	<b>2.500</b>	<b>0.100</b>	<b>0.100</b>	<b>0.100</b>	<b>5.300</b>
		<b>4.550</b>	<b>4.110</b>	<b>1.710</b>	<b>1.650</b>	<b>1.650</b>	<b>13.670</b>

132. The funding we will receive from government and from council taxpayers over the next three years, is not sufficient to cover our current level of spend plus our new standstill spending pressures, which are identified at paragraph 65 of this budget proposal. Therefore, to make sure we can continue to focus our 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 from the government and council tax payers.
133. The proposals included in our budget, which we have widely consulted upon, have involved some tough decisions and we have done all that we can to minimise the impact on service delivery. We have kept new priorities to a minimum and only reflected those that are essential in delivering our priorities. 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.
134. Proposals for reducing spending and increasing efficiency for each Council priority theme are shown in the following table:

<b>Redirection Proposals</b>	<b>2008/09</b> £m	<b>2009/10</b> £m	<b>2010/11</b> £m
<b>Environment, Housing and Transport</b>			
EHT01: Review of vacant posts within Streetscape	0.025	-	-
EHT02: End Great North Forest funding	0.029	-	-
EHT03: Review of Community Safety Services	0.030	-	-
EHT04: Review of Building Cleaning Services	0.055	0.050	-
EHT05: Review of Transport Services	0.010	-	-
EHT06: Review of vacant posts within Regulatory Services	0.050	-	-

## Redirecting current revenue spending

Redirection Proposals	2008/09 £m	2009/10 £m	2010/11 £m
<b>Safer and Stronger Communities</b>			
SSC01: Fairer allocation of funding through formula for Community Centres	0.079	0.086	-
SSC02: Rationalisation of Community centre opening hours and running costs	0.020	-	-
SSC03: Charges for consultation projects	0.025	-	-
SSC04: Review of Community Safety Services	0.035	-	-
<b>Independent and Healthy Lives</b>			
IHL01: Business review of Employment Service	0.027	-	-
IHL02: Review of commissioning arrangements	0.100	-	-
IHL03: Review of commissioning of home care services	0.088	0.088	0.088
IHL04: Review of charges for day care and transport charges	0.125	-	-
<b>Culture and Wellbeing</b>			
CW01: Service efficiencies - Cultural Services	0.078	-	-
CW02: Reduction in grants to external organisations	0.047	-	-
CW03: Reductions to Leisure Services	0.085	-	-
CW04: Efficiency improvements to Libraries Service	0.072	-	-
<b>Jobs and Enterprise</b>			
JE01: Cancel Council Counselling contract	0.053	-	-
JE02: Maximise use of external funding	0.125	-	-

<b>Redirection Proposals</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Regeneration</b>			
REGEN01: Recovery from Capital for Economic Development Project Managers	0.120	-	-
<b>Resources</b>			
RES01: Review of temporary staff and vacant posts	0.198	0.050	0.050
RES02: Value for Money efficiencies	0.150	-	-
RES03: Reduction in staffing within Central Organisation Development & People	0.151	-	-
RES04: Reduction in staffing within Communications Service	0.066	-	-
RES05: Financial Services Process Re-engineering	0.100	-	-
RES06: Revenues and Benefits Process Re-engineering	0.238	-	-
RES07: Include Provision for an Airport Dividend	0.100	-	-
RES08: Reduction in ICT Development staffing	0.090	0.030	-
RES09: Reduction in ICT Customer Services Staffing	0.065	-	-
RES10: Reduced cleaning of Civic Buildings	0.100	-	-
RES11: Increased rental income from factory units through a series of lease reviews	0.100	-	-
RES12: Increased income from Schools Buy back for Building Maintenance team	0.032	-	-
RES13: Centralise Directorate training and Organisation Development & People teams	0.039	-	-
RES14: Corporate strategic property review	0.250	-	-
RES15: Savings on new Insurance Premiums contract	0.456	-	-
RES16: Corporate Strategic Cost Reduction Programme	0.916	5.988	5.350
RES17: Review of Strategic Procurement	0.200	-	-
RES18: Review of Internal Audit	0.058	-	-

## Redirecting current revenue spending

Redirection Proposals	2008/09 £m	2009/10 £m	2010/11 £m
<b>Children and Young People</b>			
CYP01: Review of Special Education Needs transport policy and contracts	0.050	0.000	0.000
CYP02: Rationalisation of school meals service and / or increased charging	0.078	0.000	0.000
CYP03: Potential Directorate Support staffing reductions	0.120	0.000	0.000
CYP04: Finance staffing reduction	0.015	0.000	0.000
CYP05: Sponsored Childminding Scheme	0.035	0.000	0.000
CYP06: Delete vacant teaching posts in Educational Psychologists Service	0.100	0.000	0.000
CYP07: Invest to Save - Foster Care	0.185	0.000	0.000
CYP08: Alternative Education Service	0.290	0.210	0.000
	<b>5.461</b>	<b>6.502</b>	<b>5.488</b>

### Value for Money

135. As well as generating redirection proposals in order to ensure our spending plans are affordable, we also use our budget process to examine how we can deliver better Value for Money in the services we offer. Many of the redirection proposals shown in the table above, will make us work more efficiently and will mean that council tax payers get more for their money.
136. We are required to report both our annual efficiency plans (called our “Forward Look Annual Efficiency Statement”) and our actual efficiencies achieved (called our “Backward Look Annual Efficiency Statement”) to central government each year. In line with the government’s Value for Money agenda, we need to demonstrate that we are making a minimum of 2.5% efficiencies every year.
137. The planned efficiencies we will report to government as part of our Forward Look for 2008/09 will include many of the redirection proposals shown in the table on the previous page. The crosscutting Value for Money projects and many of the other redirection proposals will directly tackle any of our services which seem to be high-spending when we compare ourselves with other similar Councils.

## The Council's financial position over the medium term

138. Just like any other organisation, or even individuals, the Council needs to ensure that it has financial plans in place in case things do not go as planned. To do this, we carefully consider the things that could go wrong and assess whether these are likely to happen. This is part of our risk management strategy, which underpins all that we do, not just our financial plans.
139. We articulate the potential risks to our financial position over the medium term in our risk-based reserves strategy, a summary of which is outlined in this section.
140. Over the medium term the Council faces continuing financial pressures and has built in challenging savings targets into the above spending plans for 2008 to 2011 to ensure they remain affordable. There is a risk that we do not deliver all of these savings as planned.
141. The table over the page identifies this and other key financial risks to the Council's financial position over the medium term, 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.
142. 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.
143. Some of the risks have been assessed as particularly uncertain with potentially significant financial impact. We plan to make additional provision for these risks within our reserves.
144. These medium term financial risks support our current approach to protecting our reserves position and limiting the use of these reserves to support on-going spending.

## Strategic Financial Risk

**Risk Register item:** SRR1-A

**Risk:** The Council may have insufficient funds to achieve its priorities

**Risk managed by:** Our reserves strategy includes £1.500m set aside for funding structural change. This reserve will be used to manage the revenue cost of achieving structural changes facing the Council. These structural changes are required to ensure that the Council has sufficient funds to achieve its objectives. Some of the specific change proposals approved by Council may require significant up front investment to ensure that they are carried out in an effective, planned way. Ensuring that we deliver our planned redirection proposals is also imperative in making sufficient funds available. We therefore monitor against each redirection plan every month as part of our performance monitoring process.

**Risk register item:** SRR1-B

**Risk:** Financial systems are not fit for purpose

**Risk managed by:** Our financial systems have been replaced during 2006/07 in order to modernise and future proof. Our Internal Auditors carry out a key financial systems audit on an annual basis which tests that our systems remain fit for purpose.

**Risk register item:** SRR1-C

**Risk:** Pensions funding gap

**Risk managed by:** The next actuarial valuation is due on 1<sup>st</sup> April 2008. Our standstill pressures in our Medium Term Financial Plan for 2008-2011 include the estimated spending pressure to fund a resulting pension funding gap.



## The Council's financial position over the medium term

### Strategic Financial Risk

**Risk register item:** SRR1-D

**Risk:** Capital Receipts are not sufficient to support capital spending plans

**Risk managed by:** Capital receipts are monitored and reported to the Capital Programme Monitoring Group on a monthly basis. The forecast of receipts is included in our quarterly monitoring reports to Members. Any impact on the current year on future capital programme is highlighted in budget monitoring reports and relevant actions proposed.

**Risk register item:** SRR1-E

**Risk:** Changes to the balance of funding due to the declining and ageing population issues not being addressed

**Risk managed by:** Finance staff play a key role in regional lobbying of government in settlement issues. Our standstill pressures for 2008-2011 include estimated spending pressures resulting from an ageing population.

**Risk register item:** SRR1-F

**Risk:** Finances are reduced due to the necessary purchase of Local Authority Transfer Scheme trading credits

**Risk managed by:** The standstill pressures in our Medium Term Financial Plan for 2008-2011 include spending pressures arising from the legislation.

**Risk register item:** SRR1-G

**Risk:** Affordability of equal pay claims and single status

**Risk managed by:** Our reserves strategy includes allocations to meet further, potential liabilities for equal pay costs. This reserve will be used to finance the revenue cost of fighting and settling known and potential equal pay claims and the risk that the actual cost of job evaluation is higher than estimated.

## Strategic Financial Risk

**Risk register item:** SRR1-H

**Risk:** Council budget, particularly the volatile demand led budgets are not rigorously managed

**Risk managed by:** Revenue spending is monitored on a monthly basis as part of the Council's corporate performance monitoring framework. New financial controls, such as monthly 'budget surgeries' were introduced in 2005 to strengthen our budgetary control process. Alongside our Medium Term Financial Plan for 2007-2010 Members agreed to set aside a specific reserve for managing strategic financial risks of £2.500m.

**Risk register item:** SRR1-J

**Risk:** Increased investment to meet Decent Homes is delayed

**Risk managed by:** £166.99m of government funding will be received upon our achieving a successful 2-star inspection result for our new South Tyneside Homes Ltd housing service. Key staff from across the Council have been transferred onto this inspection preparation project to ensure a successful result.

**Risk register item:** SRR1-K

**Risk:** The Council does not have a 'fit for purpose' fees and charges policy

**Risk managed by:** A reviewed policy was agreed by Cabinet in November 2007 with the revised charges introduced from January 2008.

## The Council's financial position over the medium term

### Strategic Financial Risk

**Risk register item:** SRR1-L

**Risk:** Transforming our primary schools (TOPs). Reorganisation of school places to match demand

**Risk managed by:** The standstill pressures included in our Medium Term Financial Plan for 2008-2011 include an estimated spend relating to teacher redundancy costs. Our capital programme includes provision for the TOPS project. Also with have a priority led growth item to resource delivery of the TOPS scheme for £0.104m (CYP02).

**Risk register item:** SRR1-M

**Risk:** Capital projects are not delivered on time or within budget

**Risk managed by:** Capital spending is monitored on a monthly basis as part of the Council's corporate performance monitoring framework. Post project evaluation takes place for each capital scheme.

**Risk register item:** SRR5-B

**Risk:** The Council does not reduce high cost services

**Risk managed by:** A Value for Money programme will be agreed prior to 1<sup>st</sup> April 2008. The programme will be managed by a Steering Group that is already in place. The Steering Group will receive regular progress reports from project leads and these will feed through into the Council's monthly budget monitoring framework.

## Strategic Financial Risk

**Risk register item:** SRR6-A

**Risk:** Inability to find a Strategic Partnership to meet our requirements

**Risk managed by:** The Council is clear on the resources available to fund a Strategic Partnership. One of the requirements of a partnership is that the contract price would need to fit within the Council's overall affordability for the relevant services.

**Risk register item:** SRR7-B

**Risk:** Affordability gaps on Building Schools for the Future projects

**Risk managed by:** Robust monitoring of major investment schemes. Building Schools for the Future projects are supported by finance staff.

**Risk register item:** SRR10-B

**Risk:** Council facilities: The Council's estate is not fit for purpose. Capital funding is reducing and the maintenance backlog is increasing. The Council occupies more buildings than it requires and can maintain.

**Risk managed by:** The Council established a Value for Money project to rationalise accommodation and explore Agile Working. This project will continue in 2008/09.

145. The table below summarises our capital funding plans for 2008/09 and provisional funding plans for 2009/10 to 2012/13.

2007/08 £m	Council Capital Funding Forecast	2008/09 £m	Provisional Capital Funding				Funding TOTAL £m
			2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	
27.711	Supported Borrowing	33.499	33.487	42.069	44.623	45.131	<b>198.809</b>
15.223	Unsupported Borrowing	5.252	0.596	-0.635	0.036	-0.604	<b>4.645</b>
11.110	Housing Major Repairs Allowance	12.196	11.952	11.713	11.479	11.249	<b>58.589</b>
0.529	Mainstream Government Grants	-	-	1.209	1.268	1.267	<b>3.744</b>
0.629	LPSA	-	-	-	-	-	<b>0.000</b>
10.283	External Funding (secured and bid for)	38.920	21.335	21.981	28.138	24.717	<b>135.091</b>
0.900	Revenue Contributions	2.695	2.126	1.600	1.600	1.600	<b>9.622</b>
0.310	Earmarked Reserves	-	-	-	-	-	<b>0.000</b>
7.514	Council Capital Receipts	8.141	5.754	2.930	2.990	3.080	<b>22.895</b>
0.000	Less 2007-08 commitments	-3.661	-	-	-	-	<b>-3.661</b>
-0.040	Over-Under programming ( Funding Gap)	-	-	-	-	-	<b>0.000</b>
<b>74.169</b>	<b>TOTAL Council Capital Programme Funding</b>	<b>97.042</b>	<b>75.250</b>	<b>80.867</b>	<b>90.134</b>	<b>86.440</b>	<b>429.734</b>

146. From 1<sup>st</sup> April 2004, a prudential code for capital financing applied to all Councils. The prudential code allows the Council to determine what it needs to borrow each year to finance capital spending plans providing we can demonstrate we can afford to repay the debt and interest charges.

## How will the Council fund the capital spending plans?

### Capital External Funding Forecast

148. The table below identifies the external funding we have bid for and the external funding we have secured over the coming five years.

