

Council Budget 2007 – 2010 Medium Term Financial Plan



Focusing on our Priorities
Budget Recommendations

South Tyneside Council
22 February 2007



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 ਇੰਟਰਪ੍ਰੀਟਰ 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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Foreword



Council Budget 2007 – 2010 “Focusing on our Priorities”

Foreword by the Leader of the Council

South Tyneside continues to improve every year and in 2006 we delivered some really significant achievements over all our priorities. They include:

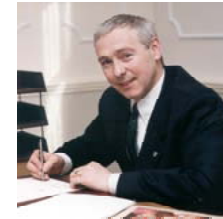
Children and young people

- Highest ever GCSE results (57% of pupils gaining five or more grade C or above) and best ever A level results (98 % pass rate at grades A – E and we were above the national average of 96.6% for the first time)
- 20% reduction in the number of teenage pregnancies –at a faster rate than the regional and national averages.

Independent and healthy lives

- Reduced the number of older people in residential and nursing care by offering support in the community
- Attendance on sports development programmes increased by 56%.

Councillor Paul Waggott



Safer and stronger communities

- Overall crime rate dropped by 2% and youth crime by 23%
- Started to install lamp-posts in back lanes to help reduce crime and the fear of crime as part of our £63 million street lighting partnership with Balfour Beatty.

Environment, housing and transport

- Unacceptable levels of litter reduced from over 20% to 9% with nine out of 10 of our streets found by ENCAMS to be free from litter
- Opened our new £1.3 million recycling village to expand capacity to recycle more waste. More than 21% of household waste recycled or composted – an all time high for the borough.
- South Tyneside Homes delivered improved housing services. Improvements include the number of empty properties falling by 39%.

Foreword



Jobs and enterprise

- Started the Government funded, Local Enterprise Growth Initiative, £16.2 million programme to encourage enterprise with many businesses either helped to grow or start new businesses in South Tyneside
- Made good progress on plans for a proposed strategic partnership with a private company to deliver a minimum of 300 additional jobs and a new business centre.

Wellbeing and culture

- Introduced a new library management system to improve the service offered across all our libraries, including renewing and reserving books online. Completed the refurbishment of Hebburn Library.
- A record one million visits to leisure facilities, high satisfaction and increased spend by visitors to South Shields.
- Wearmouth-Jarrow is to be the UK's nomination for UNESCO World Heritage Site status in 2009.

Regeneration

- Made good progress in our £112m Building Schools for the Future programme to rebuild, remodel and refurbish all secondary schools. Opened the £17.5 million PFI funded Boldon School.
- Made good progress delivering the £93 million Cleadon Park development with Enterprise 5 and Bellway homes.

- Work began on a new Primary Care Centre in Hebburn.

Resources

- Our use of resources CPA score improved from two to three; out of four
- All of our services that can be delivered electronically are now available via www.southtyneside.info and our website is more popular than ever with a 28% increase in visits.

This year, as part of national pay agreements, all local authorities are required by law to have Single Status agreements in place. The new pay and grading structure will cover almost all of our employees and this issue has potentially big implications for council budgets throughout the country.

We knew that Single Status and Equal Pay settlements would bring new pressures to our budget and have set budgets aside to meet those costs. At this point in time, it is difficult to predict the full cost to South Tyneside and other councils or how much of the cost will need to be paid out of next year's budget. We are working hard though to reduce the impact on the budget and minimise the impact on our council tax with a commitment to residents and businesses to maintain our good track record of delivering value for money, attracting additional investment and improving services.

Foreword



Our performance and achievements are based on many things, including how effectively we use our resources. South Tyneside Council has a good track record of delivering value for money, attracting investment and improving services. We listen to what our residents say about how we spend our money and last year increased the council tax by the lowest possible amount – 3.7%.

This budget for 2007 to 2010 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. We have consulted extensively on our budget proposals during January and February, and not just because we have to. We consult because it means we really can 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 demonstrate our efficiency and value for money in providing services. They would like to see reduced levels of sickness absence, improved efficiency and a keener focus on the numbers of staff we employ. We have agreed to continue to robustly manage and review all staffing vacancies as they arise and will continue to tackle the issue of high sickness levels.

- The **voluntary sector** was concerned at proposals to reduce grants to voluntary organisations. In response, we have agreed to work with them to ensure that voluntary organisations provide services and deliver outputs which are more closely aligned to our community's priorities. We have also agreed to work with the sector on specific issues.
- Our **trades union** colleagues are concerned about potential job losses. The savings we propose will not be easy. But we are confident that, thanks to the action taken last year, we are less likely to require compulsory redundancies. We will be working with Trade Unions to minimise the impact on staff.

We have recognised the concerns of those that matter most - the **residents** of South Tyneside. Residents asked us to keep Council Tax down to a minimum. We have therefore agreed a 3.3% increase in Council Tax for 2007/08. This represents a weekly increase for Band A Council Tax payers of just 54p per week.

Foreword



We have listened, and we will continue to listen. I am confident that this budget places the right resources in the right places to deliver the best possible services for the people of South Tyneside. The Borough faces many challenges and we must remain focused on what matters most to everyone in South Tyneside so that we continue to improve, and deliver the highest possible quality of service.

Paul Waggott

Leader of the Council

Introduction



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 must recognise that service planning, commissioning and delivery must be planned, coherent, consistent and where appropriate integrated. Above all, 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 2007/08.
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
 - **Building Capacity** (the Council's Workforce Development Plan) – this plan ensures we have the right people with the skills to deliver our priorities.

Introduction



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

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

Introduction



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. The emerging policy agenda around 'place-shaping' 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 funding is dependant for a significant part of its funding upon the allocation of resources from Government. Currently this is established under the Governments spending review of 2004 which was focused on:
 - Improving public services – primarily through efficiency measures and the continuation of Public Service Agreements.
11. The Government is currently carrying out a comprehensive spending review in 2007 which will set the spending priorities for the next five years.
 - Increasing opportunities by providing more resources for children's services.

Introduction



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 Economic Strategy
 - The Northern Way Growth Strategy
 - The Tyne Wear City Region Business Case
 - One North East Regional Development Agency Business Support Review
 - One North East Strategic Action Plan for Business Support
 - Service delivery by key partners in the Region including Business Link Tyne and Wear.

The local picture

13. The Medium Term Financial Plan is central to achieving South Tyneside's 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*.
14. Spirit of South Tyneside sets out how South Tyneside's Local Strategic Partnership will deliver the Community's

vision. Spirit of South Tyneside incorporates three key elements:

- **The Community Strategy** – this identifies the aims and objectives for achieving the Local Strategic Partnership's vision for South Tyneside. In short the Community Strategy outlines the most important things for the Borough (e.g. health, employment, crime) and makes clear what will be done to change things for the better;
- **The Local Neighbourhood Renewal Strategy (LNRS)** – this sets out our plans for improving life in our disadvantaged areas. The LNRS focuses on narrowing the gaps that exist currently between these neighbourhoods and other parts of the Borough. These gaps exist in health, employment, crime, education and other key areas.
- **The Local Area Agreement** – this is a three-year agreement between the Council, its partners and the Government. It sets out the most important priorities for improvement in South Tyneside with clear performance measures and targets. These are the things we must make progress on over the next three years.

Introduction



15. 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. This strategy will set the overall direction of underpinning operational plans which will deliver improvements on the ground.
16. 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 focussed on delivering our priorities and that all plans and strategies are consulted on and are based on robust policy and data analysis.
17. 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.
18. For the Council and the Local Strategic Partnership (LSP) performance management 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 monitoring and reporting system called PIMS. This ensures that we regularly and comprehensively monitor performance.

19. Performance against the Medium Term Financial plan will be managed through our corporate systems.

Introduction



Equality, diversity and inclusion

20. 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.
21. Our equality and diversity principles are embedded in everything we do. In Spirit of South Tyneside, our commitment to equality and diversity is clear throughout and to be explicit, we have identified specific priorities in making communities safer and stronger.

Value for Money

22. We feel that aim of the local government Value for Money agenda is straight forward – we must use our resources in the best possible way to deliver better public services in line with the priorities of local people.
23. 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, 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.
24. Value for Money is part of our day job so we always assess Value for Money implications when making decisions and delivering services. In developing this strategy, Value for Money issues have been considered and embedded in our actions.

The South Tyneside picture



Understanding our current position

25. 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?