External Capital Funding Forecast	Provisional External Funding					Funding
	2008/09	2009/10	2010/11	2011/12	2012/13	TOTAL
	£m	£m	£m	£m	£m	£m
<b>Capital Grant from central government</b>						
DCSF BSF Grant	20.126	8.666	13.925	22.528	19.107	84.352
DCSF Schools Devolved Formula Capital Grant	2.205	2.155	2.155	2.155	2.155	10.825
DCSF Surestart Grant	0.499	0.518	0.520	0.000	0.000	1.537
DCSF Primary Capital Programme	0.000	3.000	0.000	0.000	0.000	3.000
Extended Scools	0.262	0.277	0.143	0.000	0.000	0.682
Harnessing technology	0.446	0.495	0.540	0.000	0.000	1.481
Youth Capital Fund	0.096	0.096	0.096	0.000	0.000	0.288
Single Programme	5.270	0.670	0.670	0.670	0.670	7.950
DoH - IT Grant	0.107	0.107	0.107	0.107	0.107	0.535
ODPM Disabled Facilities Capital Grant	0.509	0.525	0.525	0.525	0.525	2.609
SHIP	1.258	1.050	1.050	0.350	0.350	4.058
DEFRA Coastal Protection Capital Grant	3.725	1.500	0.000	0.000	0.000	5.225
Waste infrastructure grant	0.261	0.256	0.095	0.000	0.000	0.612
HLF	1.727	0.178	0.352	0.000	0.000	2.257
Other external funding	0.522	0.150	0.000	0.000	0.000	0.672
LTP grant	1.907	1.692	1.803	1.803	1.803	9.008
<b>TOTAL External Capital Funding Forecast</b>	<b>38.920</b>	<b>21.335</b>	<b>21.981</b>	<b>28.138</b>	<b>24.717</b>	<b>135.091</b>

## How will the Council fund the capital spending plans?

....External Capital Funding Forecast continued	Provisional External Funding					Funding
	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	TOTAL £m
<b>External Funding Secured and Bid For</b>						
External Funding Secured	7.425	5.667	5.704	3.958	3.958	26.712
External Funding Bid For	31.495	15.668	16.277	24.180	20.759	108.379
<b>TOTAL External Capital Funding Forecast</b>	<b>38.920</b>	<b>21.335</b>	<b>21.981</b>	<b>28.138</b>	<b>24.717</b>	<b>135.091</b>

149. The full amount of this external funding is not, as yet, secured. Capital schemes dependent on external funding will not proceed until full funding has been secured.

## How will the Council fund the revenue spending plans?

150. The table below summarises our revenue funding plans for 2008/09 and provisional funding plans for 2009/10 and 2010/11.

<b>2007/08</b>		<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
<b>Budget</b>	<b>Revenue Funding Forecast</b>	<b>Budget</b>	<b>Provisional Funding</b>	
<b>£m</b>		<b>£m</b>	<b>£m</b>	<b>£m</b>
82.088	Revenue Support Grant and Business Rates	87.484	88.969	90.286
0.000	Area Based Grant	20.629	26.011	26.190
0.618	Council General Reserves	0.251	0.250	0.000
0.001	Collection Fund Contribution	0.000	0.000	0.000
52.447	Council Tax Income	54.055	55.839	57.681
<b>135.153</b>	<b>TOTAL Revenue Funding Forecast</b>	<b>162.419</b>	<b>171.069</b>	<b>174.157</b>
85.911	Dedicated Schools Grant	87.718	89.472	91.261

151. In 2008/09, we will receive 67% of our revenue income from central government, and 33% from council tax, when the Dedicated Schools Grant is excluded.



## How will the Council fund the revenue spending plans?

### Revenue Support Grant and Business Rates

152. In December 2007, the government confirmed that we would receive **£87.484m revenue support grant** in 2008/09. The increase of £5.396m included £3.539m of specific grants which have transferred into the Revenue Support Grant. There is a 2% increase in grant from the previous year. Provisional allocations have been announced for 2009/10 and 2010/11 with cash increases of 1.75% and 1.5%.
153. The table below identifies the revenue support grant and business rate income we will receive from government in 2008/09 and indicative allocations for 2009/10 and 2010/11.

2007/08 Budget £m	Revenue Funding Forecast	2008/09 Budget £m	2009/10 Provisional Funding £m	2010/11 Provisional Funding £m
82.088	Revenue Support Grant and Business Rates	87.484	88.969	90.286

### Dedicated Schools Grant

154. Schools expenditure is funded from a specific **dedicated schools grant**. The table below identifies the **dedicated schools grant** income we will receive from government in 2008/09 and indicative funding for 2009/10 and 2010/11. The allocations are based on a 2% cash increase from Central Government.

## How will the Council fund the revenue spending plans?

2007/08 Budget £m	Revenue Funding Forecast	2008/09 Budget £m	2009/10 Provisional Funding £m	2010/11 Provisional Funding £m
85.911	Dedicated Schools Grant	87.718	89.472	91.261

155. The income from our Dedicated Schools Grant is shown within the budget for Children and Young People because it is a specific ring-fenced grant.

### Use of Council Reserves

156. The Council has a risk based reserves policy that was reviewed in 2007. Our policy identifies five types of cash reserves that we hold. These are: -

- **Strategic Reserve** - to cover emergency events such as unforeseen financial liabilities or natural disasters. This reserve currently equals 2% of the Council's net revenue budget (gross of dedicated schools grant) and is the recommended minimum amount of reserves that should be retained by the Council as a contingency;
- **Specific Reserve for equal pay claims and the additional costs of job evaluation** – this reserve will be used to finance the revenue cost of fighting and settling known and potential equal pay claims and the risk that the actual cost of job evaluation is higher than estimated;

## How will the Council fund the revenue spending plans?

- **Specific Reserve for structural change** – this reserve will be used to manage the revenue cost of achieving the structural changes facing the Council. These structural changes are required to ensure that the Council has sufficient funds to achieve its objectives. Some of the specific change proposals approved by the Council may require significant up-front investment to ensure that they are carried out in an effective, planned way. The fund will also be used to finance significant ‘invest to save’ projects;
- **Specific Reserve for managing strategic financial risks** – this reserve will be used, if required, to support the particularly volatile demand led budgets, especially in the area of adult care and services for children.
- **General Reserve** - to support future spending plans and one-off spending;
- **Directorate Earmarked Reserve – held for specific commitments and principally include cash balances held** on behalf of schools.

## How will the Council fund the revenue spending plans?

157. The table below forecasts that the total Council cash reserves at 31<sup>st</sup> March 2008 will be £23.944m.

<b>Council Reserves</b>	<b>Strategic Reserve (minimum)</b>	<b>Specific Reserve</b>	<b>General Reserve</b>	<b>Earmarked Reserves</b>	<b>TOTAL RESERVES</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Balance as at 31st March 2007</b>	<b>4.327</b>	<b>10.420</b>	<b>0.741</b>	<b>14.553</b>	<b>30.041</b>
<b>Planned Use of Reserves in 2007/08</b>					
Single Status Implementation Costs	-	-5.920	-	-	<b>-5.920</b>
Use of Structural Change Reserve (Invest to Save schemes)	-	-0.293	-	-	<b>-0.293</b>
Use of General Reserve to maintain 2% Strategic Reserve	-	-	-	-	<b>0.000</b>
<b>Planned Use of Reserves in 2007/08</b>	<b>0.000</b>	<b>-6.213</b>	<b>0.000</b>	<b>0.000</b>	<b>-6.213</b>
<b>Planned Contribution to Reserves in 2007/08</b>					
Transfer from General to Strategic Reserve (2% level maintained)	-	-	-	-	<b>0.000</b>
Payback from Invest to Save Schemes	-	0.116	-	-	<b>0.116</b>
<b>Planned Contribution to Reserves in 2007/08</b>	<b>0.000</b>	<b>0.116</b>	<b>0.000</b>	<b>0.000</b>	<b>0.116</b>
<b>Estimated Balance as at 31st March 2008</b>	<b>4.327</b>	<b>4.323</b>	<b>0.741</b>	<b>14.553</b>	<b>23.944</b>

## How will the Council fund the revenue spending plans?

158. In deciding how these reserves should be used in future years the Council has a responsibility to consider the financial pressures it faces over the medium term and must have a policy for the use of reserves. It must also clearly identify and understand what its reserves policy will be. This is a formal requirement of the Local Government Act 2003.

159. The Council's reserves policy is summarised below: -

### South Tyneside Council - Use of Council Reserves Policy

1. The purpose of the **Council's strategic reserve** is to cover emergency events only such as unforeseen financial liabilities or natural disasters. This reserve will be maintained at a **minimum 2% of the Council's net revenue budget (gross of dedicated schools grant)**.
2. The reserves set aside for **equal pay claims and job evaluation, and structural change** are provided for a specific purpose.
3. The purpose of the **Council's general reserves** is to support one-off and limited on-going revenue spending. Cabinet may agree to the use of general reserves up to a limit of £0.5m.
4. The purpose of the **Council's earmarked reserves** is to meet identified spending commitments. These reserves will only be used for the purpose for which they were created and will be reviewed annually.

## How will the Council fund the revenue spending plans?

160. The table below identifies the planned use of Council reserves during 2008/09 to 2010/11.

<b>Council Reserves</b>	<b>Strategic Reserve (minimum) £m</b>	<b>Specific Reserve £m</b>	<b>General Reserve £m</b>	<b>Earmarked Reserves £m</b>	<b>TOTAL RESERVES £m</b>
<b>Estimated Balance as at 31st March 2008</b>	<b>4.327</b>	<b>4.323</b>	<b>0.741</b>	<b>14.553</b>	<b>23.944</b>
<b>Planned Use of Reserves in 2008/09</b>					
Single Status Implementation Costs	-	-	- 0.251	-	- 0.251
Use of Structural Change Reserve (Invest to Save schemes)	-	- 0.300	-	-	- 0.300
Use of General Reserve to maintain 2% Strategic Reserve	-	-	-	-	-
<b>Planned Use of Reserves in 2008/09</b>	<b>-</b>	<b>- 0.300</b>	<b>- 0.251</b>	<b>-</b>	<b>- 0.551</b>
<b>Planned Contribution to Reserves in 2008/09</b>					
Transfer from General to Strategic Reserve (2% level maintained)	-	-	-	-	-
Payback from Invest to Save Schemes	-	0.217	-	-	-
<b>Planned Contribution to Reserves in 2008/09</b>	<b>-</b>	<b>0.217</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Estimated Balance as at 31st March 2009</b>	<b>4.327</b>	<b>4.240</b>	<b>0.490</b>	<b>14.553</b>	<b>23.393</b>
<b>Planned Use of Reserves in 2009/10</b>					
Single Status Implementation Costs	-	-	- 0.250	-	- 0.250
Use of Structural Change Reserve (Invest to Save schemes)	-	- 0.300	-	-	- 0.300
Use of General Reserve to maintain 2% Strategic Reserve	-	-	-	-	-
<b>Planned Use of Reserves in 2009/10</b>	<b>-</b>	<b>- 0.300</b>	<b>- 0.250</b>	<b>-</b>	<b>- 0.550</b>
<b>Planned Contribution to Reserves in 2009/10</b>					
Transfer from General to Strategic Reserve (2% level maintained)	-	-	-	-	-
Payback from Invest to Save Schemes	-	0.261	-	-	-
<b>Planned Contribution to Reserves in 2009/10</b>	<b>-</b>	<b>0.261</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Estimated Balance as at 31st March 2010</b>	<b>4.327</b>	<b>4.201</b>	<b>0.240</b>	<b>14.553</b>	<b>22.843</b>

## How will the Council fund the revenue spending plans?

<b>.....Council Reserves continued</b>	<b>Strategic Reserve (minimum)</b>	<b>Specific Reserve</b>	<b>General Reserve</b>	<b>Earmarked Reserves</b>	<b>TOTAL RESERVES</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Estimated Balance as at 31st March 2010</b>	<b>4.327</b>	<b>4.201</b>	<b>0.241</b>	<b>14.553</b>	<b>22.844</b>
<b>Planned Use of Reserves in 2010/11</b>					
Single Status Implementation Costs	-	-	-	-	-
Use of Structural Change Reserve (Invest to Save schemes)	-	0.300	-	-	0.300
Use of General Reserve to maintain 2% Strategic Reserve	-	-	-	-	-
<b>Planned Use of Reserves in 2010/11</b>	<b>-</b>	<b>0.300</b>	<b>-</b>	<b>-</b>	<b>0.300</b>
<b>Planned Contribution to Reserves in 2010/11</b>					
Transfer from General to Strategic Reserve (2% level maintained)	-	-	-	-	-
Payback from Invest to Save Schemes	-	0.200	-	-	0.200
<b>Planned Contribution to Reserves in 2010/11</b>	<b>-</b>	<b>0.200</b>	<b>-</b>	<b>-</b>	<b>0.200</b>
<b>Estimated Balance as at 31st March 2011</b>	<b>4.327</b>	<b>4.101</b>	<b>0.241</b>	<b>14.553</b>	<b>22.744</b>

161. For 2008/09 and 2009/10 we plan to use £0.250m of reserves to support our spending requirements on equal pay.
162. For a number of years, our Strategic Reserve has been maintained at 2% of our net revenue budget, as agreed in our Risk-Based Reserves Policy. For 2008/09, there are a number of changes to our net revenue budget, including the net off of the Dedicated Schools Grant and the introduction of the new Area Based Grant. Our Strategic Reserve for 2008/09 could be reduced to £3.250m as a result of these changes. However, we have taken a prudent approach and have frozen our current Strategic Reserve as £4.327m. This level will be maintained during the transition period until it reaches the 2% of net revenue budget over time.

## How will the Council fund the revenue spending plans?

### Increased Council Tax Income

163. The table below identifies the amount of income we need to raise from council tax in 2008/09 and, **for planning purposes only**, what income we may need in 2009/10 and 2010/11 to balance our spending plans.

2007/08 Budget £m	Revenue Funding Forecast	2008/09 Budget £m	2009/10 Provisional Funding £m	2010/11 Provisional Funding £m
52.447	Council Tax Income	54.055	55.839	57.681

164. The actual increases in council tax income in future years will depend on circumstances at the time, including the level of actual funding received from government. This may be higher or lower than these planning assumptions and, as such, do not represent commitments by the Council at this time.
165. The Borough's Council Tax pays for services provided by South Tyneside Council, Northumbria Police Authority and the Tyne and Wear Fire and Civil Defence Authority.
166. The Council Tax for each property band is based on a proportion of the band D council tax. The band D council tax is calculated by dividing the amount of income required by the Council Tax Base.
167. The Council agreed a **Council Tax Base of 44,271 for 2008/09** at its meeting on 24<sup>th</sup> January 2008.