26. South Tyneside is part of the Tyne and Wear conurbation, situated on the coast next to the River Tyne. It covers 64 square kilometres with six areas – South Shields, Jarrow, Hebburn, Whitburn, Boldon and Cleadon.
27. The history of the borough is characterised by heavy industries such as shipbuilding, coal mining and heavy engineering industries. South Tyneside suffered industrial decline in the 1970s and 1980s with severe social and economic consequences and in December 2001 had the worst unemployment rate in England and Wales.
28. After working to tackle the problems of unemployment and economic regeneration, South Tyneside had climbed 12 places up the list by December 2004 and a

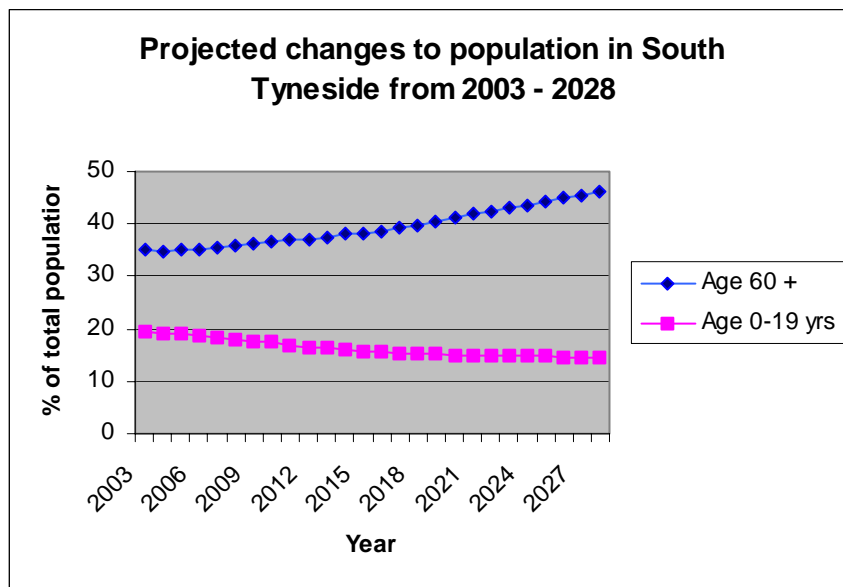
further 5 places by December 2005 (Source NOMIS Jobseekers Allowance claimant count rate).

29. Deprivation however remains extensive in South Tyneside. 6 out of 10 residents live in neighbourhoods ranked in the 25% most deprived in England. Unemployment is still higher than the regional average – in September 2005 South Tyneside's unemployment rate was 4.2% compared to average of 2.9% for the North East. Almost a third of children live in families that receive income related benefits, such as Job Seeker's Allowance.
30. The majority of South Tyneside's population is white British. Data from the 2001 census, indicated that 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.
31. The Borough's population is reducing overall, and is declining at a faster rate among children and young people. Our total population has fallen from 156,847 in 1993 to 151,500 today and indications are that it may fall as low as c.145, 000 by 2020 / 2021.

The South Tyneside picture



32. 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:



33. 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%.

34. 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.

35. 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, and represents a major challenge for the future.

The South Tyneside picture



What progress have we made so far?

36. Our Corporate Performance Assessment in December 2004 helped to demonstrate the rapid progress we have made. Our service scores increased from 42 points in 2002 to 46 in 2004 and council ability improved from 27 points in 2002 to 38 in 2004. We are the only council in CPA history to move directly from 'fair' to 'excellent'. Under the new harder test in 2005, we achieved a 3 Star, Improving Well rating.
37. In 2006 we were awarded the best possible rating by the Audit Commission - judged as an excellent, four-star council, improving strongly, one of only 10 Authorities nationally to have scored top marks in both the direction of travel and overall performance. We have improved our performance in our use of resources, our approach to delivery in cultural services, our environmental services and housing since the last assessment. All of our services are now 3 out of 4, with culture and the environment achieving the maximum of 4 out 4.
38. This shows the significant strides we have made since the last assessment in 2005; it shows us to be a Council that has built on the strong foundations that we have made since 2002 when we were judged to be a 'fair' Council. We are extremely proud of our assessment,

which is testament to our commitment and drive to make South Tyneside a better place for people to live, work and visit.

39. We recognise that there is still much to achieve and we will continue to exceed our high ambitions by driving through improvements and efficiencies in our services.
40. In the 2006 Direction of Travel Scorecard, the Audit Commission reported that:

'Services are improving in priority areas and service satisfaction is high and increasing. Services for older people and for children and young people are good and improving. Exam results continue to improve and the gap between local and national averages is closing significantly. Adult social care is increasing the opportunity for independence through a wider range of support. Environmental services are good and continue to improve, and recycling targets have been met. Cultural facility improvements have contributed to increased usage and satisfaction. Regeneration schemes are increasing employment opportunities, with significant external funding secured to transform the economy. Low crime levels continue to fall, although anti-social behaviour remains an issue. The Council is improving public sector housing services but the number

The South Tyneside picture



of non-decent homes remains high. The Council is improving access to services and has responded to improve poor performance in processing benefit claims. The Council continues to work well with communities through improved consultation to develop future plans. Management arrangements are strong and financial management has improved. There is a focus on delivering improvements to priority and under-performing services’.

Source: Audit Commission 2006 Direction of Travel Summary, February 2007

41. Every year our Local Strategic Partnership undergoes and 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.
42. 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.
43. 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.
44. 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.
45. 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.

3. Our vision, objectives and priorities



Our vision for the Medium Term Financial Plan

46. 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.

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

47. 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.

48. 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 2007/08 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.

4. What are the Council's spending plans



49. The tables below summarise our revenue spending plans for 2007/08 and provisional spending plans for 2008/09 and 2009/10.

2006/07 Budget £m	Revenue Spending Forecast	2007/08 Budget £m	2008/09 Provisional Spending £m	2009/10 Provisional Spending £m
202.309	Base Budget	216.365	221.064	228.282
23.823	Standstill Pressures	14.879	14.896	11.054
1.486	Priority Led initiatives	0.502	0.064	0.400
- 11.253	Redirection of Current Spending	- 10.682	- 7.742	- 4.119
216.365	TOTAL Revenue Spending Plans	221.064	228.282	235.617
4.75%	Percentage increase in Council budget	2.17%	3.27%	3.21%

2006/07 Budget £m	Revenue Spending Forecast	2007/08 Budget £m	2008/09 Provisional Spending £m	2009/10 Provisional Spending £m
Directorate Revenue Budgets				
118.822	Children and Young People	115.674	119.744	124.454
83.631	Neighbourhood Services	82.303	84.620	86.493
7.645	Regeneration and Resources	6.411	6.324	6.629
0.243	Chief Executive's Office	0.192	0.175	0.166
6.024	Corporate Finance	16.484	17.419	17.875
216.365	TOTAL Directorate Revenue Budgets	221.064	228.282	235.617



4. What are the Council's spending plans

50. During 2006/07, budget responsibility for Community Education transferred to the Executive Director for Neighbourhood Services from Children and Young People Directorate. This transfer of £3.216m is reflected in the difference between 2006/07 budget and 2007/08 budget in the table on the previous page.
51. 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.
52. Appendix 1 details the 2007/08 revenue budgets for each service and names the budget holder responsible for managing the budget. Appendix 2 details the 2007/08 capital budgets for each service.
53. 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.

4. What are the Council's spending plans



54. The table below summarises our capital spending plans for 2007/08 and provisional spending plans for 2008/09 to 2010/11.

Revised 2006/07 £m	Council Capital Programme	Provisional Capital Programme					Programme
		2007/08 £m	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	TOTAL £m
12.068	Planned Maintenance Programme	6.363	7.598	6.018	5.343	5.343	30.665
43.808	Capital Priority Schemes	33.466	52.230	17.615	19.297	27.745	150.353
16.991	Housing Programme	14.336	14.355	14.325	14.286	14.238	71.540
17.277	ALMO Decent Homes Programme	20.004	26.138	26.139	26.138	32.673	131.092
90.144	TOTAL Council Capital Spending Plans	74.169	100.321	64.097	65.064	79.999	383.650

55. In 2007/08, we plan to spend £221.064m (an increase of £4.699m or 2.17%) on our services and £74.169m on capital priorities and maintenance programmes. Our capital plans for later years reflect funding for the Building Schools for the Future programme to modernise and upgrade our secondary school buildings. The plans also reflect investment to meet the Decent Homes standard across all our council housing stock. The funding of £166.699m (£131.092m for the period 2007 to 2012 and £35.607 in 2013) is reliant upon our achievement of a minimum 2-star inspection rating for our Housing Service in 2007.
56. Our spending plans are explained in more detail in the following sections.

5. Spending on current services



57. 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 £14.879m or 6.87% next year, a further £14.896m in 2008/09 and a further £11.054m in 2009/10.
58. The table below details our standstill pressures over the next three years.

Revenue Standstill Pressures	2007/08 £m	2008/09 £m	2009/10 £m
Inflation			
Pay Inflation	2.567	2.594	2.626
Pay Increments (staff not yet at top of scale) plus pay budget adjustments	0.618	0.380	0.290
Net inflation on prices and income	4.409	4.151	4.215
Increase in Foster Rates (to minimum national rate)	0.050	0.000	0.000
Increase in Employers Pension Rate	0.000	4.800	0.320
Pension Deficit payments	0.638	0.000	0.000
Increase in PTA Levy	0.234	0.233	0.238
	8.516	12.158	7.689
Demand Led			
Implementing "True Cost of Care"	0.200	0.200	0.000
Decrease in landfill volumes	-0.075	0.075	0.000
Increase in licensing and other environmental protection income	-0.024	0.000	0.000
Homelessness (increase in activity)	0.030	0.000	0.000
Increase in Adoption Inter Agency Fees	0.052	0.000	0.000
Increase in Adoption Rate Fees	0.082	0.000	0.000
	0.265	0.275	0.000

5. Spending on current services



.....Revenue Standstill Pressures continued	2007/08	2008/09	2009/10
	£m	£m	£m
Statutory / Legislative			
Increase in Landfill Tax	0.222	0.000	0.000
Local Development Framework reprogramming	-0.128	0.277	-0.277
Health and Safety Audits	0.030	0.000	0.000
Requirement to inspect the coastline annually	0.020	0.000	0.000
Health and Safety work to headstones	0.050	0.000	0.000
Ongoing paybill increase resulting from Job Evaluation	2.303	0.114	0.118
Revenue costs of Equal Pay claims	0.618	0.000	-0.130
Electoral Administration Act - collecting and checking identifiers	0.050	0.000	0.000
	3.165	0.391	-0.289
Other Unavoidable Changes			
Adjusted income receipt from Primary Care Trust	1.002	0.000	0.000
Additional accommodation costs at Clarendon	0.110	0.000	0.000
New Supported Living Scheme at Wenlock - Full year effect	0.120	0.000	0.000
Adjustment to the recharges to the HRA	0.190	0.000	0.000
Revenue cost of teacher redundancies (including debt charges)	1.612	0.060	0.060
Budget rebase for grant income allocations	0.195	0.000	0.000
Reduction in BSF grant income	0.025	0.000	0.000
Maintenance cost of new financial system	0.101	0.000	0.000
Removal of Financial Systems Project Team Recharges to Capital Programme	0.278	0.000	0.000
Increased running costs re Circatex Building	0.019	0.000	0.000
Ongoing costs re financial systems project team	0.050	0.000	0.000
Reduced NNDR on Civic Buildings	-0.047	0.000	0.000
Removal of ICT Development Recharges to Capital Programme	0.168	0.000	0.000
Funding for Equal Pay Solicitor	0.042	0.000	0.000
Reduction in insurance premiums	-0.189	0.000	0.000
Increase charge to Capital Projects re Design Team	-0.084	0.000	0.000
Funding for Organisational Development Assistant	0.033	0.000	0.000
Increased Running Costs re Charlotte Terrace	0.040	0.000	0.000
Reduced income from Industrial Units/Other Premises	0.206	0.000	0.000
Removal of Strategic Partnership Budget	0.000	-0.425	0.000

5. Spending on current services



.....Revenue Standstill Pressures continued	2007/08 £m	2008/09 £m	2009/10 £m
Removal of one year provision re recharge to Capital programme	0.044	0.000	0.000
Removal of provision for change management in Children and Young People directorate	0.000	-0.150	0.000
Reduced spending for supplies and services	-0.587	0.030	-0.015
Demolition of multi storey car park	-0.007	0.000	0.000
Cessation of mainframe service	-0.162	0.000	0.000
Postponement of telephone switch service replacement	-0.028	0.000	0.000
Revision of insurance premiums provision	-0.100	0.000	0.000
Deletion of Procurement contract recharge to South Tyneside College	0.009	0.000	0.000
Removal of Strategic Procurement Savings Target	0.200	0.000	0.000
Removal of STEP Budget	-0.020	0.000	0.000
Increased costs re Single Status/Job Evaluation Team	0.021	0.000	0.000
Removal of Single Status Team	0.000	-0.214	0.000
Removal of Business Rate Growth Incentive Scheme	0.000	0.200	0.000
Removal of Staffing Redundancy Provision	-1.540	0.000	0.000
Airport dividend replaced by special dividend in 2007-08	0.200	0.000	0.000
Change in Income from Investments	-0.971	0.551	0.803
Increased Debt Charges	0.855	1.444	2.825
	1.785	1.496	3.673
Changes to External Grants and Recharges			
Changes to Social Services Grants, based on figures released by Dept of Health	0.128	0.121	0.000
Changes in Safer Communities external grant	-0.009	-0.004	0.000
Mainstreaming of Planning posts when Planning Delivery Grant ends	0.000	0.127	0.000
Excess Estimate of Planning Delivery Grant	0.065	0.000	0.000
Reduction of Planning Delivery Grant by 15%	0.026	0.000	0.000
Additional costs funded by Waste Pressures Grant	0.155	0.000	0.000
Grant funding for new smoke-free legislation	-0.079	0.079	0.000

5. Spending on current services



.....Revenue Standstill Pressures continued	2007/08	2008/09	2009/10
	£m	£m	£m
NRF Swimming coach grant	-0.028	0.028	0.000
End of various Grant funding	-0.006	0.000	-0.003
Changes in CYP grant funding	-0.096	0.000	0.000
Reduction in Dedicated Schools Grant	-0.305	0.000	0.000
Education Welfare Service - loss of NRF grant for 2 FTE posts	0.000	0.064	0.000
Reduced C Tax/Housing Benefit Admin Grant	0.273	0.238	0.000
Reduction in Urban Programme Grant Repayment	0.000	-0.036	-0.016
Changes in NRF Admin Grant	0.037	0.000	0.000
Phasing out of Implementation and Monitoring Team (Time expired)	0.025	0.159	0.000
Reduction in ICT Support Charge recharge to Schools	0.051	0.000	0.000
Movement in Recharges	0.911	0.000	0.000
	1.148	0.776	-0.019
TOTAL STANDSTILL PRESSURES	14.879	15.096	11.054

59. 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.
60. As well as this, demand for our services, especially adult care, continues to increase and means that we need to spend more money just to carry on providing the services we currently offer.

6. Spending on planned maintenance



61. The Council also needs to spend money to maintain our assets and meet estimated capital commitments carried forward from 2006/07.
62. We plan to spend £6.363m on planned capital maintenance in 2007/08. The table over the page shows our detailed programme.

6. Spending on planned maintenance



Capital Planned Maintenance Programme	Provisional Programme					TOTAL
	2007/08	2008/09	2009/10	2010/11	2011/12	
	£m	£m	£m	£m	£m	£m
Council Assets Maintenance Programme						
R&RPM01 Energy Efficiency Improvements	0.045	0.045	0.045	0.045	0.045	0.225
R&RPM02 Social Care & Health Facilities	0.150	0.650	0.405	-	-	1.205
R&RPM03 Improve Access to Building (DDA Programme)	0.225	0.090	0.090	-	-	0.405
R&RPM04 Health & Safety Works to Asset Portfolio	0.225	0.135	0.135	0.045	0.045	0.585
R&RPM05 Community Centre Repair Programme	-	0.150	-	-	-	0.150
R&RPM06 Front Line Buildings / Civic Buildings Maintenance	0.200	0.430	0.270	0.180	0.180	1.260
R&RPM07 Riverside Maintenance	0.050	0.450	-	-	-	0.500
			-	-	-	-
	0.895	1.950	0.945	0.270	0.270	4.330
Neighbourhood Services Maintenance Programme						
NSPM01 Adoption of Back Lanes	0.100	0.100	0.100	0.100	0.100	0.500
NSPM02 Improving the Quality of Footpaths	0.200	0.200	0.200	0.200	0.200	1.000
NSPM03 Maintain and Improve Subways	0.100	0.100	-	-	-	0.200
NSPM04 Integrated Transport Programme (LTP)	1.086	1.086	1.086	1.086	1.086	5.430
NSPM05 Highways Maintenance Programme (LTP)	1.167	1.167	1.167	1.167	1.167	5.835
NSPM06 Highways Infrastructure Improvements	0.200	0.200	0.200	0.200	0.200	1.000
NSPM07 Maintain and Improve Footbridges	0.025	0.475	-	-	-	0.500
NSPM08 Flood Alleviation Schemes	0.080	-	-	-	-	0.080
NSPM09 Alterations to the STAR centre	0.190	-	-	-	-	0.190
	3.148	3.328	2.753	2.753	2.753	14.735
School Assets Maintenance Programme						
CYPPM01 School Asset Condition and Suitability	0.500	0.500	0.500	0.500	0.500	2.500
CYPPM02 Schools Devolved Capital Spending	1.730	1.730	1.730	1.730	1.730	8.650
	2.230	2.230	2.230	2.230	2.230	11.150
Design and Feasibility - New schemes	0.090	0.090	0.090	0.090	0.090	0.450
TOTAL Council Planned Maintenance Programme	6.363	7.598	6.018	5.343	5.343	30.665



7. Spending on Council priorities

63. 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.
64. As can be seen from the following paragraphs, we have identified many priorities for which we need to allocate resources towards over the medium term. To add further focus in working towards our priorities we have identified 13 critical projects, which we've called 4-Stars Plus Projects, for the Council for 2007-10. 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 information below shows each project with a summary of what we are aiming to achieve. 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. Three of our previous 3-Star Plus projects will be carried forward into the 2007/08 4-Star Plus Programme and an additional 10 new projects have been added, making 13 in total.
65. Projects carried forward from the 2006/07 3* Plus Programme:
- ❑ Deliver an excellent housing service
 - ❑ Implement single status
 - ❑ Improve value for money

Ten new 4* Plus projects added for 2007/08:

- ❑ Provide primary schools fit for the 21st Century
- ❑ Improve outcomes for our looked after children
- ❑ Embrace Equality and Diversity
- ❑ Regenerate South Shields Riverside and make our Foreshore outstanding
- ❑ Develop a strategic partnership
- ❑ Enhance individual performance



7. Spending on Council priorities

- ❑ Develop local enterprise
- ❑ Provide excellent customer service
- ❑ Do our bit to tackle climate change and protect the environment
- ❑ Provide state of the art leisure facilities



Helping people into jobs and encouraging enterprise

66. Over the past year, we have made real progress towards our vision of making South Tyneside **a centre for enterprise and innovation where new and existing businesses can realise their full potential and people can find jobs.**
67. We successfully secured £16.2m funding from the Local Enterprise Growth Initiative (LEGI) to support the transformation of our economy through supporting and increasing new business start-ups and helping new and existing businesses to grow and thrive. Our LEGI programme is already making a difference; we have already helped applicants on incapacity benefit and job seekers allowance to start their own businesses. This builds on our success of over-achieving on all of our challenging Local Public Service Agreement stretch targets aimed at getting single parents and people on incapacity benefits into sustainable employment.
68. Our proposal for a Strategic Partnership with the private sector is progressing well and we expect to create a minimum of 300 additional, sustainable job opportunities along with a new business centre.
69. Epinay School is the first special school nationwide to achieve specialist school status for business and enterprise. South Tyneside Sure Start is developing initiatives to encourage people to learn new skills in preparation for employment and we



7. Spending on Council priorities

have secured both the P4P (preparation for progression) and E2E (entry to employment) contracts, which support young people in developing skills ready for work and additional training. Newly created Community Employment Officer posts will also work in six neighbourhood renewal fund target areas to give support and identify opportunities to provide more employment.