## How will the Council fund the revenue spending plans?

### South Tyneside Council's Council Tax Requirement

168. To fund our spending plans, we need to increase **our proportion of the Borough's Council Tax by 2.95%** in 2008/09 to raise **£54.056m**. The table below identifies the effect of this 2.95% increase in council tax for each property band.

2008/09 BOROUGH COUNCIL TAX	Band Weighting	South Tyneside Council 2007/08	South Tyneside Council 2008/09
<b>Band A Properties</b>	6/9	£790.68	<b>£814.01</b>
Percentage increase			2.95%
Annual Increase			£23.33
Weekly Increase			£0.45
<b>Band B Properties</b>	7/9	£922.45	<b>£949.67</b>
Percentage increase			2.95%
Annual Increase			£27.22
Weekly Increase			£0.52
<b>Band C Properties</b>	8/9	£1,054.24	<b>£1,085.34</b>
Percentage increase			2.95%
Annual Increase			£31.10
Weekly Increase			£0.60
<b>Band D Properties</b>	1	£1,186.01	<b>£1,221.00</b>
Percentage increase			2.95%
Annual Increase			£34.99
Weekly Increase			£0.67

## How will the Council fund the revenue spending plans?

2008/09 BOROUGH COUNCIL TAX	Band Weighting	South Tyneside Council 2007/08	South Tyneside Council 2008/09
<b>Band E Properties</b>	11/9	£1,449.57	<b>£1,492.34</b>
Percentage increase			2.95%
Annual Increase			£42.77
Weekly Increase			£0.82
<b>Band F Properties</b>	13/9	£1,713.13	<b>£1,763.66</b>
Percentage increase			2.95%
Annual Increase			£50.53
Weekly Increase			£0.97
<b>Band G Properties</b>	15/9	£1,976.69	<b>£2,035.01</b>
Percentage increase			2.95%
Annual Increase			£58.32
Weekly Increase			£1.12
<b>Band H Properties</b>	18/9	£2,372.03	<b>£2,442.00</b>
Percentage increase			2.95%
Annual Increase			£69.97
Weekly Increase			£1.35

## How will the Council fund the revenue spending plans?

### Fire and Police Authority Council Tax Precepts

169. The next table identifies the precepts for the Tyne & Wear Fire and Civil Defence Authority and Northumbria Police Authority. The Northumbria Police Authority Precept has been confirmed at 4.89%. The Tyne & Wear Fire and Civil Defence Authority precept is 2.4%.

2008/09 BOROUGH COUNCIL TAX	Band Weighting	Fire Authority 2007/08	Fire Authority 2008/09	Police Authority 2007/08	Police Authority 2008/09
<b>Band A Properties</b>	6/9	£46.62	<b>£47.74</b>	£49.74	<b>£52.17</b>
Percentage increase			2.40%		4.89%
Annual Increase			£1.12		£2.43
Weekly Increase			£0.02		£0.05
<b>Band B Properties</b>	7/9	£54.39	<b>£55.70</b>	£58.04	<b>£60.88</b>
Percentage increase			2.40%		4.89%
Annual Increase			£1.31		£2.84
Weekly Increase			£0.03		£0.05
<b>Band C Properties</b>	8/9	£62.16	<b>£63.65</b>	£66.32	<b>£69.57</b>
Percentage increase			2.40%		4.89%
Annual Increase			£1.49		£3.25
Weekly Increase			£0.03		£0.06
<b>Band D Properties</b>	1	£69.93	<b>£71.61</b>	£74.62	<b>£78.27</b>
Percentage increase			2.40%		4.89%
Annual Increase			£1.68		£3.65
Weekly Increase			£0.03		£0.07

## How will the Council fund the revenue spending plans?

2008/09 BOROUGH COUNCIL TAX	Band Weighting	Fire Authority 2007/08	Fire Authority 2008/09	Police Authority 2007/08	Police Authority 2008/09
<b>Band E Properties</b>	11/9	£85.47	<b>£87.52</b>	£91.20	<b>£95.66</b>
Percentage increase			2.40%		4.89%
Annual Increase			£2.05		£4.46
Weekly Increase			£0.04		£0.09
<b>Band F Properties</b>	13/9	£101.01	<b>£103.44</b>	£107.78	<b>£113.06</b>
Percentage increase			2.40%		4.89%
Annual Increase			£2.43		£5.28
Weekly Increase			£0.05		£0.10
<b>Band G Properties</b>	15/9	£116.55	<b>£119.35</b>	£124.36	<b>£130.45</b>
Percentage increase			2.40%		4.89%
Annual Increase			£2.80		£6.09
Weekly Increase			£0.05		£0.12
<b>Band H Properties</b>	18/9	£139.86	<b>£143.22</b>	£149.24	<b>£156.54</b>
Percentage increase			2.40%		4.89%
Annual Increase			£3.36		£7.30
Weekly Increase			£0.06		£0.14

## How will the Council fund the revenue spending plans?

### South Tyneside Council Tax for 2008/09

170. After taking account of the council tax requirements of South Tyneside Council and Northumbria Police and allowing for the 2.5% estimated increase in Fire precept, the table below shows that a 3.0% increase in the Borough's Council Tax for 2008/09 is required to meet these commitments.

2007/08 Band D	Council Tax Increase	2008/09 Band D	Increase in Band D	
			£	%
£1,186.01	South Tyneside Council	£1,221.00	£34.99	2.95%
£69.93	Fire Authority	£71.61	£1.68	2.40%
£74.62	Police Authority	£78.27	£3.65	4.89%
<b>£1,330.56</b>	<b>Borough Band D Council Tax</b>	<b>£1,370.88</b>	<b>£40.32</b>	<b>3.0%</b>

171. The tables below identify the Borough's Council Tax (after estimated precepts) for each property band for 2008/09.

2008/09 BOROUGH COUNCIL TAX	% of Properties in Each Band	% of Properties Receiving Benefit	Band Weighting	Borough Council Tax 2007/08	Borough Council Tax 2008/09
<b>Band A Properties</b>	66.8%	42.5%	6/9	£887.04	<b>£913.92</b>
Percentage increase					3.0%
Annual Increase					£26.88
Weekly Increase					£0.52

## How will the Council fund the revenue spending plans?

2008/09 BOROUGH COUNCIL TAX	% of Properties in Each Band	% of Properties Receiving Benefit	Band Weighting	Borough Council Tax 2007/08	Borough Council Tax 2008/09
<b>Band B Properties</b>	12.9%	18.3%	7/9	£1,034.88	<b>£1,066.24</b>
Percentage increase					3.0%
Annual Increase					£31.36
Weekly Increase					£0.60
<b>Band C Properties</b>	10.7%	8.6%	8/9	£1,182.72	<b>£1,218.56</b>
Percentage increase					3.0%
Annual Increase					£35.84
Weekly Increase					£0.69
<b>Band D Properties</b>	5.7%	5.2%	1	£1,330.56	<b>£1,370.88</b>
Percentage increase					3.0%
Annual Increase					£40.32
Weekly Increase					£0.78
<b>Band E Properties</b>	2.3%	3.6%	11/9	£1,626.24	<b>£1,675.52</b>
Percentage increase					3.0%
Annual Increase					£49.28
Weekly Increase					£0.95
<b>Band F Properties</b>	1.0%	0.7%	13/9	£1,921.92	<b>£1,980.16</b>
Percentage increase					3.0%
Annual Increase					£58.24
Weekly Increase					£1.12

## How will the Council fund the revenue spending plans?

2008/09 BOROUGH COUNCIL TAX	% of Properties in Each Band	% of Properties Receiving Benefit	Band Weighting	Borough Council Tax 2007/08	Borough Council Tax 2008/09
<b>Band G Properties</b>	0.5%	1.3%	15/9	£2,217.60	<b>£2,284.80</b>
Percentage increase					3.0%
Annual Increase					£67.20
Weekly Increase					£1.29
<b>Band H Properties</b>	0.1%	6.3%	18/9	£2,661.13	<b>£2,741.76</b>
Percentage increase					3.0%
Annual Increase					£80.63
Weekly Increase					£1.55

172. The Housing Revenue Account is required to be maintained by local authorities 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.
173. All rents collected are retained in this separate account, and support the management, day-to-day repairs and maintenance, and a capital investment programme, including planned renewals, improvements to homes and major repairs.
174. 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.
175. 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 retain ownership of the homes, set the level of rents and charges and are the landlord under the tenancy agreements.
176. The table below summarises the overall position on the Housing Revenue Account for next year.

Housing Revenue Account	2008/09	2009/10	2010/11
	Budget £m	Provisional Budget £m	Budget £m
Spending Plans	48.744	49.285	50.102
Income Plans	-48.744	-49.285	-50.102
<b>TOTAL Surplus (-) / Deficit (+)</b>	-	-	-



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

177. A strategic reserve of £2.0m is maintained over the medium term as this is considered a reasonable balance necessary to give stability to the financial position on the account.

<b>Housing Revenue Account Reserves</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Estimated Balance (brought forward)</b>	<b>-3.070</b>	<b>-3.638</b>	<b>-3.638</b>
Surplus (-) / Deficit (+) for year	-0.568	0.000	0.000
<b>Estimated Balance (carried forward)</b>	<b>-3.638</b>	<b>-3.638</b>	<b>-3.638</b>
<b>Housing Reserves</b>			
Strategic Reserve	-2.000	-2.000	-2.000
General Balances	-1.638	-1.638	-1.638

### Housing Revenue Expenditure Plans for 2008/09

178. The table over the page details the HRA planned expenditure for 2008/09.

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

Housing Revenue Account Spending Plans	2007/08	2008/09	Change	
	Budget £m	Budget £m	£m	%
Management	14.939	15.492	0.553	3.7%
Repairs and maintenance	13.796	13.900	0.104	0.8%
Rents, Rates, Taxes, Insurance	0.896	0.989	0.093	10.4%
Provision for bad debts	0.548	0.548	0.000	0.0%
Capital charges	17.614	17.815	0.201	1.1%
<b>Total</b>	<b>47.793</b>	<b>48.744</b>	<b>0.951</b>	
Provision for job evaluation, equal pay and minimum wage	0.700	0.000	-0.700	100.0%
Unallocated 49th rent week	0.930	0.000	-0.930	100.0%
<b>TOTAL Housing Revenue Spending</b>	<b>49.423</b>	<b>48.744</b>	<b>-0.679</b>	<b>-1.4%</b>

179. Overall spending is set to decrease by 1.4% in 2008/09, this is due to efficiencies within the South Tyneside Homes management fee and the back room costs within the repairs and maintenance budget. We plan to continue our investment in the management of the housing service.

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

### Housing Revenue Income Plans for 2008/09

180. The table below details the HRA income for 2008/09.

Housing Revenue Account Income Plans	2007/08	2008/09	Change	
	Budget £m	Budget £m	£m	%
Rents - Dwellings	-44.665	-47.781	-3.116	7.0%
Income - other services / property	-1.555	-1.752	-0.197	12.7%
Housing related support charges	-0.933	-0.928	0.005	-0.5%
Contributions and interest	-1.500	-1.468	0.032	-2.1%
Rent Income - 49th rent week	-0.930	0.000	0.930	100.0%
<b>Total income before subsidy</b>	<b>-49.583</b>	<b>-51.929</b>	<b>-2.346</b>	
Deduct housing subsidy recovery	2.630	3.185	0.555	
Add rental constraint allowance	-2.361	0.000	2.361	-100.0%
<b>TOTAL Housing Revenue Income after subsidy</b>	<b>-49.314</b>	<b>-48.744</b>	<b>0.570</b>	<b>-1.2%</b>

181. The key area of change is that in 2007/08 there were 49 rent weeks whilst in 2008/09 there are only 48 rent weeks. Also the Government has indicated that they will remove the Rental Constraint Allowance. This allowance reimbursed Council's for the rental income difference between the rent, which should be charged under the Government's rent restructuring policy and the average 5% increase charged in 2006/07 and 2007/08. This has added to the increase in housing subsidy recovery to the Government and means less of our income is available to fund our housing services.

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

182. The Government has announced that it will review the subsidy settlement for future years; therefore we have taken a prudent estimate of future income and subsidy payments.

### **Dwelling Rents and Service Charges for 2008/09**

183. In line with the Government rent restructuring guidelines, Dwelling Rents have increased on average by 6.7%, however, we anticipate that income will be 7% higher due to a higher level of properties than forecasted last year, this is due to fewer "right to buy" sales and demolitions. Average rents are anticipated to be £55.70 per week (48 week collection) - an average rent rise which will approximate to around £3.50 per week (6.7%); South Tyneside has the lowest average rent of all the Local Authority areas within Tyne and Wear.
184. Also in line with Government and inspection guidance, the Council has introduced service charges for tenants and leaseholders for building cleaning, the caretaking and concierge service and district heating in sheltered schemes. In order to make this more affordable for those tenants affected, these charges will be introduced over a period of five years and within the overall average rent increase.

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

### Service Charges

- Garage rents to be increased by 3.0%;
- Heating charges to be set to recover energy costs. A rise of 15% is necessary for 2008/09 due to increases in gas contract prices. However efficiency savings from the introduction of a new heating system at Hebburn mean that charges will reduce there by an average of 37% in 2008/2009;
- Service charges for landlord charges (Scheme Managers and communal facilities) to be increased by 3.0%;
- Sheltered accommodation guest room charges to be increased by 3.0%;
- Temporary furnished accommodation charges to be increased by 3.0%.

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

185. The Council administers the Local Government Pension Fund for the Tyne and Wear region and is responsible for agreeing the pension administration and investment budgets for the Fund each year. The cost of the Pension Fund does not fall on the council taxpayer.

186. The table below summarises the spending plans for the Fund for 2008/09 and provisional spending plans for 2009/10 and 2010/11.