70. In 2005/06, we spent £2m of revenue funding and invested £2m of capital spending to help people into jobs and encourage enterprise. We plan to invest more capital resources towards this priority area from 2007/08 as shown in the following table.

Capital Priority Schemes		Provisional Programme					TOTAL
		2007/08	2008/09	2009/10	2010/11	2011/12	
		£m	£m	£m	£m	£m	£m
Jobs and Enterprise							
R&RC02	Business Support Fund	0.250	0.250	0.250	0.250	0.250	1.250
R&RC03	A19 Jobslink Corridor	1.330	-	-	-	-	1.330
		1.580	0.250	0.250	0.250	0.250	2.580

Helping people to live independent and healthy lives

71. We have been working towards making South Tyneside **a place where people are healthy, and live longer because of the changes they have made to their lifestyles.**
72. The proportion of adults helped to live at home has increased, with fewer people admitted to residential and nursing care homes. We have steadily reduced the number of older people in residential and nursing care by 25% in the past three years by offering support in the community.



7. Spending on Council priorities

73. We have increased the amount of extra care housing available to older people. In-house services have expanded and we are about to launch our assistive technology scheme, providing support to people in their own homes using new communications and modern equipment. We have also opened two new day services for people with learning disabilities, providing modern 21st century care for users, offering more choice and control.
74. South Tyneside's Sports Development Team have made significant progress this year in engaging people to adopt healthier lifestyles. Attendance on the sports development programmes increased by a phenomenal 55.8%. The new Bodywise suite at our Temple Park Leisure Centre has opened following the installation of state-of-the-art fitness equipment.
75. An increase in benefit uptake through welfare rights and independent advice agencies has secured additional benefits exceeding £2m. In the last two years, Citizen's Advice Bureau (CAB) has increased the benefits residents receive by £1.9m with significant 'added value' of improved health and well being. The CAB has also attracted external funding to the value of £5 for every £1 invested by the Council.
76. We spend over 20% of our revenue budget (around £40m) in improving health and helping people to live independently. The following table shows a new revenue priority for next year.

Priority-Led Growth Proposals	2007/08	2008/09	2009/10
	£m	£m	£m
Independent and Healthy Lives IIHLD1: Implementing the new smoke-free legislation	0.079	-0.079	0.000

77. The table below shows our new capital priorities for the next five years.



7. Spending on Council priorities

Capital Priority Schemes	Provisional Programme					TOTAL
	2007/08	2008/09	2009/10	2010/11	2011/12	
	£m	£m	£m	£m	£m	
Independent and Healthy Lives						
NSC02 Disabled Facilities in Private Housing	1.125	1.125	1.125	1.125	1.125	5.625
NSC03 Social Care & Health ICT System upgrade	0.113	0.113	0.113	0.113	0.113	0.565
	1.238	1.238	1.238	1.238	1.238	6.190

Making communities safer and stronger

78. We are making real progress towards making South Tyneside **a place where crime is the exception rather than the rule, everyone feels involved and people understand and respect each other.**
79. Crime continues to reduce through our strong partnering arrangements and financial investment. This is extremely important for our residents – they continually tell us that community safety, crime reduction and tackling anti-social behaviour are among their top priorities. Results from our latest residents survey show that 84% of people generally feel safer in their area, although fear of crime still remains an issue. We are tackling this issue with coordinated actions, including improving street lighting, employing Rangers in our parks, and providing a single non-emergency number service.
80. We have made significant improvements and the overall crime rate continues to drop, reducing by 2.3%; burglary to homes is down 18%; burglary from other premises down 8%; and criminal damage down 7%. Youth crime has also reduced by a dramatic 23% over the past four years.



7. Spending on Council priorities

81. We have made significant progress with our neighbourhood working agenda. This has been recognised nationally as we have been short listed for an award called 'Beacon Status' under the theme 'Neighbourhood and Community Champions: the role of elected members'. Our approach to area and neighbourhood working will allow everyone in South Tyneside to be involved in shaping the services they use and the places in which they live.
82. We have also been short listed for Beacon Status for our work in tackling debt. With our partners, we have addressed debt by focusing on self-help, which in turn promotes self-esteem and healthier communities.
83. We are strongly committed to the national equality and diversity agenda and in 2005/06, we progressed from level 1 of the Equality Standard for Local Government to level 2. We are producing a new race equality scheme for 2006-2009 and a disability and gender equality scheme. In June 2006, STRIDE, South Tyneside's community network, organised an event to raise awareness and gather views on community cohesion issues amongst different stakeholders. Our Young People's Parliament and Older People's Parliament, Forum 50, are providing excellent opportunities for both young and older people to have their views heard and acted upon.
84. We will continue to make communities safer and stronger in South Tyneside. We spend around £1m of our revenue funding each year to do this. In addition, we plan to make further investment in our Neighbourhood Strategy next year as shown in the table below.

Priority-Led Growth Proposals	2007/08	2008/09	2009/10
	£m	£m	£m
Safer and Stronger Communities			
SSC01: Implementing the Neighbourhood Strategy	0.141	0.000	0.000



7. Spending on Council priorities

85. The table below shows our capital priority for making communities safer and stronger over the next five years.

Capital Priority Schemes	Provisional Programme					TOTAL
	2007/08	2008/09	2009/10	2010/11	2011/12	
	£m	£m	£m	£m	£m	
Safer and Stronger Communities						
R & RC01 Community Area Forums Grant	0.100	0.100	0.100	0.100	0.100	0.500
	0.100	0.100	0.100	0.100	0.100	0.500

Helping every child and young person achieve their potential

86. Achieving our vision of **a brighter future for all children and young people in South Tyneside** is fundamental to the future of the borough. Over the last year, we have strongly improved 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 2006 Annual Performance Assessment states that our service consistently delivers above minimum requirements for users and our capacity to improve is good.
87. Building on last year's success, our young people have again recorded our highest ever GCSE exam results, a further 5% improvement on last year's attainment. We now have 56.7% of pupils gaining 5 or more grades C and above, showing an improvement rate above the national average for the third consecutive year. Students also celebrated the Borough's best ever A-level results with a 98% pass rate at grades A-E. This year's strong results put us above the national average for the first time in our history and our annual improvement is significantly higher than the national average.



7. Spending on Council priorities

88. Permanent exclusions from the Borough's schools rose in 2004/05 to an unacceptable level of 9.7% so we took prompt action. As a result of several attendance initiatives including Attend to Achieve, a local radio campaign and more fixed penalty notices and prosecutions, absence has fallen to 8.5% in 2005/06, making us one of the 10 best Councils in the Country in terms of reducing unauthorised absence.
89. Our outcomes for Looked after Children have improved strongly. The number of Looked after Children achieving GCSEs has improved significantly. We now have a higher proportion of care leavers in education, training and employment at age 19 than their peers outside the looked after system.
90. We continue to reduce teenage pregnancies faster than the national and regional rates. Figures for 2005/06 show a 19.7% reduction against the baseline year of 1998 and there has not been a child born to a 14 year old in South Tyneside since 2000.
91. In June 2006, our Riverside Children's Centre opened. The £1.2m development was funded by a number of sources, including Sure Start, the Neighbourhood Renewal Fund and Neighbourhood Nurseries Initiative. In September 2006, the Biddick Hall and Whiteleas Children's Centre opened, becoming the seventh in a series of ten Childrens' Centres dedicated to providing quality facilities for children and their families, ensuring all youngsters receive the best possible start in life.
92. Over half of our revenue spending (around £118m in 2006/07) relates to our priorities for Children and Young People. The table below shows our new revenue priorities over the next three years.

Priority-Led Growth Proposals	2007/08	2008/09	2009/10
	£m	£m	£m
Children and Young People			
CYP01: Foster Payments increase to Foster Network advisory rates	0.000	0.143	0.000
CYP02: Jarrow BSF Funding Gap	0.000	0.000	0.400



7. Spending on Council priorities

93. The table below shows our planned capital priorities for Children and Young People over the next five years. A further three Childrens' Centres are planned following the award of funding from the government's Sure Start programme. The Building Schools for the Future programme is funded primarily from central government, with other funding being provided in various ways, including a Private Finance Initiative.

Capital Priority Schemes		Provisional Programme					TOTAL
		2007/08	2008/09	2009/10	2010/11	2011/12	
		£m	£m	£m	£m	£m	£m
Children & Young People							
CYPC01	Horsley Hill Campus	0.804	-	-	-	-	0.804
CYPC02	Building Schools for the future - excludes PFI funded schools	1.746	31.750	8.866	13.925	22.528	78.815
CYPC03	Primary School Reorganisation	0.400	0.400	0.198	0.648	0.935	2.581
CYPC04	Accommodation Review for Alternative Educaiton Service	-	0.300	-	-	-	0.300
CYPC05	Asbestos Removal Schools	0.200	0.200	0.300	0.100	-	0.800
CYPC06	Temporary Accommodation for New Secondary School	1.475	-	-	-	-	1.475
CYPC07	Children's Centres - Surestart	0.380	0.370	-	-	-	0.750
CYPC08	Primary Reorganisation Temporary Accommodation	-	0.250	0.250	-	-	0.500
CYPC09	School Access Initiative	0.225	0.225	0.225	0.225	0.225	1.125
		5.230	33.495	9.839	14.898	23.688	87.150



7. Spending on Council priorities

Building a sustainable environment with great housing and transport links

94. We want South Tyneside to be a **place people choose to live, work and visit**. In every survey across the borough, local people tell us that a clean and pleasant environment is important.
95. South Tyneside Homes became operational in April 2006. This Arms Length Management Organisation has been set up to manage, maintain and improve Council homes and estates. Real service improvements have already been delivered, including a choice based letting system, new methods of paying rent and the rollout of a new and improved repairs service.
96. The residents' survey revealed that satisfaction with the standard of Council housing is increasing within the community. Neighbourhood Renewal Funding has been secured for a landlord accreditation programme, currently being piloted in Rekendyke and Boldon New Town, before going Borough-wide in the next two years.
97. Our "Do Your Bit" campaign, launched in June 2005 to encourage all residents to contribute to an improved environment in South Tyneside, has gone from strength to strength. Environmental problems are addressed in a more proactive way, with prompter responses to calls from the public, and a range of neighbourhood clean-up days and litter picks organised.
98. In 2006, our "Blitz It" street-cleaning teams continued to deliver top-quality services and the recent residents' survey shows that 70% are satisfied with the street cleaning service and enforcement action is now targeted in hotspot problem areas.
99. Recycling and composting of household waste reached an all time high in 2005/06, with just over 21% of all household waste being recovered in this way. A new £1.3m Recycling Village has expanded our capacity to recycle more waste, diverting it away from landfill sites, and new schemes for the recycling and alternative disposal of domestic batteries, plastic bottles and white goods have proved to be a major success.



7. Spending on Council priorities

100. "Light It", our £63m programme to improve street lighting, went live in February 2006. The 25-year private finance initiative with Balfour Beatty is in place to improve and replace street lighting and signs in the Borough. The replacement programme is already having an effect in making residents feel safer at night and will also contribute to reducing accidents and vandalism.
101. We spend around £30m of our revenue funding each year in building a sustainable environment with great housing and transport links. The table below shows our new revenue priorities for the next three years.

Priority-Led Growth Proposals	2007/08	2008/09	2009/10
	£m	£m	£m
Environment, Housing and Transport			
EHT01: Mainstream funding for Community Wardens	0.224	0.000	0.000

102. The next table shows our Environment, Housing and Transport capital priorities over the next five years. Some of this capital investment, such as the Energy Efficiency Projects should generate future revenue savings.

Capital Priority Schemes	Provisional Programme					TOTAL
	2007/08	2008/09	2009/10	2010/11	2011/12	
	£m	£m	£m	£m	£m	£m
Environment, Housing and Transport						
NSC07 Crematorium - compliance with mercury emissions legislation	-	0.475	-	-	-	0.475
NSC08 Replacement of Vehicles & Plant Transport Section	-	0.500	0.500	-	-	1.000
NSC09 Cleadon Park Regeneration	1.802	3.651	0.037	-	-	5.490
NSC10 Improve Private Housing in the Borough	0.869	0.869	0.869	0.869	0.869	4.345
NSC12 Coastal Project Appraisal	0.370	-	-	-	-	0.370
NSC13 Coastal Protection Infrastructure	1.750	1.750	-	-	-	3.500
R&RC11 Carbon Management Strategy	0.100	0.100	0.100	0.100	0.100	0.500
	4.891	7.345	1.506	0.969	0.969	15.680



7. Spending on Council priorities

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

Housing Capital Programme	Provisional Housing Programme					Programme
	2007/08	2008/09	2009/10	2010/11	2011/12	TOTAL
	£m	£m	£m	£m	£m	£m
Secured Resources						
Delivering Decent Homes	8.569	8.588	8.558	8.519	8.471	42.705
High Priority Essential Work	3.737	3.737	3.737	3.737	3.737	18.685
TOTAL South Tyneside Homes Secured	12.306	12.325	12.295	12.256	12.208	61.390
Council Retained						
Special Adaptations Dwellings	1.200	1.200	1.200	1.200	1.200	6.000
Area Redevelopment Support	0.830	0.830	0.830	0.830	0.830	4.150
TOTAL Council Secured	2.030	2.030	2.030	2.030	2.030	10.150
TOTAL SECURED PROGRAMME	14.336	14.355	14.325	14.286	14.238	71.540
SOUTH TYNESIDE HOMES - ALMO FUNDING	20.004	26.138	26.139	26.138	32.673	131.092
TOTAL Housing Capital Programme (with ALMO)	34.340	40.493	40.464	40.424	46.911	202.632



7. Spending on Council priorities

Promoting well being, a sense of place and cultural opportunities

104. The Council is a major contributor in making South Tyneside a prosperous and vibrant place where people will want to live, work and visit. To achieve this, the Council must be prepared to change the way it works to become more effective and must let local people speak and also listen to what they have to say. We want to **make the most of our world-class heritage, breathtaking natural assets, events and festivals.**
105. In July 2006, we completed the refurbishment of Hebburn Library, including improved access and facilities for disabled people. Across all our libraries we have introduced a new library management system, TALIS, which will enhance the service for all users, allowing them to renew and reserve books, or change details online.
106. South Tyneside is one of just 15 areas in the country to pilot a scheme aimed at improving the lives of young children living in the Borough. The 2-year pilot provides free, high quality early years provision for 96 two-year olds, giving vital support at the start of their lives. The major refurbishment of our outdoor educational facility at Thurston has been completed, making the centre accessible for children and young people with disabilities.
107. The Borough's major leisure facilities have broken all previous attendance records by hitting one million visits during the 2005/06 financial year. Temple Park Centre, Monkton Stadium and Hebburn Pool all surpassed their attendance targets, and classes at school pools also showed healthy growth. Pupils visiting museums and galleries in organised school groups more than doubled from 19,597 visits in 2004/05 to over 40,000 in 2005/06.
108. We continue to attract funding for major external cultural events. The second successful Mouth of the Tyne festival in July attracted an estimated 65,000 people into South Shields. We again hosted the finish of the 26th Great North Run, with an estimated 50,000 runners competing in the world's largest half marathon. Both events have a significant impact on our local economy, placing South Tyneside firmly on the cultural map. The results of our annual foreshore survey showed that 98% of visitors to the Borough said that their visit had been good or very good, compared to 96.7% in 2005. Average spend per person also increased by 15%.



7. Spending on Council priorities

109. We made a successful bid to the Heritage Lottery Scheme to restore South Shields Marine Park which will see £5m of funding invested into the park, restoring its original Victorian grandeur.
110. In October 2006, the Department of Culture, Media and Sport announced that the Anglo-Saxon monastery Wearmouth-Jarrow would be the UK's nomination for UNESCO World Heritage Site status in 2009. This is a major achievement with vast potential in terms of tourism development, regeneration and economic impact along with broad educational opportunities. The government is only allowed to put forward one nomination each year, so this is a significant achievement following years of hard work by the Wearmouth-Jarrow Partnership. The Arbeia Roman Fort feasibility study is now complete.
111. We spend around £9m of revenue resources each year in working towards promoting well being, a sense of place and cultural opportunities. The table below shows new areas of revenue spend for next year.

Priority-Led Growth Proposals	2007/08	2008/09	2009/10
	£m	£m	£m
Culture and Wellbeing			
CWD1: Reinstate Area Tourism Partnership	0.030	0.000	0.000
CWD2: Establish Swimming Coach	0.028	0.000	0.000



7. Spending on Council priorities

112. The following table shows the key culture and well being capital priorities over the next five years.

Capital Priority Schemes	Provisional Programme					TOTAL
	2007/08	2008/09	2009/10	2010/11	2011/12	
	£m	£m	£m	£m	£m	
Culture and Well Being						
NSC05 South Marine Park	2.110	1.905	0.182	0.342	-	4.539
NSC06 Customs House Capital Grant	0.818	0.022	-	-	-	0.840
	2.928	1.927	0.182	0.342	-	5.379

Regeneration and Resources

113. South Tyneside is changing to become a place where people are **proud to live, work and visit with a modern, high performing local authority** that is fully in touch with its communities.
114. In May 2006, the first homes from the ambitious £93m Cleadon Park regeneration project were handed over to returning tenants. This flagship development provides excellent social and market housing, enhanced community facilities, in addition to new training and employment opportunities for local residents.
115. Work has begun on a new and impressive Primary Care Centre in Hebburn. The centre, developed in partnership with the Primary Care Trust, will offer excellent medical facilities for local people.