2007/08 Revised Budget £m	Tyne and Wear Pension Fund	2008/09 Budget £m	2009/10 Provisional Budgets £m	2010/11 Provisional Budgets £m
	<b>Investment Office</b>			
17.860	Investment Management Fees	21.648	24.016	26.101
0.199	Property Portfolio	0.200	0.200	0.200
0.903	Direct Costs and Recharges	1.205	0.681	0.728
2.682	<b>Pensions Office</b>	2.455	2.389	2.529
<b>21.644</b>	<b>TOTAL Tyne and Wear Pension Fund Budgets</b>	<b>25.507</b>	<b>27.286</b>	<b>29.558</b>
	<b>Percentage increase in Pension budget</b>	<b>17.9%</b>	<b>7.0%</b>	<b>8.3%</b>

187. The proposed budget for 2008/09 represents an increase of £3.864m over the 2007/08 revised budget. Further budget increases of £1.778m and £2.273m are projected for 2009/10 and 2010/11 respectively.

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

188. The vast majority of the budget increase relates to additional management fees (excluding management fees, the budget increase for 2008/09 is £0.076m), most of which will result from the current and future investment alternative assets.

189. The reasons for the significant increase in investment management fees in 2008/09 are as follows:

- The ageing of the Private Equity programme has resulted in some fees being charged for a full year for the first time and other stepping up as the investment programme increases;
- The forecast growth and performance of the Funds mandates;
- Most fees are calculated on an 'ad valorem' basis which means that they are based on the values of assets under management. As the value of the Fund has increased during the year, the fees have also increased.

190. The following table shows the revised budget proposal for the next three years.

<b>Pensions Spending Plans</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Base Budget</b>	<b>21.644</b>	<b>25.507</b>	<b>27.286</b>
Standstill Pressures	3.508	1.838	1.587
Budget Growth/New Initiatives	0.721	0.091	0.579
Redirection of Current Spending	-0.370	-0.151	0.108
Increased Income Opportunities	0.005	-	-
<b>Revised Budget</b>	<b>25.507</b>	<b>27.286</b>	<b>29.558</b>

### Prudential Code

191. Section 3 of the Local Government Act 2003 requires the Council to determine its own affordable borrowing requirement necessary to fund capital expenditure. The Prudential Code is a professional code of practice, backed by legislation, to support Councils when taking investment decisions on their programmes.
192. The key objectives of the Code are to ensure, within a clear framework, that capital investment plans of local authorities are **affordable, prudent and sustainable** and that **treasury management decisions are taken in accordance with good professional practice**.
193. This system of capital finance allows the Council to have much greater flexibility and freedom over its borrowing. However the government only allows for revenue support on additional debt up to a pre-arranged limit. As a result, the cost of any further borrowing that the Council would want to undertake would have to be met from revenue expenditure and would need to be affordable and sustainable in the long term.
194. To demonstrate that the Council has fulfilled these objectives, the following sections set out the prudential code indicators that must be set and agreed by full Council. Full Council must also agree any future changes to these indicators.

### Compliance with the Prudential Code

195. The Council has established procedures to monitor all forward looking prudential indicators and has developed a measurement and reporting process that highlights significant deviations from expectations.



## What are the Council's prudential indicators?

196. In calculating the prudential indicators, potential ALMO investment in the Housing Programme resulting from a "2 Star" inspection result has been excluded until the outcome of the inspection is known. The exception to this is the calculation of the external debt authorised and operational borrowing limits which have been set to allow borrowing for the ALMO to be undertaken should this be allowed to progress. The results of the inspection are expected in May 2008.
197. In considering the capital programme, the code requires the Council to have regard to: -
- **Affordability** – the implications of capital investment decisions on future Council Tax and Council housing rents;
  - **Prudence and sustainability** – the implications for external borrowing;
  - **Value for money** and **options appraisal**;
  - **Stewardship** of Council assets (asset management planning);
  - **Service objectives** - strategic planning;
  - **Practicality** – the achievability of the forward plan.
198. Our capital budgets include prudential borrowing in 2007/08 relating to compensatory payments arising from the implementation of single status. In addition, prudential borrowing was necessary in 2006/07 to fund cash flow issues relating to Cleadon Park. The Cleadon Park scheme is cost neutral in the medium term and hence these costs will be offset by reduced supported borrowing in 2009/10 when the majority of capital receipts arising from the scheme are expected. A small amount of borrowing is also included for spend to save schemes. The cost of this borrowing will be financed from revenue savings arising as a result of this investment.

### **Affordability - Council Capital Financing Requirement**

199. The Council's Capital Financing Requirement measures the Council's underlying need to borrow money to fund its capital programme.
200. The following table summarises the Council's capital programme for 2008/09 to 2010/11 (excluding potential ALMO investment).

## What are the Council's prudential indicators?

2007/08 Revised Capital Spending Plans £m		2008/09 Budget £m	2009/10 Provisional Spending £m	2010/11 £m	Total Capital £m
57.000	Council Capital Programme	68.672	36.338	30.287	135.297
14.336	Housing Capital Programme	32.920	43.880	52.290	129.090 0.000
<b>71.336</b>	<b>TOTAL - Council Capital Programme</b>	<b>101.592</b>	<b>80.218</b>	<b>82.577</b>	<b>264.387</b>

201. The table below identifies the Council's Capital Financing Requirement for this capital programme (after taking account of debt we need to repay each year).

2007/08 Revised Capital Financing Requirement (CFR) £m		2008/09 Budget £m	2009/10 Estimate £m	2010/11 Estimate £m
133.119	Council Capital Programme	145.631	142.341	136.813
89.107	Housing Capital Programme	91.433	93.759	96.085 0.000
<b>222.226</b>	<b>TOTAL - Council Capital Financing Requirement</b>	<b>237.064</b>	<b>236.100</b>	<b>232.898</b>

## What are the Council's prudential indicators?

### Affordability - Ratio of Financing to Council's Net Revenue Stream

202. The following table identifies the estimated ratio of financing costs (debt charges, interest payments and interest receivable) to the Council's net revenue stream for current and future spending plans identified in this financial plan.

<b>2007/08 Revised</b>	<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2007/08 Budget</b>	<b>2008/09 Estimate</b>	<b>2009/10 Estimate</b>
<b>%</b>		<b>%</b>	<b>%</b>	<b>%</b>
3.50%	Council Capital Programme	4.40%	4.66%	4.62%
35.92%	Housing Capital Programme	36.07%	35.46%	34.69%

### Affordability – Estimated Impact of Capital Investment Decisions

203. A key measure of affordability is the incremental impact on the Council Tax and the Council rent levels of capital investment decisions.

204. The following table identifies the estimated incremental impact of capital investment decisions in this budget report, compared to capital investment decisions agreed in last year's Medium Term Financial Plan, on future council tax and housing rent levels.

<b>Estimated Incremental Impact of Capital Investment Decisions</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
For the Band D Council Tax (annually)	£18.59	-£11.47	-£4.19
For Average Weekly Housing Rents	£0.60	£2.31	£4.82

205. The increase attributable to housing rents is due to the impact of anticipated borrowing by the ALMO following a successful 2-star inspection result. In practice, the Council's capital investment decisions will not usually translate into the above council tax and rent increases as the Council is likely to receive increased revenue support grant and housing subsidy to fund planned supported borrowing.

### **Prudence – Council Treasury Management Practices**

206. The Council has an integrated treasury management strategy and has adopted the CIPFA *Code of Practice for Treasury Management in the Public Services*.
207. The Council has at any point in time, a number of cashflows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices.
208. The Council's treasury management strategy and annual plan for 2008/09 will be presented to Cabinet for approval on 19 March 2008.

## What are the Council's prudential indicators?

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

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

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

210. No difficulties are envisaged in meeting this requirement. This view takes into account current commitments, existing plans, and the proposals in this medium term financial plan.

### Prudence – Council External Debt

211. The Council's actual external debt at 31<sup>st</sup> March 2007 was £207.7m. The Council's debt at 31<sup>st</sup> March 2008 is estimated to be £221.2m.

212. The Council needs to approve an authorised limit and operational boundary for its external debt (gross of investments) for the next three financial years. These limits separately identify borrowing from other long-term liabilities such as finance leases.

213. The following table identifies the **Council's authorised limit for external debt** for 2008/09 to 2010/11. For 2008/09, the authorised limit of £375m is the statutory limit determined under section 3(1) of the Local Government Act 2003.

## What are the Council's prudential indicators?

<b>Council External Debt</b>	<b>2008/09 Budget £m</b>	<b>2009/10 Estimate £m</b>	<b>2010/11 Estimate £m</b>
<b>External Debt Authorised Limit</b>			
Council Borrowing	372.0	367.0	367.0
Other Council Long Term Liabilities	3.0	3.0	3.0
<b>TOTAL - Council External Debt Authorised Limit</b>	<b>375.0</b>	<b>370.0</b>	<b>370.0</b>

214. These authorised limits are consistent with the Council's current commitments, existing plans and proposals in this budget report for capital expenditure and financing, and with its proposed treasury management policy statement and practices. They are based on the **estimate of the most likely, prudent but not worst-case scenario, with sufficient headroom over and above to allow for operational management** (e.g. unusual cash movements). Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.
215. The following table identifies the **Council's operational boundary for external debt** for 2008/09 to 2010/11.

## What are the Council's prudential indicators?

<b>Council External Debt</b>	<b>2008/09 Budget £m</b>	<b>2009/10 Estimate £m</b>	<b>2010/11 Estimate £m</b>
<b>External Debt Operational Boundary</b>			
Council Borrowing	318.0	313.0	313.0
Other Council Long Term Liabilities	2.0	2.0	2.0
<b>TOTAL - Council External Debt Operational Boundary</b>	<b>320.0</b>	<b>315.0</b>	<b>315.0</b>

216. The operational boundary is calculated in the same way as the authorised limit but without the additional headroom and equates to the maximum of external debt projected by this estimate. These limits represent the highest expected level of debt, which incorporates the actual external debt and allows for the risk of being unable to finance capital expenditure from internal sources.
217. Council has delegated authority to the Head of Finance, as Section 151 Officer, to effect movement between the separately agreed authorised and operational boundary limits for borrowing and other long-term liabilities. This would be done in accordance with option appraisal and best value for the authority, within the total limit for any individual year. Any use made of this delegation will be reported to the Council at its next meeting.

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

218. The following table sets upper limits on the Council's fixed and variable interest rate exposures for net outstanding principal sums for the next three years. These limits are calculated in accordance with the CIPFA Prudential Code Guidance Notes for interest rate exposures.

## What are the Council's prudential indicators?

<b>Fixed and Variable Interest Rate Exposure on Net Outstanding Principal</b>	<b>2008/09 Budget</b>	<b>2009/10 Estimate</b>	<b>2010/11 Estimate</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Fixed rate interest - upper limit	100%	100%	100%
Variable rate interest - upper limit	15%	15%	15%

219. The net outstanding principal, or overall net debt, is estimated as £190m in 2008/09. This is the difference between the maximum potential value of the debt portfolio (£375m) and the maximum potential value of the investment portfolio (£185m). The upper limits are then calculated with reference to the maximum projected amounts of net debt on fixed or variable rate terms. The total of this net figure is then expressed as a percentage of the overall net debt.
220. In 2008/09 for example, the maximum amount of borrowing on fixed rate terms is £375m and the maximum value of investments on fixed rate interest terms is £10m. The upper limit therefore, assumes that £365m of net debt can be arranged on fixed rate terms, therefore, as a percentage of the overall net debt of £190m, that is 192%
221. As the vast majority of the investment portfolio is classified as being on variable terms, it is often more appropriate to express the controls over fixed and variable rate exposures as a proportion of the debt portfolio in isolation. The upper limits on the debt portfolio are as follows:

<b>Fixed and Variable Interest Rate Exposure on the Debt Portfolio</b>	<b>2008/09 Budget</b>	<b>2009/10 Estimate</b>	<b>2010/11 Estimate</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Fixed rate interest - upper limit	100%	100%	100%
Variable rate interest - upper limit	44%	40%	38%



## What are the Council's prudential indicators?

### Prudence - Maturity Structure of Council Borrowing

222. The following table sets upper and lower limits for the maturity structure of the Council's borrowing during 2008/09. The limits represent the amount of projected fixed rate borrowing maturing in each period, as a percentage of total projected fixed rate borrowing.

<b>Maturity Structure of Borrowing for 2008/09</b>	<b>Upper Limit %</b>	<b>Lower Limit %</b>
Under 12 months	40%	0%
12 months and 24 months	40%	0%
24 months and 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	25%

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

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

224. The Council is legally allowed to invest for longer than 364 days but less than five years. The maximum amount to be invested for periods above 364 days will be limited to £10 million. This limit has been set following a review of the Council's reserves and other cash balances, and after taking account of cash flow requirements and future spending plans as set out in the Medium Term Financial Plan.

### Performing Together

- 225. 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.
- 226. Our framework includes a robust corporate performance monitoring and reporting system. It ensures we regularly and comprehensively monitor performance at service, directorate and corporate level.
- 227. Directorate Management Teams receive a monthly financial monitoring report from finance teams which reviews capital and revenue spending, and identifies actions, to ensure spending remains within budget.
- 228. Executive Team and the Head of Finance review the financial reports at a monthly performance, improvement and monitoring meeting.
- 229. Regular budget monitoring is an important financial control to ensure that spending during the year is in line with budgets agreed by Council. Each service budget has a named budget holder responsible for managing the budget.

### Budget Transfers

- 230. During the year, budget holders may need to transfer budgets from one service area to another to reflect changed service needs or priorities.
- 231. A budget transfer is defined as a movement of budget between any budget service line identified in Appendix 1 and 2 of this report.

## Evaluation and Review

- 232. **Budget transfers between £50,000 and £100,000** must be discussed with the appropriate Cabinet Member(s) before a decision is taken by the responsible Executive Director.
- 233. **Budget transfers greater than £100,000** require the approval of Cabinet.
- 234. **Budget transfers greater than £500,000** require the approval of full Council and must be proposed by Cabinet.

### Carry Forward Policy

- 212. Any overspending by a directorate may be carried forward by the directorate (subject to Cabinet approval).
- 213. Each directorate is encouraged to plan for and achieve a **minimum 1% underspending** through good financial management. To encourage this, 25% of any revenue underspending declared by 31<sup>st</sup> December each year may be available to the directorate to help meet spending pressures in subsequent years (subject to Cabinet approval).
- 214. Cabinet approvals will only be given after consideration of the year-end statement of accounts and the overall financial position of the Council.

**Action Plan** – how we intend to achieve our outcomes, objectives and priorities.

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

**BME** – Black and Minority Ethnic.

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

**Capital Receipts** – These receipts are generated by the disposal of fixed assets. Part of the monies received can be retained by the Authority and used to finance capital expenditure or repay debt. The balance is paid over to central Government.

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

**Diversity** – a wide range of types.

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

**Evaluation** – assessing the success of something.

## Glossary

**General Fund** – The General Fund includes the expenditure and income relating to the services provided by the Authority. The net expenditure on the General Fund is compared to the charge levied upon the Collection Fund and results in a surplus or deficit that will increase or decrease the reserves of the Council. The General Fund's expenditure includes the Passenger Transport Authority's levy.

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

**Inclusion** – measures off what things are like.

**Inequalities** – the difference between people who have something and those who don't.

**LSP** – Local Strategic Partnership – key representatives of the public, private, voluntary and community sectors who work together to deliver the Community and Neighbourhood Renewal strategies.

**Medium Term Financial Plan** – The process of identifying and aligning service pressure, corporate priorities and objectives as well as available resources over the medium term (3 years) and budgeting accordingly.

**National Non-Domestic Rates** – Non-domestic properties must pay these Rates (NNDR) and they are based upon property valuations, as undertaken by the District Valuer, and a nationally set multiplier figure. The Local Authority is responsible for the collection of NNDR although all proceeds are paid into a national pool and redistribution is made to Local Authorities based upon population.

**Neighbourhood Renewal** – improving deprived areas and neighbourhoods.

**Objectives** – what we are trying to achieve as part of an overall outcome.

**Outcome** – the result of achieving a series of objectives.

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

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

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

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

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

**Vision** – a picture of how we want the future to be

# Glossary

Line Ref	2007/08 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
		<b>CHIEF EXECUTIVES OFFICE</b>				
		<b>ASSISTANT CHIEF EXECUTIVE PERFORMANCE</b>	<b>K. Harcus, Asst Chief Executive of Performance</b>			
1	0	Performance Team	K. Joy, Performance Team Manager	307,400	-307,400	0
2	0	Value For Money Team	P. Robinson, Assistant Head of Service Performance	388,680	-388,680	0
3	0	Strategic Procurement	T. Ormond, Strategic Procurement Manager	544,850	-544,850	0
4	<b>0</b>	<b>Sub-Total</b>		<b>1,240,930</b>	<b>-1,240,930</b>	<b>0</b>
		<b>ASSISTANT CHIEF EXECUTIVE POLICY</b>	<b>D. Wood, Asst Chief Executive of Policy</b>			
5	0	Policy Team	A. Smith, Policy Team Manager	593,760	-593,760	0
6	92,860	LSP Team	H. McShane, LSP Team Manager	371,140	-155,370	215,770
7	0	Information Team	D. Bowman, Assistant Head of Service Policy	509,460	-509,460	0
8	<b>92,860</b>	<b>Sub-Total</b>		<b>1,474,360</b>	<b>-1,258,590</b>	<b>215,770</b>
		<b>CHIEF EXECUTIVE</b>	<b>I. Lucas, Chief Executive</b>			
9	99,510	Chief Executive's Office		367,720	-270,460	97,260
10	<b>99,510</b>	<b>Sub-Total</b>		<b>367,720</b>	<b>-270,460</b>	<b>97,260</b>
11	<b>192,370</b>	<b>TOTAL CHIEF EXECUTIVES OFFICE</b>		<b>3,083,010</b>	<b>-2,769,980</b>	<b>313,030</b>

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	<b>Council Revenue Budget</b>	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
		<b>REGENERATION AND RESOURCES</b>				
		<b>FINANCE</b>	<b>B. Scott, Head of Finance</b>			
12	0	Financial Management	J. Watt, Assistant Head of Finance	952,490	-887,490	65,000
13	0	Neighbourhood Services Finance	T Race, Assistant Head of Finance	161,970	-161,970	0
14	50,000	Financial Systems	G. O'Brien, Group Manager Financial Services	64,790	0	64,790
15	0	Payroll	J. Watt, Assistant Head of Finance	619,790	-619,790	0
16	0	Income	J. Watt, Assistant Head of Finance	317,040	-317,040	0
17	0	Creditors	J. Watt, Assistant Head of Finance	193,740	-193,740	0
18	0	Gordon House Cashiers	J. Watt, Assistant Head of Finance	142,240	-142,240	0
19	-39,850	Benefits Administration	T. Oliver, Group Manager Council Tax & Benefits	1,757,450	-1,908,190	-150,740
20	-192,300	Housing Benefits Payments	T. Oliver, Group Manager Council Tax & Benefits	43,108,370	-43,354,700	-246,330
21	1,306,140	Council Tax Collection	T. Oliver, Group Manager Council Tax & Benefits	16,713,010	-15,440,660	1,272,350
22	<b>1,123,990</b>	<b>Sub-Total</b>		<b>64,030,890</b>	<b>-63,025,820</b>	<b>1,005,070</b>
		<b>PENSIONS</b>	<b>S. Moore, Head of Pensions</b>			
23	0	Pensions	S. Moore, Head of Pensions	25,507,400	-25,507,400	0
24	<b>0</b>	<b>Sub-Total</b>		<b>25,507,400</b>	<b>-25,507,400</b>	<b>0</b>



## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
		<b>CORPORATE GOVERNANCE</b>	<b>B. T. Scott, Head of Corporate Governance</b>			
25	0	Insurances Premiums	B. Dawson, Corporate Risk and Assurance Manager	3,398,000	-3,398,000	0
26	0	Corporate Risk and Assurance	B. Dawson, Corporate Risk and Assurance Manager	1,230,310	-1,230,310	0
27	0	Legal Services - General	M. Harding, Legal Services Manager	2,086,960	-2,086,960	0
28	0	Legal Services - Support	M. Harding, Legal Services Manager	784,990	-784,990	0
29	0	Courier	R. Cochrane, Democratic Services Manager	62,970	-62,970	0
30	0	Admin Support	R. Cochrane, Democratic Services Manager	359,290	-359,290	0
31	-131,980	Local Land Charges	M. Harding, Legal Services Manager	100,970	-140,480	-39,510
32	461,660	Elections	V. Stephenson, Elections Officer	499,460	0	499,460
33	93,320	Register of Electors	V. Stephenson, Elections Officer	96,850	-2,480	94,370
34	186,680	Registration Service	V. Stephenson, Elections Officer	346,080	-147,200	198,880
35	686,910	Democratic Support	R. Cochrane, Democratic Services Manager	752,500	-14,010	738,490
36	236,090	Members Support	R. Cochrane, Democratic Services Manager	215,380	0	215,380
37	938,800	Elected Members	R. Cochrane, Democratic Services Manager	967,650	0	967,650
38	101,160	Office of the Mayor	R. Cochrane, Democratic Services Manager	90,290	0	90,290
39	63,190	Civic Duties	R. Cochrane, Democratic Services Manager	59,450	0	59,450
40	<b>2,635,830</b>	<b>Sub-Total</b>		<b>11,051,150</b>	<b>-8,226,690</b>	<b>2,824,460</b>

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	<b>Council Revenue Budget</b>	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
		<b>ENTERPRISE AND REGENERATION</b>	<b>R. O'Farrell, Head of Enterprise &amp; Regeneration</b>			
41	0	Asset Management	R. O'Farrell, Head of Enterprise & Regeneration	1,612,400	-1,612,400	0
42	-76,130	Property	J. MacDonald, Asset and Capital Manager	1,146,830	-1,672,920	-526,090
43	0	Civic Buildings	C. Bell, Civic Buildings Manager	2,592,890	-2,592,890	0
44	-24,450	Non Operational Assets	C. Bell, Civic Buildings Manager	337,730	-76,490	261,240
45	0	Repairs and Maintenance	J. MacDonald, Asset and Capital Manager	712,230	-712,230	0
46	-5,740	Building Maintenance	G Whitehead, Education Buildings Team Leader	1,325,910	-1,325,910	0
47	0	Design Team	K Blenkinsopp, Design Team Manager	1,175,940	-1,175,940	0
48	1,366,470	Economic Development and Regeneration	G Currey, Economic Development Manager	1,377,600	-293,660	1,083,940
49	640,930	Local Enterprise Growth Initiative	J Scott, Local Enterprise Growth Initiative Manager	5,283,260	0	5,283,260
50	607,650	Grants	D Crawford, Regeneration Manager	603,110	0	603,110
51	<b>2,508,730</b>	<b>Sub-Total</b>		<b>16,167,900</b>	<b>-9,462,440</b>	<b>6,705,460</b>
		<b>CUSTOMER SERVICES &amp; ICT</b>	<b>A. Holt, Head of Customer Services &amp; ICT</b>			
52	0	Management	A. Holt, Head of Customer Services and ICT	205,680	-205,680	0
53	0	Telephones	D Lamb, Support Manager	160,000	-160,000	0
54	0	Support	D Lamb, Support Manager	2,322,640	-2,322,640	0
55	0	Development	D King, Information Systems Manager	2,367,220	-2,367,220	0
56	0	Operations	A. Holt, Head of Customer Services and ICT	0	0	0
57	0	Call Centre	P Moore, Corp ICT and Customer Services Manager	557,760	-557,760	0
58	0	Customer Services	P Moore, Corp ICT and Customer Services Manager	279,630	-279,630	0
59	426,640	Strategic Partnership	A. Holt, Head of Customer Services and ICT	0	0	0
60	<b>426,640</b>	<b>Sub-Total</b>		<b>5,892,930</b>	<b>-5,892,930</b>	<b>0</b>

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
		<b>ORGANISATIONAL DEVELOPMENT &amp; PEOPLE</b>	<b>P Fanning Head of Organisational Development &amp; People</b>			
61	0	Human Resources	P Fanning Head of Org Development and People	1,477,610	-1,516,610	-39,000
62	0	Occupational Health	C. Irving, Health and Safety Manager	204,250	-204,250	0
63	<b>0</b>	<b>Sub-Total</b>		<b>1,681,860</b>	<b>-1,720,860</b>	<b>-39,000</b>
		<b>COMMUNICATIONS</b>	<b>L Fothergill, Head of Communications</b>			
64	0	Marketing Team	A Burgh, Marketing Team Leader	407,340	-407,340	0
65	0	Web Team	R Abbott, Web Team Leader	421,010	-421,010	0
66	0	Press Team	A Brewis, Press Team Leader	249,260	-249,260	0
67	0	Printing Section	R Abbott, Web Team Leader	703,120	-670,840	32,280
68	<b>0</b>	<b>Sub-Total</b>		<b>1,780,730</b>	<b>-1,748,450</b>	<b>32,280</b>
		<b>REGULATORY SERVICES</b>	<b>P Walker, Head of Regulatory Services</b>			
69	436,560	Contributions to the HRA	Paul Walker, Head of Regulatory Services	458,390	0	458,390
70	29,670	Housing Advances	Paul Walker, Head of Regulatory Services	6,800	-13,420	-6,620
71	1,750,000	Deferred Charges Written Off	Paul Walker, Head of Regulatory Services	640,000	0	640,000
72	281,980	Homelessness	Stephen Hamilton, Homelessness Manager	483,430	-175,870	307,560
73	-11,620	Other Council Property	Paul Walker, Head of Regulatory Services	11,760	-23,840	-12,080
74	1,802,050	Environmental Health	Andrew Wainwright, Environmental Health Manager	1,997,060	-210,420	1,786,640
75	35,350	Coastal Protection	Andrew Wainwright, Environmental Health Manager	112,100	0	112,100
76	148,360	Licensing	David Brooks, Trading Standards and Licensing Manager	477,070	-390,470	86,600

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	<b>Council Revenue Budget</b>	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
77	603,940	Trading Standards and Consumer Protection	David Brooks, Trading Standards and Licensing Manager	589,320	-3,370	585,950
78	739,720	Area Planning	Kath Lawless, Area Planning Manager	1,258,000	-458,560	799,440
79	546,070	Spatial Planning	David Winder, Acting Spatial Planning Manager	742,940	0	742,940
80	284,210	Countryside Projects	Les Milne, Urban Design Manager	250,250	-1,150	249,100
81	289,670	Strategic Housing Policy	Melanie Holland, Strategic Housing Manager	530,820	-272,730	258,090
82	214,000	Strategic Transport Policy	John Edwards, Transport Futures Manager	419,240	-69,140	350,100
83	0	Building Surveying	Ian Wilkinson, Building Control Manager	715,700	-715,700	0
84	0	Building Control Charging Account	Ian Wilkinson, Building Control Manager	390,470	-390,470	0
85	426,310	Building Control Non Fee Earning Account	Ian Wilkinson, Building Control Manager	385,570	0	385,570
86	0	Regulatory Services Administration	Ian Wilkinson, Building Control Manager	33,250	-73,250	-40,000
87	<b>7,576,270</b>	<b>Sub-Total</b>		<b>9,502,170</b>	<b>-2,798,390</b>	<b>6,703,780</b>
		<b>SERVICE MANAGEMENT COSTS</b>	<b>D. Slater, Executive Director of Regeneration &amp; Resources</b>			
88	0	Management	D. Slater, Exec Director of Regeneration & Resources	191,620	-191,620	0
89	-284,000	Support Service Restructure	D. Slater, Exec Director of Regeneration & Resources	0	0	0
90	<b>-284,000</b>	<b>Sub-Total</b>		<b>191,620</b>	<b>-191,620</b>	<b>0</b>
91	<b>13,987,460</b>	<b>TOTAL REGENERATION &amp; RESOURCES</b>		<b>135,746,580</b>	<b>-118,514,530</b>	<b>17,232,050</b>