7. Spending on Council priorities

116. We continue to progress our joint Building Schools for the Future programme with Gateshead Council. The £112m scheme will allow the rebuild, remodelling and refurbishment of secondary schools across the Borough. Excellent progress has also been made with the new £17.5m Boldon School, which opened in October 2006. The new facilities will enhance the school's reputation for sporting excellence, with the establishment of a swimming pool, sports hall, gym, sauna, fitness room and 200-seat theatre that is available to the community outside of school hours. Seaview Primary School also opened in September, integrating three separate schools onto one site providing a new 420-place flagship primary school with a 26-place nursery unit. The new development incorporates a Children's Centre along with a rebuild of a special school, helping to reduce 200 surplus places.
117. When residents contact the Council their impressions are more positive than ever. We have improved through training and a strong focus on customer care with the vast majority of residents finding staff more friendly, helpful, efficient and interested in their enquiry.
118. We are one of fourteen partners involved in a new 101 single non-emergency service before it goes live across England and Wales in 2008. Our Customer Contact Centre is involved in dealing with the calls, providing advice on community safety and anti-social behaviour issues. We have already had 1600 service requests since the project went live in July 2006, resulting in action being taken in a variety of areas to reduce noise pollution, fly tipping, graffiti, abandoned vehicles and harassment.
119. Strong progress has been made in improving our communication and consultation, with the publication of our A-Z guide to services and council tax, which was short listed in the Chartered Institute of Public Relations (CIPR) Local Government Group Excellence in Communications awards. We have also been celebrating recently as the 'Big Thank You' award was announced as the winner for the 'Use of Internal Communication' category of the CIPR 2006/07 awards. We have been selected as one of twelve national best practice case study authorities for the Department for Communities and Local Government and IdeA Connecting with Communities project. This will promote innovative and interesting communication and consultation work and support improvements nationally.



7. Spending on Council priorities

120. Our website is more popular than ever with a 27.9% increase in visits recorded. Our consultation roadshow was extremely popular this year, with 4,000 people attending. We have received national recognition for our budget consultation where we ran SIMALTO workshops with around 200 people (including young people, BME groups and disabled groups) to get views on where the Borough's resources should be allocated and the level of council tax. Our residents asked us to keep any rise in council tax to a minimum and we did this, raising council tax by just 3.7% in 2006/07, our lowest increase for a decade and the second lowest increase in Tyne and Wear, where the average increase of neighbouring authorities was 3.9%.
121. We are committed to becoming an authority that is fully in touch with the community - delivering real improvements and excellent value for money. Around £10m of our revenue budget is allocated to our Regeneration and Resources priority.
122. The table below shows our key Regeneration and Resources capital priorities over the next five years.

Capital Priority Schemes		Provisional Programme					TOTAL
		2007/08	2008/09	2009/10	2010/11	2011/12	
		£m	£m	£m	£m	£m	£m
Regeneration							
R&RC05	Tyne Gateway/Riverside Regeneration	1.330	1.000	1.000	1.000	1.000	5.330
R&RC06	Customer Service Strategy	0.491	0.375	-	-	-	0.866
R&RC08	Regeneration of Land Purchases	0.250	0.250	0.250	0.250	0.250	1.250
R&RC09	Regeneration & Transformation Fund	0.250	0.250	0.250	0.250	0.250	1.250
R&RC11	Achieving Regeneration of the Borough	2.000	-	-	-	-	2.000
		4.321	1.875	1.500	1.500	1.500	10.696
Resources							
R&RC04	External Funding Development Fund	0.100	-	-	-	-	0.100
R&RC07	Single Status Compensatory Payments	13.078	6.000	3.000	-	-	22.078
		13.178	6.000	3.000	-	-	22.178



8. Redirecting current revenue spending

123. 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 56 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.
124. 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.
125. Proposals for reducing spending and increasing efficiency for each Council priority theme are shown in the following table:



8. Redirecting current revenue spending

Redirection Proposals	2007/08 £m	2008/09 £m	2009/10 £m
Children and Young People			
CYP01: Catering service efficiencies	0.080	0.000	0.000
CYP02: Directorate support admin review	0.122	0.000	0.000
CYP03: Non-delegated schools budget	0.095	0.000	0.000
CYP04: Independent Foster Agency place reductions	0.176	0.000	0.000
CYP05: Children with Disabilities service review	0.074	0.000	0.000
CYP06: Review of childrens' homes	0.200	0.143	0.000
CYP07: Reconfigure services at Jane Fry and Riverside Childrens Centre	0.250	0.000	0.000
CYP08: Cease contribution to Simonside Lodge Family Support Project	0.100	0.000	0.000
CYP09: Increased grant funding directed from CAMHS	0.050	0.000	0.000
CYP10: Early Intervention & Safeguarding service reconfiguration	0.304	0.000	0.000
CYP11: Restructure of Behaviour Support Service	0.100	0.000	0.000
CYP12: Standards Fund grant contribution	0.166	0.000	0.000
CYP13: Social Inclusion & Achievement staffing review	0.130	0.000	0.000
CYP14: Extended Services Standards Fund grant contribution	0.040	0.000	0.000
CYP15: Youth Services rationalisation	0.100	0.000	0.000
CYP16: Early Years rationalisation	0.200	0.000	0.000
CYP17: Play Development Service	0.100	0.000	0.000
CYP18: Reduction in Council contribution to Outdoor Education facilities	0.050	0.000	0.000
CYP19: Increased employee turnover target	0.750	0.000	0.000
Jobs and Enterprise			
JE01: Provision of support for LEG1 Marketing & increased income for Marketing Team	0.027	0.000	0.000
JE02: Reduction in Economic Development Marketing and Business Development budgets	0.039	0.000	0.000
JE03: Increase external funding for Employment Development Team	0.105	-0.055	-0.050
Regeneration			
REGEN01: Restructure of Regeneration and Economic Development Teams	0.052	0.000	0.000



8. Redirecting current revenue spending

.....Redirection Proposals continued	2007/08 £m	2008/09 £m	2009/10 £m
Resources			
RES01: Value for Money Review of Revenue and Benefits Service	0.273	0.238	0.000
RES02: Value for Money Review of Financial Services	0.200	0.100	0.000
RES03: Value for Money Review of Financial Management	0.050	0.000	0.000
RES04: Restructure of ICT Development Service Team	0.061	0.020	0.000
RES05: Reduction in Asset Management Repairs and Maintenance budgets	0.250	0.000	0.000
RES06: Restructure of Energy Management Team	0.027	0.000	0.000
RES07: Restructure Chief Executive's Office and centralise Policy and Performance teams	0.100	0.060	0.000
RES08: Process reengineering & review of staffing and premises	0.030	0.000	0.000
RES09: Increase income for adult social care clients from benefits maximisation	0.050	0.000	0.000
RES10: Potential growth in Home Office contracts income	0.150	0.100	0.075
RES11: Restructure Support Services	0.284	0.000	0.000
RES12: Charges to Airport Local Authority holding company	0.020	0.000	0.000
RES13: Reduce travel costs for staff and Members	0.100	0.000	0.000
RES14: Changes to essential car user scheme	0.116	0.000	0.000
RES15: Centralise ICT and other efficiency savings in NS Directorate Support	0.100	0.000	0.000
Environment, Housing and Transport			
EHT01: Holding vacancies	0.030	0.000	0.000
EHT02: Increase fees above inflation & reduce subsidy to canteen	0.172	0.000	0.000
EHT03: Trade Waste Collection savings	0.028	-0.020	0.000



8. Redirecting current revenue spending

.....Redirection Proposals continued	2007/08	2008/09	2009/10
	£m	£m	£m
EHT04: Savings to fleet maintenance	0.050	0.000	0.000
EHT05: Review charging within Strategic and Regulatory Services	0.230	0.000	0.000
EHT06: Market advertising space	0.150	0.000	0.000
EHT07: Mount a mobile mast on the Middlefields Turbine	0.030	0.000	0.000
EHT08: Delete vacant post within Highways Maintenance Team	0.033	0.000	0.000
EHT09: Absorb Beach cleaning operation into Blitz-it	0.025	0.000	0.000
EHT10: Recharge an element of Warden services to South Tyneside Homes	0.050	0.000	0.000
EHT11: Increased memorial income	0.015	0.000	0.000
EHT12: Reduced spend on Emergency Planning	0.020	0.000	0.000
EHT13: Recharge supervision and management of the Local Transport Plan to capital	0.020	0.000	0.000
Safer and Stronger Communities			
SSC01: More efficient use of external funding within community safety	0.100	0.000	0.000
SSC02: Combine Community Safety and Anti Social Behaviour Teams	0.040	0.000	0.000
Independent and Healthy Lives			
IHL01: Process reengineering & review of staffing and premises	0.037	0.000	0.000
IHL02: Supporting people through Assistive technologies	0.221	0.179	-0.100
IHL03: Reduce maximum levels of respite care & cease holiday payment scheme	0.317	0.000	0.000
IHL04: Review of direct prov of internally managed services across C&C	0.400	0.150	0.000
IHL05: General review of contracting/driving out efficiencies Commissioning & Care	0.150	0.250	0.250
IHL06: Review charges in certain areas and freq of reassess Commissioning & Care	0.125	0.025	0.000
IHL07: Develop Adult Placement Scheme & fund advocacy services through PCT LDDF funding	0.070	0.100	0.000
IHL08: Value for Money Review of all contracts with the Third Sector	0.500	0.000	0.000
IHL09: Develop horticultural and laundry businesses	0.000	0.100	0.000
IHL10: Review of staffing within social work functions	0.470	0.000	0.000
IHL11: Stimulate Volunteering as solution to service provision Commissioning & Care	0.100	0.100	0.100



8. Redirecting current revenue spending

.....Redirection Proposals continued	2007/08	2008/09	2009/10
	£m	£m	£m
Culture and Wellbeing			
CWD01: Recharge the cost of school swimming service	0.106	0.000	0.000
CWD02: Reduction in contributions	0.053	0.000	0.000
CWD03: Deletion of vacant posts	0.064	0.000	0.000
CWD04: Increase leisure charges above inflation	0.030	0.000	0.000
Crosscutting			
CC01: Crosscutting Value for Money Projects	1.925	6.252	3.844
	10.682	7.742	4.119

Value for Money

126. 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.
127. 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.