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
		<b>CORPORATE FINANCE</b>	<b>J. Watt, Assistant Head of Finance</b>			
92	216,040	Implementation of Single Status	B. Scott, Head of Finance	219,450	0	219,450
93	0	Revenue Costs of Equal Pay	B. Scott, Head of Finance	250,000	0	250,000
94	4,421,000	Implementation of Job Evaluation	B. Scott, Head of Finance	4,258,080	0	4,258,080
95	-200,000	Business Rate growth incentive	P Morrow, Regeneration and Resources Management Accountant	0	0	0
96	0	Working Neighbourhoods Fund	D Wood, Assistant Chief Executive Policy	2,374,500	0	2,374,500
97	-103,000	Review of Fees and Charges	J. Watt, Assistant Head of Finance	0	0	0
98	0	Newcastle Airport Dividend	A. Hayday, Group Manager Financial Planning	0	-100,000	-100,000
99	240,420	Coroners Service	J. Watt, Assistant Head of Finance	558,160	-311,660	246,500
100	0	Magistrates Courts	J. Watt, Assistant Head of Finance	112,000	0	112,000
101	314,060	External Audit Costs	J. Watt, Assistant Head of Finance	352,160	-26,500	325,660
102	192,520	Banking & Cash Collection	P Sheffield, Lead Financial Accountant	282,990	-88,850	194,140
103	61,590	Debt Administration Expenses	P Morrow, Regeneration and Resources Management Accountant	102,740	-34,020	68,720
104	2,314,070	Corporate & Democratic Costs	J. Watt, Assistant Head of Finance	3,007,120	-192,150	2,814,970
105	2,074,670	Central Pension Costs	P Sheffield, Lead Financial Accountant	30,917,650	-28,989,180	1,928,470
106	-3,023,060	Investment Income	P Morrow, Regeneration and Resources Management Accountant	0	-3,818,960	-3,818,960
107	9,363,520	Precepts and Levies	J. Watt, Assistant Head of Finance	9,766,330	0	9,766,330
108	12,398,950	Debt Charges	P Morrow, Regeneration and Resources Management Accountant	14,561,220	0	14,561,220
109	-9,861,570	Capital Recharges	P Sheffield, Lead Financial Accountant	33,974,570	-43,282,470	-9,307,900
110	0	Corporate Strategic Property Review	D Wood, Assistant Chief Executive Policy	0	-250,000	-250,000
111	-1,925,000	Corporate Strategic Cost Reduction Programme	P Robinson, Assistant Head of Performance	0	-916,000	-916,000
112	0	Review of Strategic Procurement	K Harcus, Assistant Chief Executive Performance	0	-200,000	-200,000
113	<b>16,484,210</b>	<b>Sub-Total</b>		<b>100,736,970</b>	<b>-78,209,790</b>	<b>22,527,180</b>
114	<b>30,471,670</b>	<b>TOTAL REGENERATION &amp; RESOURCES REVENUE BUDGET</b>		<b>236,483,550</b>	<b>-196,724,320</b>	<b>39,759,230</b>

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	<b>Council Revenue Budget</b>	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
		<b>CHILDREN &amp; YOUNG PEOPLE</b>				
		<b>SCHOOLS DELEGATED</b>	<b>G Monument, Assistant Head of Finance</b>			
115	77,018,250	Delegated Schools Budget	G Monument, Assistant Head of Finance	85,395,200	-3,697,180	81,698,020
116	0	Schools Standards Grant	G Monument, Assistant Head of Finance	3,625,770	-3,625,770	0
117	0	Standards Fund Devolved	M Dillon, Head of Social Inclusion and Achievement	9,596,420	-9,596,420	0
118	3,634,010	Teachers Threshold Pay	G Monument, Assistant Head of Finance	0	0	0
119	<b>80,652,260</b>	<b>Sub-Total</b>		<b>98,617,390</b>	<b>-16,919,370</b>	<b>81,698,020</b>
		<b>SOCIAL INCLUSION AND ACHIEVEMENT</b>	<b>M Dillon, Head of Social Inclusion and Achievement</b>			
120	159,360	Chuter Ede Education Centre	L Freer, Support Services Officer	458,940	-334,790	124,150
121	536,220	School Improvement Team	M Dillon, Head of Social Inclusion and Achievement	564,400	-53,050	511,350
122	1,060	School Improvement Externally Funded Projects	M Dillon, Head of Social Inclusion and Achievement	47,650	0	47,650
123	37,920	Governor Support	N Longstaff, Governors Support Manager	208,280	-170,600	37,680
124	471,650	Standards Fund Non Devolved	M Dillon, Head of Social Inclusion and Achievement	8,173,040	-6,274,620	1,898,420
125	68,670	Inter LEA Recoupment	S Makin, Pupil Services Manager	205,580	-134,510	71,070
126	833,390	Independent School Fees	S Makin, Pupil Services Manager	1,672,600	-800,590	872,010
127	327,710	Education Welfare Officers	K Rutherford, Education Welfare Officers	434,960	-91,800	343,160
128	675,010	Alternative Education Service	C Marchant, Manager AEN Service	1,319,340	-885,750	433,590
129	149,410	English Second Language Service	J Braithwaite, Ethnic Minority Service Manager	154,960	0	154,960
130	-250	Ethnic Minority Achievement	S Chopra, Adult and Community Learning Manager	0	0	0

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
131	483,590	Learning Support Service	W Larmont, Learning Support Manager	649,370	0	649,370
132	159,290	Other SEN Support	S Makin, Pupil Services Manager	95,630	0	95,630
133	368,570	Pupil Services	S Makin, Pupil Services Manager	366,100	-460	365,640
134	2,651,770	School Capital Charges	G Monument, Assistant Head of Finance	2,551,000	0	2,551,000
135	122,650	Central Support Charges	G Monument, Assistant Head of Finance	360,410	0	360,410
136	<b>7,046,020</b>			<b>17,262,260</b>	<b>-8,746,170</b>	<b>8,516,090</b>
		<b>EARLY INTERVENTION AND SAFEGUARDING</b>	<b>A Bradley, Head of Early Intervention and Safeguarding</b>			
137	657,170	Education Psychology	M Walsh, AHOS Progression and Resilience	654,700	-70,750	583,950
138	154,190	Portage and Pre-school	V Davies, Portage Manager	237,860	-69,700	168,160
139	211,780	Visually Impaired Service	S Hemley, Head of Visually Impaired Service	307,890	-9,240	298,650
140	449,890	Hearing Impaired Service	E Rayner, Head of Hearing Impaired Service	533,620	-30,940	502,680
141	34,250	Head of Service support	A Bradley, Head of Early Intervention & Safeguarding	144,090	-	144,090
142	686,800	Out of Hours and Duty Teams	A Scott, AHOS (Intensive Support & Transformation)	703,640	-64,640	639,000
143	56,070	Childrens Trainees	A Scott, AHOS (Intensive Support & Transformation)	50,820	-	50,820
144	-46,940	CAMHS	A Bradley, Head of Early Intervention & Safeguarding	330,530	-	330,530
145	156,050	Common Assessment Framework	A Bradley, Head of Early Intervention & Safeguarding	174,160	-26,000	148,160
146	554,880	Community Family Support Team	C. Shipley, Team Manager (Family Support)	419,410	-	419,410
147	48,730	Section 17 Assessment Services	A Scott, AHOS (Intensive Support & Transformation)	42,470	-	42,470
148	84,760	Laygate Centre	A Scott, AHOS (Intensive Support & Transformation)	86,720	-	86,720
149	785,150	Referral and Assessment Teams	A Middleton, Team Manager (Assessment)	666,590	-	666,590

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	<b>Council Revenue Budget</b>	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
150	-200,610	Children's Grants	A Scott, AHOS (Intensive Support & Transformation)	217,160	-	217,160
151	2,299,230	Children's Area Teams	A Scott, AHOS (Intensive Support & Transformation)	2,141,770	-64,280	2,077,490
152	918,730	Children With Disability	K. McKee, Team Manager (Children with Disabilities)	1,004,020	-	1,004,020
153	13,460	Playschemes	S. Taylorson, AHOS (Independence & Stability)	29,620	-	29,620
154	706,230	Leaving Care Service	S. Taylorson, AHOS (Independence & Stability)	622,200	-	622,200
155	318,970	Section 17 Commissioning Services	A Scott, AHOS (Intensive Support & Transformation)	324,160	-	324,160
156	1,545,280	Independent Foster Placements	C Pharoah, AHOS (Safer & Stronger Families)	1,753,620	-	1,753,620
157	265,380	Thornhill Park	C Pharoah, AHOS (Safer & Stronger Families)	323,540	-	323,540
158	1,151,360	Out of Borough Placements	C Pharoah, AHOS (Safer & Stronger Families)	1,723,300	-399,510	1,323,790
159	1,820	Safer & Stronger Families Management	C Pharoah, AHOS (Safer & Stronger Families)	70,360	-63,610	6,750
160	33,510	Childminder Payments	R Carr, Service Manager (Residential Care)	13,650	-30,000	-16,350
161	258,520	Garrick Street Family Centre	A Scott, AHOS (Intensive Support & Transformation)	365,720	-100,050	265,670
162	1,970,930	In House Fostering	B. Morgan, Service Manager (Fostering)	2,229,960	-	2,229,960
163	1,042,640	Adoption Service	T. Fitzpatrick, Service Manager (Adoption)	1,274,780	-42,440	1,232,340
164	1,284,060	Childrens Homes	R Carr, Service Manager (Residential Care)	1,023,420	-57,250	966,170
165	290,650	Contact Service	C Pharoah, AHOS (Safer & Stronger Families)	237,250	-	237,250
166	381,510	The Place	M. Bettencourt, Education Support Manager (The Place)	356,160	-	356,160
167	646,110	Childrens Standards Unit	P. Dhiraj, Children's Safeguarding Co-ordinator	565,330	-	565,330
168	258,840	Policy and Planning	A Bradley, Head of Early Intervention & Safeguarding	261,430	-77,620	183,810
169	165,200	Simonside Lodge	A Bradley, Head of Early Intervention & Safeguarding	163,670	-	163,670



## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
170	54,590	Local Child Safeguarding Board	S Devine , LSCB Business Manager	112,680	-	112,680
171	473,530	Capital Charges	G Monument, Assistant Head of Finance	-	-	-
172	0	Central Support Charges	G Monument, Assistant Head of Finance	1,728,910	-	1,728,910
173	-343,950	Redirection, Efficiency and Turnover Savings		-	-	-
174	<b>17,368,770</b>	<b>Sub-Total</b>		<b>20,895,210</b>	<b>-1,106,030</b>	<b>19,789,180</b>
		<b>TRANSITION AND WELLBEING</b>	<b>C Smith, Head of Transition and Wellbeing</b>			
175	310,840	Nursery Education	A Tennet, Early Years Manager	236,000	0	236,000
176	-35,870	Early Years Learning and Development	S Hedley, Manager Early Excellence Centre	805,130	-725,310	79,820
177	42,250	Early Years External Projects	A Tennet, Early Years Manager	2,163,060	-2,124,340	38,720
178	33,490	Children's Fund and NRF Projects	J Watson, Extended Schools Officer	380,590	-11,840	368,750
179	205,930	Foundation Stage	A Tennet, Early Years Manager	218,100	-42,440	175,660
180	0	Neighbourhood Nurseries	A Tennet, Early Years Manager	1,967,970	-1,940,990	26,980
181	43,180	Surestart Centres and Nurseries	P. Pick, Surestart Manager	4,168,520	-4,108,640	59,880
182	154,320	Jane Fry Family Centre	C Smith, Head of Transition and Wellbeing	20,930	0	20,930
183	252,870	Adult and Community Learning	S Chopra, AHOS Enterprise and Skills	4,215,970	-3,976,530	239,440
184	742,540	Youth Service	V High, Youth Services Manager	650,610	-19,350	631,260
185	2,800	Youth Service External Projects	V High, Youth Services Manager	671,440	-667,250	4,190
186	152,510	Youth Support Staffing	V High, Youth Services Manager	189,150	0	189,150
187	0	Connexions	V High, Youth Services Manager	1,828,480	0	1,828,480

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	<b>Council Revenue Budget</b>	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
188	0	Youth Connexions External Funding	V High, Youth Services Manager	289,490	0	289,490
189	0	Other Exchange Visits	J Watson, Extended Schools Officer	2,820	0	2,820
190	167,450	Outdoor Education Service	V High, Youth Services Manager	567,980	-415,440	152,540
191	169,320	Children's Play	J Watson, Extended Schools Officer	221,550	-102,930	118,620
192	911,070	Youth Offending Service - Non Prevention	P. Bennett, AHOS Participation and Citizenship	1,186,100	-443,180	742,920
193	0	Youth Offending Service - Prevention	P. Bennett, AHOS Participation and Citizenship	557,890	-377,320	180,570
194	23,650	Central Support Charges	G Monument, Assistant Head of Finance	687,490	0	687,490
195	<b>3,176,350</b>	<b>Sub-Total</b>		<b>21,029,270</b>	<b>-14,955,560</b>	<b>6,073,710</b>
		<b>DIRECTORATE SUPPORT</b>	<b>M Conlon, Head of Change Management</b>			
196	<b>-25,760</b>	School Meals and Milk	E Luke, Catering Manager	6,021,730	-6,090,620	-68,890
197	<b>48,290</b>	Maintenance of Land and Buildings	T Renwick, Asset Manager	154,360	-90	154,270
198	<b>180,740</b>	Schools Non Delegated	G Monument, Assistant Head of Finance	244,250	-161,830	82,420
199	<b>533,110</b>	Finance and Administration	G Monument, Assistant Head of Finance	1,013,670	-844,640	169,030
200	<b>222,840</b>	Personnel	M Grady, Personnel Manager	1,036,240	-801,790	234,450
201	<b>114,530</b>	Asset Management	T Renwick, Asset Manager	137,980	-25,750	112,230
202	<b>29,780</b>	Client Services	C Toward, Purchasing Advisory Services for Schools	40,140	-13,530	26,610
203	<b>123,840</b>	Policy	M Campbell, Policy and Planning Assistant	178,150	-31,140	147,010
204	<b>153,040</b>	EDIC	C Gardner, Information Manager	150,530	0	150,530
205	<b>113,250</b>	Schools Admission	T Renwick, Asset Manager	133,560	0	133,560
206	<b>1,177,660</b>	Pupil Transport	T Reynolds, SEN Transport Manager	1,269,510	-95,990	1,173,520

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
207	642,710	Strategic Management	M Conlon, Head of Change Management	510,250	-112,650	397,600
208	0	Joint Area Review	M Conlon, Head of Change Management	99,990	0	99,990
209	2,845,340	Teachers Pension Costs	G Monument, Assistant Head of Finance	3,196,450	0	3,196,450
210	2,021,190	Central Support Charges	G Monument, Assistant Head of Finance	2,222,970	0	2,222,970
211	-750,000	Redirection, Efficiency and Turnover Savings		0	0	0
212	7,430,560	<b>Sub-Total</b>		16,409,780	-8,178,030	8,231,750
213	115,673,960	<b>TOTAL CHILDREN &amp; YOUNG PEOPLE REVENUE BUDGET</b>		174,213,910	-49,905,160	124,308,750
214	-85,911,000	<b>Dedicated Schools Grant</b>		0	-87,718,000	-87,718,000
215	29,762,960	<b>TOTAL CHILDREN &amp; YOUNG PEOPLE REVENUE BUDGET</b>		174,213,910	-137,623,160	36,590,750
<b>NEIGHBOURHOOD SERVICES</b>						
<b>ADULT SERVICES</b>						
<b>C Thomas, Head of Adult Services</b>						
216	1,205,180	Commissioning & Quality	V Barclay, Commissioning & Contracting	2,467,690	-708,270	1,759,420
217	3,280	Head of Adult Services	C Thomas, Head of Adult Services	250,900	-305,120	-54,220
218	6,887,340	Internal Business Services	B Jewitt, Direct Provision & Regulated Services	10,394,610	-2,249,690	8,144,920
219	8,755,020	Learning Disability	V Barclay, Commissioning & Contracting	13,751,050	-4,479,020	9,272,030
220	2,701,730	Mental Health	V Barclay, Commissioning & Contracting	4,637,170	-858,630	3,778,540
221	15,419,420	Older Persons	V Barclay, Commissioning & Contracting	25,993,160	-7,865,930	18,127,230
222	4,079,420	Physical Disability	V Barclay, Commissioning & Contracting	6,855,860	-1,443,440	5,412,420
223	39,051,390	<b>Sub-total</b>		64,350,440	-17,910,100	46,440,340

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	<b>Council Revenue Budget</b>	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
		<b>DIRECTORATE SUPPORT</b>	<b>K Hannah, Head of Directorate Support</b>			
224	0	Asset Management	K Hannah, Head of Directorate Support	888,830	-915,336	-26,506
225	0	Directorate Support Administration	K Hannah, Head of Directorate Support	234,220	-234,230	-10
226	0	Head of Service	K Hannah, Head of Directorate Support	-16,950	-93,050	-110,000
227	-41,330	Information Services	G Purvis, Interim Information Services Manager	1,005,920	-1,155,920	-150,000
228	0	Middlefields Site	K Hannah, Head of Directorate Support	915,220	-915,220	0
229	0	Finance & Financial Assessments	T Race, Assistant Head of Finance	710,610	-710,620	-10
230	0	Personnel & Development	J Gibson, Directorate HR Manager	1,287,980	-924,340	363,640
231	664,470	Performance & Business Group	M Thompson, Policy & Performance Manager	1,330,350	-1,331,380	-1,030
232	0	Strategy	K Hannah, Head of Directorate Support	1,114,120	-250,830	863,290
233	-257,200	Supporting People & Asylum Seekers	K Hannah, Head of Directorate Support	5,382,200	-5,298,890	83,310
234	171,490	Warden Call & CCTV	K Hannah, Head of Directorate Support	1,558,610	-1,433,930	124,680
235	0	Welfare Rights	M Peel, Coordinating Welfare Rights Officer	847,060	-841,110	5,950
236	<b>537,430</b>	<b>Sub-total</b>		<b>15,258,170</b>	<b>-14,104,856</b>	<b>1,153,314</b>
		<b>CULTURAL SERVICES</b>				
237	28,250	Allotments	R Jago, Cultural Operations Manager	123,430	-91,710	31,720
238	90,600	Archives	B Atkinson, Cultural Development Manager	92,640	0	92,640
239	548,640	Arts Development & Support	B Atkinson, Cultural Development Manager	542,080	0	542,080
240	1,020	Caravan Sites	R Jago, Cultural Operations Manager	2,000	0	2,000

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
241	170,620	Childrens Playgrounds	R Jago, Cultural Operations Manager	167,190	0	167,190
242	1,716,610	Community Parks & Open Spaces	R Jago, Cultural Operations Manager	2,006,600	-254,310	1,752,290
243	265,030	Cookson Festival	B Atkinson, Cultural Development Manager	316,490	-45,100	271,390
244	380,210	EPA Cleansing Duties	R Jago, Cultural Operations Manager	396,000	0	396,000
245	237,660	Foreshore	R Jago, Cultural Operations Manager	375,950	-151,180	224,770
246	98,720	Great North Run	B Atkinson, Cultural Development Manager	145,270	-57,210	88,060
247	2,504,110	Indoor Sport & Recreational Facilities	R Jago, Cultural Operations Manager	4,924,800	-2,169,760	2,755,040
248	0	Leisure Administration	B Atkinson, Cultural Development Manager	847,470	-847,470	0
249	2,883,750	Libraries	M Freeman, Libraries Manager	3,293,170	-272,180	3,020,990
250	1,107,910	Museums & Galleries	B Atkinson, Cultural Development Manager	1,142,910	-24,690	1,118,220
251	51,000	Other Events	B Atkinson, Cultural Development Manager	32,020	0	32,020
252	158,960	Outdoor Sport & Recreational Facilities	R Jago, Cultural Operations Manager	182,770	-23,960	158,810
253	-24,410	School Swimming	R Jago, Cultural Operations Manager	470,890	-477,820	-6,930
254	658,650	Sports Development	B Atkinson, Cultural Development Manager	674,320	-36,010	638,310
255	338,890	Tourism	B Atkinson, Cultural Development Manager	331,510	-11,600	319,910
256	<b>11,216,220</b>	<b>Sub-total</b>		<b>16,067,510</b>	<b>-4,463,000</b>	<b>11,604,510</b>

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	<b>Council Revenue Budget</b>	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
		<b>COMMUNITY SERVICES</b>	<b>S Brown, Head of Community Services</b>			
257	205,370	Anti Social Behaviour	S Brown, Head of Community Services	894,240	-617,580	276,660
258	732,290	Community Safety & Health	S Brown, Head of Community Services	743,580	-300,010	443,570
259	0	Drug Action Team	S Brown, Head of Community Services	1,112,590	-844,570	268,020
260	632,430	Neighbourhood Working	S Brown, Head of Community Services	1,288,390	-391,070	897,320
261	0	Community Involvement	S Brown, Head of Community Services	494,850	-30,830	464,020
262	<b>1,570,090</b>	<b>Sub-total</b>		<b>4,533,650</b>	<b>-2,184,060</b>	<b>2,349,590</b>
		<b>STREETSCAPE</b>	<b>B Buckley, Head of Streetscape</b>			
263	134,090	Bereavement Services	K Wallace, Environmental Maintenance Manager	1,109,340	-1,118,690	-9,350
264	0	Building Cleaning Services	R Weetman, Infrastructure Projects Manager	4,485,400	-4,485,400	0
265	-56,990	Car Parking	D Elliott, Transport Design Manager	1,155,080	-1,402,480	-247,400
266	633,140	Community Wardens	K Wallace, Environmental Maintenance Manager	730,750	-56,500	674,250
267	-150,000	Engineering Works Highways	R Weetman, Infrastructure Projects Manager	4,879,490	-5,029,490	-150,000
268	324,980	Environmental Projects	R Weetman, Infrastructure Projects Manager	275,300	0	275,300
269	2,650	Festive Lighting	R Weetman, Infrastructure Projects Manager	79,200	-77,250	1,950
270	0	Fleet Management	R Hepburn, Fleet Manager	4,829,490	-4,829,490	0
271	103,530	Grounds Maintenance	K Wallace, Environmental Maintenance Manager	463,260	-355,050	108,210
272	32,790	Groundwork Trust	K Wallace, Environmental Maintenance Manager	33,450	0	33,450
273	0	Highways & Structures Design	D Elliott, Transport Design Manager	800,200	-800,200	0
274	1,021,510	Highways Maintenance Dept. Costs	R Weetman, Infrastructure Projects Manager	1,430,470	-402,370	1,028,100

## Appendix 1A: Council Revenue Budget 2008/09

Line Ref	2007/08 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2008/09 Budget £
275	1,237,930	Highways Routine Maintenance	R Weetman, Infrastructure Projects Manager	1,264,920	-53,530	1,211,390
276	1,886,590	Highways Structural Maintenance	R Weetman, Infrastructure Projects Manager	1,815,680	-7,970	1,807,710
277	0	Landscape Design	R Weetman, Infrastructure Projects Manager	260,340	-260,340	0
278	-63,660	Market	K Wallace, Environmental Maintenance Manager	294,300	-362,830	-68,530
279	454,330	Public Conveniences	R Weetman, Infrastructure Projects Manager	440,930	-590	440,340
280	742,380	Recycling Collection	A Whittaker, Waste Services Manager	909,690	0	909,690
281	829,290	Road Safety	D Elliott, Transport Design Manager	839,020	-7,770	831,250
282	2,212,570	Street Lighting	R Weetman, Infrastructure Projects Manager	4,199,790	-1,727,570	2,472,220
283	3,143,160	Streetscene & Streetscape	K Wallace, Environmental Maintenance Manager	3,514,200	-299,770	3,214,430
284	552,010	Traffic Management	D Elliott, Transport Design Manager	734,500	-72,510	661,990
285	1,838,120	Waste Collection	A Whittaker, Waste Services Manager	4,508,520	-2,589,770	1,918,750
286	4,551,610	Waste Disposal	A Whittaker, Waste Services Manager	6,229,580	-673,650	5,555,930
287	440,110	Winter Maintenance	R Weetman, Infrastructure Projects Manager	453,230	0	453,230
288	<b>19,870,140</b>	<b>Sub-total</b>		<b>45,736,130</b>	<b>-24,613,220</b>	<b>21,122,910</b>
		<b>COMMUNITY EDUCATION</b>	<b>S Brown, Head of Community Services</b>			
289	2,480,920	Community Education	S Chilton, Community Development Manager	3,688,570	-603,030	3,085,540
290	<b>2,480,920</b>	<b>Sub-total</b>		<b>3,688,570</b>	<b>-603,030</b>	<b>3,085,540</b>
291						
292	<b>74,726,190</b>	<b>TOTAL NEIGHBOURHOOD SERVICES REVENUE BUDGET</b>		<b>149,634,470</b>	<b>-63,878,266</b>	<b>85,756,204</b>
293	<b>135,153,190</b>	<b>TOTAL COUNCIL REVENUE BUDGET</b>		<b>563,475,010</b>	<b>-401,055,796</b>	<b>162,419,214</b>

## Appendix 1B: Council Revenue Budget

Line Ref	Council Revenue Budget (format for external reporting)	Total Cost	Total Income	2008/09 Budget
		£m	£m	£m
	<b>Central Services</b>			
1	Democratic Representation and Management	4.635 -	0.429	<b>4.206</b>
2	Corporate Management	1.462 -	0.197	<b>1.264</b>
3	Non Distributed Cost - Unused Share of Assets	0.338 -	0.076	<b>0.261</b>
4	Non Distributed Cost - Pensions Past Service	6.918 -	0.335	<b>6.583</b>
5	Central Services to the Public	47.907 -	45.596	<b>2.311</b>
6	Precepts and Levies (excl PTA)	0.228	-	<b>0.228</b>
	PTA	9.640	-	<b>9.640</b>
7	Trading Account Surpluses and Deficits	14.195 -	14.344 -	<b>0.149</b>
8	Trading Services Control Account	-	-	-
9	Emergency Planning	0.185	-	<b>0.185</b>
10	Interest and Investment Income	- -	3.919 -	<b>3.919</b>
11	Pensions Costs	24.000 -	21.000	<b>3.000</b>
12	Extraordinary Items	4.851 -	1.366	<b>3.485</b>
13	<b>TOTAL CENTRAL SERVICES</b>	<b>114.357 -</b>	<b>87.262</b>	<b>27.094</b>
	<b>Court Services</b>			
14	Coroners Service	0.670 -	0.312	<b>0.359</b>
15	<b>TOTAL COURT SERVICES</b>	<b>0.670 -</b>	<b>0.312</b>	<b>0.359</b>
	<b>Cultural, Environmental and Planning Services</b>			
16	Culture and Heritage	2.126 -	0.070	<b>2.056</b>
17	Recreation and Sport	9.350 -	2.874	<b>6.476</b>
18	Opens Spaces	4.719 -	0.853	<b>3.866</b>
19	Tourism	0.331 -	0.012	<b>0.319</b>
20	Library Service	3.293 -	0.272	<b>3.021</b>



## Appendix 1B: Council Revenue Budget 2008/09

Line Ref	Council Revenue Budget (format for external reporting)	Total Cost	Total Income	2008/09 Budget
		£m	£m	£m
21	Cemetery, Cremation and Mortuary Services	1.109 -	1.118 -	<b>0.009</b>
22	Coast Protection	0.112	-	<b>0.112</b>
23	Environmental Health	2.181 -	0.324	<b>1.858</b>
24	Community Safety (Crime Reduction)	3.662 -	2.225	<b>1.437</b>
25	Trading Standards	1.066 -	0.394	<b>0.673</b>
26	Street Cleansing	2.895 -	0.300	<b>2.595</b>
27	Waste Collection	5.467 -	2.590	<b>2.877</b>
28	Waste Disposal	6.180 -	0.674	<b>5.506</b>
29	Building Control	0.776 -	0.390	<b>0.386</b>
30	Development Control	1.234 -	0.459	<b>0.776</b>
31	Planning Policy	0.767	-	<b>0.767</b>
32	Environmental Initiatives	0.033	-	<b>0.033</b>
33	Economic Development	10.431 -	1.967	<b>8.465</b>
34	Community Development	3.267 -	1.421	<b>1.846</b>
35	Cultural and related Management and Support Costs	0.847 -	0.847	-
36	Planning and Development Management and Support Costs	0.920 -	0.801	<b>0.119</b>
37	Environmental Services Management and Support Costs	2.506 -	2.506	-
38	<b>TOTAL CULTURAL, ENVIRONMENT AND PLANNING</b>	<b>63.273 -</b>	<b>20.097</b>	<b>43.177</b>