8. Redirecting current revenue spending

128. The planned efficiencies we will report to government as part of our Forward Look for 2007/08 will include many of the redirection proposals shown in the table on the previous page. The cross-cutting Value for Money projects will directly tackle any of our services which seem to be high-spending when we compare ourselves with other similar Councils.



9. The Council's financial position over the medium term

129. 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.
130. 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.
131. Over the medium term the Council faces continuing financial pressures and has built in challenging savings targets into the above spending plans for 2007 to 2010 to ensure they remain affordable. There is a risk that we do not deliver all of these savings as planned.
132. The following table 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.
133. 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.
134. 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.
135. 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.



9. The Council's financial position over the medium term

Strategic Financial Risk

Risk register item: SRR1-A

Risk: The Council may have insufficient funds to meet its priorities

Risk managed by: Our reserves strategy includes £2.000m 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 progress 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 1st April 2008. Our standstill pressures in our Medium Term Financial Plan for 2007-2010 include an estimated spending pressure of £4.800m in 2008/09 to fund a resulting pension funding gap. This is considered a reasonable estimate.

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 budget monitoring reports to Members. Any impact on the current year or future capital programme is highlighted in budget monitoring reports and relevant actions proposed.



9. The Council's financial position over the medium term

Strategic Financial Risk

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 on settlement issues. Our standstill pressures for 2007-2010 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 2007-2010 include spending pressures arising from the new legislation.

Risk register item: SRR1-G

Risk: Affordability of equal pay claims

Risk managed by: Our reserves strategy includes £3.000m set aside 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.

Risk register item: SRR1-H

Risk: The Council's budget, particularly the Community Care budget, is 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.

Risk register item: SRR1-I

Risk: Transformation projects cannot be carried out due to insufficient funds

Risk managed by: Our capital programme already includes a number of schemes which will work towards regeneration of the Borough. In our agreed programme for 2007-2012, we have also set aside capital resources of £2.000m as a specific resource to achieve regeneration of the Borough. This new resource will allow us to provide front-funding where this is required to as a lever to the regeneration process.



9. The Council's financial position over the medium term

Strategic Financial Risk

Risk register item: SRR1-J

Risk: Increased investment to meet the Decent Homes Standard is not received

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 an effective fees and charges policy

Risk managed by: A reviewed policy was agreed by Executive Team in December 2006. A new three-year charging strategy will be submitted for Cabinet approval in June 2007.

Risk register item: SRR1-L

Risk: Affordability of staff release due to the requirement for school reorganisations

Risk managed by: The standstill pressures included in our Medium Term Financial Plan for 2007-2010 include an estimated spend relating to teacher redundancy costs amounting to £1.612m. This is considered a reasonable estimate.

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: 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.



10. How will the Council fund the capital spending plans?

136. The table below summarises our capital funding plans for 2007/08 and provisional funding plans for 2008/09 to 2011/12.

Revised 2006/07 £m	Council Capital Funding Forecast	2007/08 £m	Provisional Capital Funding				Funding TOTAL £m
			2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	
24.895	Supported Borrowing	27.711	41.584	31.791	31.790	38.462	171.338
14.903	Unsupported Borrowing	15.223	9.490	1.645 -	3.855 -	1.855	20.648
13.151	Housing Major Repairs Allowance	11.110	11.129	11.099	11.060	11.012	55.410
0.466	Mainstream Government Grants	0.529	0.294	0.294	0.294	0.354	1.765
-	LPSA	0.629	-	-	-	-	0.629
20.092	External Funding (secured and bid for)	10.283	29.484	13.511	18.781	27.042	99.101
1.160	Revenue Contributions	0.900	1.095	0.951	0.900	0.900	4.746
-	Earmarked Reserves	0.310	0.020	-	-	-	0.330
15.477	Council Capital Receipts	7.514	6.815	4.490	6.528	4.403	29.750
	Over-Under programming (Funding Gap)	-	0.040	0.316 -	0.434 -	0.319 -	0.067
90.144	TOTAL Council Capital Programme Funding	74.169	100.321	64.097	65.064	79.999	383.650

137. From 1st 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.

138. The Council's prudential indicators and borrowing requirements are detailed in section 14 of this financial plan.



10. How will the Council fund the capital spending plans?

Capital External Funding Forecast

139. 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
	2007/08	2008/09	2009/10	2010/11	2011/12	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Grant from central government						
Single Programme	2.758	0.880	0.880	0.880	0.880	6.278
DfES BSF Grant	0.100	21.756	8.866	13.925	22.528	67.175
DfES Schools Devolved Formula Capital Grant	1.730	1.730	1.730	1.730	1.730	8.650
DoH - IT Grant	0.113	0.113	0.113	0.113	0.113	0.565
Dfes Surestart Capital Grant	0.380	0.370	-	-	-	0.750
ODPM Disabled Facilities Capital Grant	0.472	0.472	0.472	0.472	0.472	2.360
SHIP	1.319	1.319	1.319	1.319	1.319	6.595
DEFRA Coastal Protection Capital Grant	1.593	1.312	-	-	-	2.905
						-
Capital Grants and Contributions from other sources						
European Regional Development Fund	-	-	-	-	-	-
Heritage Lottery Fund	1.681	1.502	0.123	0.342	-	3.648
Other Funding	0.137	0.030	0.008	-	-	0.175
TOTAL External Capital Funding Forecast	10.283	29.484	13.511	18.781	27.042	99.101
External Funding Secured and Bid For						
External Funding Secured	2.384	2.082	0.333	0.552	0.210	5.561
External Funding Bid For	7.899	27.402	13.178	18.229	26.832	93.540
TOTAL External Capital Funding Forecast	10.283	29.484	13.511	18.781	27.042	99.101



10. How will the Council fund the capital spending plans?

140. 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.



11. How will the Council fund the revenue spending plans?

141. The table below summarises our revenue funding plans for 2007/08 and provisional funding plans for 2008/09 and 2009/10.

2006-07 Budget £m	Revenue Funding Forecast	2007/08 Budget £m	2008/09 Provisional Funding £m	2009/10 Provisional Funding £m
79.630	Revenue Support Grant and Business Rates	82.088	84.140	86.243
82.912	Dedicated Schools Grant	85.911	89.347	92.921
3.003	Council General Reserves	0.618	0.618	0.488
0.187	Forward Planning Reserve	0.000	0.000	0.000
50.633	Council Tax Income	52.447	54.177	55.965
216.365	TOTAL Revenue Funding Forecast	221.064	228.282	235.617

142. In 2007/08, we will receive 75% of our revenue income from central government, and 24% from council tax. We will fund less than 1% from council reserves.

Revenue Support Grant and Business Rates

143. The government has changed the way in which local authority funding is allocated. Relative Needs Formulae (RNF) has replaced Formula Spending Shares (FSS) to determine what funding we will receive each year. In January 2007, the government confirmed that we would receive **£82.088m revenue support grant** in 2007/08, an increase of £2.458m or 3% compared with the previous year.



11. How will the Council fund the revenue spending plans?

144. The table below identifies the revenue support grant and business rate income we will receive from government in 2007/08 and our forecast for 2008/09 and 2009/10, which is based upon an 2.5% inflation only increase.

2006-07 Budget £m	Revenue Funding Forecast	2007/08 Budget £m	2008/09 Provisional Funding £m	2009/10 Provisional Funding £m
79.630	Revenue Support Grant and Business Rates	82.088	84.140	86.243

Dedicated Schools Grant

145. Schools expenditure is funded from a specific **dedicated schools grant**, the money for which has been top sliced from our **revenue support grant** allocation.
146. The table below identifies the **dedicated schools grant** income we will receive from government in 2007/08 and our forecast for 2008/09 and 2009/10, which assumes a 4% increase.

2006-07 Budget £m	Revenue Funding Forecast	2007/08 Budget £m	2008/09 Provisional Funding £m	2009/10 Provisional Funding £m
82.912	Dedicated Schools Grant	85.911	92.101	94.880



11. How will the Council fund the revenue spending plans?

Use of Council Reserves

147. The Council has a risk based reserves policy which was reviewed in 2007. Our policy identifies five types of cash reserves which 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;

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;

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.