## Appendix 1B: Council Revenue Budget

Line Ref	<b>Council Revenue Budget (format for external reporting)</b>	<b>Total Cost</b>	<b>Total Income</b>	<b>2008/09 Budget</b>
		£m	£m	£m
	<b>Education Services</b>			
39	Nursery Schools	3.139 -	1.193	<b>1.946</b>
40	Primary Schools	51.904 -	9.210	<b>42.694</b>
41	Secondary Schools	61.307 -	13.868	<b>47.439</b>
42	Special Schools	9.987 -	2.308	<b>7.680</b>
43	Non School Funding	28.671 -	21.373	<b>7.298</b>
44	Education Departmental Management	3.281 -	3.281	-
45	Dedicated Schools Grant	-	87.718 -	<b>87.718</b>
45	<b>TOTAL EDUCATION SERVICES</b>	<b>158.289 -</b>	<b>138.951</b>	<b>19.338</b>
	<b>Highways, Roads and Transport Services</b>			
46	Transport Planning, Policy and Strategy	0.419 -	0.069	<b>0.350</b>
47	Highways Structural	1.816 -	0.008	<b>1.808</b>
48	Construction	-	-	-
49	Highways Routine	2.695 -	0.456	<b>2.239</b>
50	Street Lighting	4.279 -	1.805	<b>2.474</b>
51	Winter Maintenance	0.453	-	<b>0.453</b>
52	Traffic Management and Road Safety	1.574 -	0.080	<b>1.494</b>
53	Parking Services	1.155 -	1.403 -	<b>0.248</b>
54	Highways Management and Support Services	0.800 -	0.800	-
55	<b>TOTAL HIGHWAYS, ROADS AND TRANSPORT</b>	<b>13.191 -</b>	<b>4.621</b>	<b>8.570</b>

## Appendix 1B: Council Revenue Budget 2008/09

Line Ref	<b>Council Revenue Budget (format for external reporting)</b>	<b>Total Cost</b>	<b>Total Income</b>	<b>2008/09 Budget</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
	<b>Housing Services</b>			
56	Housing Strategy	0.254	-	<b>0.254</b>
57	Housing Advances	0.007	- 0.013	<b>0.007</b>
58	Private Sector Housing Renewal	0.815	- 0.070	<b>0.745</b>
59	Homelessness	0.483	- 0.176	<b>0.308</b>
60	Housing Benefit Payments	43.108	- 43.355	<b>0.246</b>
61	Housing Benefit Administration	1.757	- 1.908	<b>0.151</b>
62	Contributions to the Housing Revenue Account	0.458	-	<b>0.458</b>
63	Other Council Property	0.012	- 0.024	<b>0.012</b>
64	Housing Management Support Services	0.427	- 0.273	<b>0.154</b>
65	<b>TOTAL HOUSING SERVICES</b>	<b>47.322</b>	<b>- 45.819</b>	<b>1.503</b>
	<b>Social Services</b>			
66	Service Strategy	0.298	- 0.305	<b>0.007</b>
67	Children's Commissioning and Social Work	5.324	- 0.129	<b>5.195</b>
68	Children Looked After	7.542	- 0.598	<b>6.944</b>
69	Family Support Services	2.078	- 0.100	<b>1.978</b>
70	Youth Justice	1.744	- 0.821	<b>0.923</b>
71	Other Children's and Families Services	2.495	- 0.068	<b>2.427</b>
72	Older People (Aged 65 and Over)	36.794	- 9.130	<b>27.664</b>
73	Physically Disabled Adults	4.835	- 0.731	<b>4.104</b>

## Appendix 1B: Council Revenue Budget

Line Ref	<b>Council Revenue Budget</b> (format for external reporting)	Total Cost	Total Income	2008/09 Budget
		£m	£m	£m
74	Learning Disabled Adults	12.611 -	4.254	<b>8.357</b>
75	Adults with Mental Health Needs	4.348 -	0.779	<b>3.569</b>
76	Other Adult Services	9.583 -	7.774	<b>1.809</b>
77	Sheltered Employment	1.140 -	0.225	<b>0.915</b>
78	Supporting People	-	-	-
79	Adult Management and Support Services	6.025 -	5.125	<b>0.900</b>
80	<b>TOTAL SOCIAL SERVICES</b>	<b>94.817 -</b>	<b>30.039</b>	<b>64.778</b>
81	<b>TOTAL COUNCIL NET REVENUE BUDGET (BEFORE APPROPRIATIONS)</b>			<b>164.820</b>
82	APPROPRIATIONS (TRANSFERS TO RESERVES)	48.536 -	50.937 -	<b>2.401</b>
83	<b>TOTAL COUNCIL NET REVENUE BUDGET</b>			<b>162.419</b>

## Appendix 2: Council Capital Budget 2008/09

Line Ref	Council Capital Budget	Budget Holder	2008/09 Budget £	External Funding £	Council Funding £	Scheme Status
	<b>CHILDREN AND YOUNG PEOPLE</b>	<b>Helen Watson, Executive Director</b>				
	<b>SOCIAL INCLUSION &amp; ACHIEVEMENT</b>	<b>Mike Dillon, Head of Social Inclusion &amp; Achievement</b>				
1	Harnessing Technology	M Dillon, Head Social Inclusion & Achievement	446,236	-446,236	0	Green
	<b>CHANGE MANAGEMENT</b>	<b>Mike Conlon, Head of Change Management</b>				
2	Building Schools for the Future	M Conlon, Head of Change Management	30,795,000	-20,126,000	10,669,000	Green
3	Primary School Reorganisation	M Conlon, Head of Change Management	100,000	0	100,000	Amber
4	Asbestos Removal in Schools	M Conlon, Head of Change Management	200,000	0	200,000	Amber
5	Accommodation for Alternative Education Services	M Conlon, Head of Change Management	300,000	0	300,000	Green
6	Schools Access Initiative	M Conlon, Head of Change Management	238,000	0	238,000	Green
7	School Asset Condition and Suitability	M Conlon, Head of Change Management	500,000	0	500,000	Green
8	Schools Devolved Formula	M Conlon, Head of Change Management	2,205,261	-2,205,261	0	Green
9	<b>Sub-Total</b>		<b>34,338,261</b>	<b>-22,331,261</b>	<b>12,007,000</b>	
	<b>TRANSITION &amp; WELLBEING</b>	<b>Christine Smith, Head of Transition &amp; Wellbeing</b>				
10	Children's Centres	C Smith, Head of Transition & Wellbeing	498,585	-498,585	0	Amber
11	Extended Schools	C Smith, Head of Transition & Wellbeing	262,000	-262,000	0	Amber
12	Youth Capital Fund	C Smith, Head of Transition & Wellbeing	96,000	-96,000	0	Amber
			<b>856,585</b>	<b>-856,585</b>	<b>0</b>	
	<b>EARLY INTERVENTION &amp; SAFEGUARDING</b>	<b>Amanda Bradley, Head of Early Intervention &amp; Safeguarding</b>				
13	Children's Homes	A Bradley, Head of Early Intervention & Safeguarding	50,000	0	50,000	Green
	<b>TOTAL CHILDREN AND YOUNG PEOPLE</b>		<b>35,691,082</b>	<b>-23,634,082</b>	<b>12,057,000</b>	

## Appendix 2: Council Capital Budget 2008/09

Line Ref	Council Capital Budget	Budget Holder	2008/09 Budget £	External Funding £	Council Funding £	Scheme Status
	<b>NEIGHBOURHOOD SERVICES DIRECTORATE</b>	<b>Fiona Brown, Executive Director</b>				
	<b>DIRECTORATE SUPPORT</b>	<b>Keith Hannah, Head of Directorate Support</b>				
14	Social Care & Health ICT System Upgrade	K Hannah, Head of Directorate Support	107,000	-107,000	0	Amber
	<b>Sub-Total</b>		<b>107,000</b>	<b>-107,000</b>	<b>0</b>	
	<b>STREETSCAPE</b>	<b>Bill Buckley, Head of Streetscape</b>				
15	Adoption of Back Lanes	B Buckley, Head of Streetscape	90,000	0	90,000	Amber
16	Improving the Quality of Footpaths	B Buckley, Head of Streetscape	250,000	0	250,000	Amber
17	Integrated Transport Programme (LTP)	B Buckley, Head of Streetscape	1,582,000	-1,582,000	0	Amber
18	Highways Maintenance Programme (LTP)	B Buckley, Head of Streetscape	1,344,000	0	1,344,000	Amber
19	Highways Infrastructure Improvements	B Buckley, Head of Streetscape	250,000	0	250,000	Amber
20	Crematorium - Mercury Emissions Legislation	B Buckley, Head of Streetscape	20,000	0	20,000	Green
21	Maintain and improve footbridges	B Buckley, Head of Streetscape	150,000	0	150,000	Amber
22	Bridges - LTP specific allocation	B Buckley, Head of Streetscape	325,000	-325,000	0	Amber
23	Replacement Vehicles & Plant Hire	B Buckley, Head of Streetscape	1,000,000	0	1,000,000	Amber
24	Alternative Waste Collection/Recycling Project	B Buckley, Head of Streetscape	761,000	-261,000	500,000	Amber
25	Jarrow Town Centre - Pedestrian Linkages	B Buckley, Head of Streetscape	146,000	0	146,000	Amber
	<b>Sub-Total</b>		<b>5,918,000</b>	<b>-2,168,000</b>	<b>3,750,000</b>	
	<b>ADULT SERVICES</b>	<b>Caroline Thomas, Head of Adult Services</b>				
26	Disabled Facilities in Private Housing	C Thomas, Head of Adult Services	1,096,000	-848,000	248,000	Amber
	<b>Sub-Total</b>		<b>1,096,000</b>	<b>-848,000</b>	<b>248,000</b>	

## Appendix 2: Council Capital Budget 2008/09

Line Ref	Council Capital Budget	Budget Holder	2008/09 Budget £	External Funding £	Council Funding £	Scheme Status
	<b>CULTURAL SERVICES</b>	<b>Tony Duggan</b>				
27	South Marine Park	T Duggan, Head of Cultural Services	2,118,000	-1,727,000	391,000	Green
28	Custom's House	T Duggan, Head of Cultural Services	22,000	-22,000	0	Green
29	Parks Infrastructure	T Duggan, Head of Cultural Services	50,000	0	50,000	Amber
30	Monkton Stadium Artificial Turf Pitch	T Duggan, Head of Cultural Services	550,000	-500,000	50,000	Amber
31	Foreshore Development - Public Realm & Street Furniture	T Duggan, Head of Cultural Services	100,000	0	100,000	Amber
32	Foreshore Development - Bents Park Changing Rooms	T Duggan, Head of Cultural Services	400,000	0	400,000	Amber
	<b>Sub-Total</b>		<b>3,240,000</b>	<b>-2,249,000</b>	<b>991,000</b>	
<b>TOTAL NEIGHBOURHOOD SERVICES CAPITAL BUDGET</b>			<b>10,361,000</b>	<b>-5,372,000</b>	<b>4,989,000</b>	
	<b>RESOURCES AND REGENERATION</b>	<b>David Slater, Executive Director</b>				
	<b>FINANCE</b>	<b>Brian Scott, Head of Finance</b>				
33	Single Status Compensatory Payments	B Scott, Head of Finance	2,500,000	0	2,500,000	Green
	<b>ENTERPRISE AND REGENERATION</b>	<b>Rick O'Farrell, Head of Enterprise &amp; Regeneration</b>				
	<b>Planned Maintenance</b>					
34	Design and Feasibility - New schemes	R. O'Farrell, Head of Enterprise & Regeneration	90,000	0	90,000	Green
35	Energy Efficiency Improvements	R. O'Farrell, Head of Enterprise & Regeneration	45,000	0	45,000	Green
36	Social Care & Health Facilities	R. O'Farrell, Head of Enterprise & Regeneration	650,000	0	650,000	Green
37	Improve Access to Building (DDA Programme)	R. O'Farrell, Head of Enterprise & Regeneration	90,000	0	90,000	Green
38	Health & Safety Works to Asset Portfolio	R. O'Farrell, Head of Enterprise & Regeneration	135,000	0	135,000	Green
39	Front Line Buildings / Civic Buildings Maintenance	R. O'Farrell, Head of Enterprise & Regeneration	430,000	0	430,000	Green
40	Riverside Maintenance	R. O'Farrell, Head of Enterprise & Regeneration	250,000	0	250,000	Green
41	Carbon Trust Management - Invest to Save Fund	R. O'Farrell, Head of Enterprise & Regeneration	100,000	0	100,000	Green
42	Community Centre Repair Programme	R. O'Farrell, Head of Enterprise & Regeneration	250,000	0	250,000	Green
			<b>2,040,000</b>	<b>0</b>	<b>2,040,000</b>	

## Appendix 2: Council Capital Budget 2008/09

Line Ref	Council Capital Budget	Budget Holder	2008/09 Budget £	External Funding £	Council Funding £	Scheme Status
<b>ENTERPRISE AND REGENERATION</b>						
43	Community Area Forum Grants	R. O'Farrell, Head of Enterprise & Regeneration	120,000	0	120,000	Green
44	A19 Jobslink	R. O'Farrell, Head of Enterprise & Regeneration	5,000,000	-4,600,000	400,000	Amber
45	Regeneration and Transformation Fund	R. O'Farrell, Head of Enterprise & Regeneration	550,000	0	550,000	Amber
46	Riverside Regeneration	R. O'Farrell, Head of Enterprise & Regeneration	1,000,000	-670,000	330,000	Amber
			<b>6,670,000</b>	<b>-5,270,000</b>	<b>1,400,000</b>	
<b>REGULATORY SERVICE</b>						
		<b>Paul Walker, Head of Regulatory Services</b>				
47	Boldon Colliery Regeneration	P Walker, Head of Regulatory Services	80,000	0	80,000	Green
48	Improve Private Housing in the Borough	P Walker, Head of Regulatory Services	640,000	-640,000	0	Amber
49	Cleadon Park Regeneration	P Walker, Head of Regulatory Services	1,260,000	0	1,260,000	Green
50	Hebburn New Town	P Walker, Head of Regulatory Services	0	0	0	Amber
51	Ebchester/Aldborough Regeneratio Scheme	P Walker, Head of Regulatory Services	655,000	-279,000	376,000	Amber
52	Coastal Protection - Infrastructure	P Walker, Head of Regulatory Services	3,725,000	-3,725,000	0	Amber
<b>Sub-Total</b>			<b>6,360,000</b>	<b>-4,644,000</b>	<b>1,716,000</b>	
<b>CUSTOMER SERVICES AND ICT</b>						
		<b>Alan Holt, Head of Customer Services &amp; ICT</b>				
53	Customer Service Strategy	A. Holt, Head of Customer Services and ICT	500,000	0	500,000	Amber
<b>TOTAL RESOURCES AND REGENERATION CAPITAL BUDGET</b>			<b>18,070,000</b>	<b>-9,914,000</b>	<b>8,156,000</b>	
<b>TOTAL COUNCIL CAPITAL BUDGET 2008/09</b>			<b>64,122,082</b>	<b>-38,920,082</b>	<b>25,202,000</b>	