11. How will the Council fund the revenue spending plans?

148. The table below forecasts that the total Council cash reserves at 31st March 2007 will be £18.869m.

Council Reserves	Strategic Reserve (minimum) £m	Specific Reserve (additional) £m	General Reserves £m	F Planning Reserve £m	Earmarked Reserves £m	TOTAL RESERVES £m
Balance as at 31st March 2006	4,049	-	1,589	4,124	9,434	19,196
Planned Use of Reserves in 2006/07						
Single Status Implementation Costs	-	-	-	0.187	-	0.187
Planned Use of Earmarked Reserves	-	-	-	-	0.415	0.415
Planned Use of General Reserves in 2006/07	-	-	2.725	-	-	2.725
Planned Use of Reserves in 2006/07	-	-	2.725	0.187	0.415	3.327
Planned Contribution to Reserves in 2006/07						
Transfer from Planning to General Reserves	-	-	3.356	3.356	-	-
Transfer from Planning to Strategic Reserve (2% level maintained)	0.278	-	-	0.278	-	-
Airport Refinancing	-	-	8.200	-	-	8.200
Transfer to set up specific reserves (additional Strategic Reserve)	-	10.200	9.897	0.303	-	-
Equal pay revenue costs	-	5.200	-	-	-	5.200
Planned Contribution to Reserves in 2006/07	0.278	5.000	1.659	3.937	-	3.000
Estimated Balance as at 31st March 2007	4,327	5,000	0,523	-	9,019	18,869

149. 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.



11. How will the Council fund the revenue spending plans?

150. 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.



11. How will the Council fund the revenue spending plans?

151. The table below identifies the planned use of Council reserves during 2007/08 to 2009/10.

Council Reserves	Strategic Reserve (minimum) £m	Specific Reserve (additional) £m	General Reserves £m	F Planning Reserve £m	Earmarked Reserves £m	TOTAL RESERVES £m
Estimated Balance as at 31st March 2007	4.327	5.000	0.523	-	9.019	18.869
Planned Use of Reserves in 2007/08						
Planned Use of Earmarked Reserves	-	-	-	-	-	-
Planned Use of Strategic Reserve (additional)	-	0.618	-	-	-	0.618
Planned Use of General Reserves in 2007/08	-	-	-	-	-	-
Planned Use of Reserves in 2007/08	-	0.618	-	-	-	0.618
Planned Contribution to Reserves in 2007/08						
Transfer from General to Strategic Reserve (2% level maintained)	0.094	-	0.097	-	-	-
Planned Contribution to Reserves in 2007/08	0.094	-	0.097	-	-	-
Estimated Balance as at 31st March 2008	4.421	4.382	0.426	-	9.019	18.251
Planned Use of Reserves in 2008/09						
Planned Use of Earmarked Reserves	-	-	-	-	-	-
Planned Use of Strategic Reserve (additional)	-	0.618	-	-	-	0.618
Planned Use of General Reserves in 2008/09	-	-	-	-	-	-
Planned Use of Reserves in 2008/09	-	0.618	-	-	-	0.618
Planned Contribution to Reserves in 2008/09						
Transfer from General to Strategic Reserve (2% level maintained)	0.145	-	0.148	-	-	-
Planned Contribution to Reserves in 2008/09	0.145	-	0.148	-	-	-
Estimated Balance as at 31st March 2009	4.566	3.764	0.278	-	9.019	17.633



11. How will the Council fund the revenue spending plans?

Council Reserves	Strategic Reserve (minimum) £m	Specific Reserve (additional) £m	General Reserves £m	F Planning Reserve £m	Earmarked Reserves £m	TOTAL RESERVES £m
Planned Use of Reserves in 2009/10						
Planned Use of Earmarked Reserves	-	-	-	-	-	-
Planned Use of Strategic Reserve (additional)	-	0.488	-	-	-	0.488
Planned Use of General Reserves in 2009/10	-	-	-	-	-	-
Planned Use of Reserves in 2009/10	-	0.488	-	-	-	0.488
Planned Contribution to Reserves in 2009/10						
Transfer from General to Strategic Reserve (2% level maintained)	0.156	-	0.150	-	-	-
Planned Contribution to Reserves in 2009/10	0.156	-	0.150	-	-	-
Estimated Balance as at 31st March 2010	4.722	3.276	0.128	-	9.019	17.145

152. For 2007/08 we plan to use £0.618m of reserves to support our spending requirements on equal pay. By 31st March 2010, we forecast that our strategic reserve will still be maintained at its current 2% level (gross of Dedicated Schools Grant) and that £0.128m general reserves will be available to support future spending plans.

Increased Council Tax Income

153. The table below identifies the amount of income we need to raise from council tax in 2007/08 and, **for planning purposes only**, what income we may need in 2008/09 and 2009/10 to balance our spending plans.



11. How will the Council fund the revenue spending plans?

2006-07 Budget £m	Revenue Funding Forecast	2007/08 Budget £m	2008/09 Provisional Funding £m	2009/10 Provisional Funding £m
50.633	Council Tax Income	52.447	54.177	55.965

154. 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.
155. 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.
156. 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.
157. The Council agreed a **Council Tax Base of 44,220 for 2007/08** at its meeting on 25th January 2007.

South Tyneside Council's Council Tax Requirement

158. To fund our spending plans, we need to increase **our proportion of the Borough's Council Tax by 3.3%** in 2007/08 to raise **£52.447m**. The table on the next page identifies the effect of this 3.3% increase in council tax for each property band.



11. How will the Council fund the revenue spending plans?

2007/08 BOROUGH COUNCIL TAX	Band Weighting	South Tyneside Council 2006/07	South Tyneside Council 2007/08
Band A Properties	6/9	£765.40	£790.68
<i>Annual Increase</i>			£25.28
<i>Weekly Increase</i>			£0.49
Band B Properties	7/9	£892.96	£922.45
<i>Annual Increase</i>			£29.49
<i>Weekly Increase</i>			£0.57
Band C Properties	8/9	£1,020.54	£1,054.24
<i>Annual Increase</i>			£33.70
<i>Weekly Increase</i>			£0.65
Band D Properties	1	£1,148.10	£1,186.01
<i>Annual Increase</i>			£37.91
<i>Weekly Increase</i>			£0.73
Band E Properties	11/9	£1,403.23	£1,449.57
<i>Annual Increase</i>			£46.34
<i>Weekly Increase</i>			£0.89
Band F Properties	13/9	£1,658.37	£1,713.13
<i>Annual Increase</i>			£54.76
<i>Weekly Increase</i>			£1.05
Band G Properties	15/9	£1,913.50	£1,976.69
<i>Annual Increase</i>			£63.19
<i>Weekly Increase</i>			£1.22
Band H Properties	18/9	£2,296.20	£2,372.03
<i>Annual Increase</i>			£75.83
<i>Weekly Increase</i>			£1.46



11. How will the Council fund the revenue spending plans?

Fire and Police Authority Council Tax Precepts

159. This table identifies the precepts for the Tyne & Wear Fire and Civil Defence Authority and Northumbria Police Authority.

2007/08 BOROUGH COUNCIL TAX	Band Weighting	Fire Authority 2006/07	Fire Authority 2007/08	Police Authority 2006/07	Police Authority 2007/08
Band A Properties	6/9	£45.53	£46.62	£47.85	£49.74
<i>Annual Increase</i>			£1.09		£1.89
<i>Weekly Increase</i>			£0.02		£0.04
Band B Properties	7/9	£53.12	£54.39	£55.83	£58.04
<i>Annual Increase</i>			£1.27		£2.21
<i>Weekly Increase</i>			£0.02		£0.04
Band C Properties	8/9	£60.70	£62.16	£63.80	£66.32
<i>Annual Increase</i>			£1.46		£2.52
<i>Weekly Increase</i>			£0.03		£0.05
Band D Properties	1	£68.29	£69.93	£71.78	£74.62
<i>Annual Increase</i>			£1.64		£2.84
<i>Weekly Increase</i>			£0.03		£0.05
Band E Properties	11/9	£83.47	£85.47	£87.73	£91.20
<i>Annual Increase</i>			£2.00		£3.47
<i>Weekly Increase</i>			£0.04		£0.07
Band F Properties	13/9	£98.64	£101.01	£103.68	£107.78
<i>Annual Increase</i>			£2.37		£4.10
<i>Weekly Increase</i>			£0.05		£0.08
Band G Properties	15/9	£113.82	£116.55	£119.63	£124.36
<i>Annual Increase</i>			£2.73		£4.73
<i>Weekly Increase</i>			£0.05		£0.09
Band H Properties	18/9	£136.58	£139.86	£143.56	£149.24
<i>Annual Increase</i>			£3.28		£5.68
<i>Weekly Increase</i>			£0.06		£0.11



11. How will the Council fund the revenue spending plans?

South Tyneside Council Tax for 2007/08

160. After taking account of the council tax requirements of South Tyneside Council and allowing for the 2.4% and 3.95% increase in Fire and Police precepts respectively, the table below shows that a 3.29% increase in Borough's Council Tax for 2007/08 is required to meet these commitments.

2006/07 Band D	Council Tax Increase	2007/08 Band D	Increase in Band D	
			£	%
£1,148.10	South Tyneside Council	£1,186.01	£37.91	3.30%
£68.29	Fire Authority	£69.93	£1.64	2.40%
£71.78	Police Authority	£74.62	£2.84	3.95%
£1,288.17	Borough Band D Council Tax	£1,330.56	£42.39	3.29%

161. The table over the page identifies the Borough's Council Tax (after precepts) for each property band for 2007/08.



11. How will the Council fund the revenue spending plans?

2007/08 BOROUGH COUNCIL TAX	% of Properties in Each Band	% of Properties Receiving Benefit	Band Weighting	Borough Council Tax 2006/07	Borough Council Tax 2007/08
Band A Properties	67.0%	41.8%	6/9	£858.78	£887.04
<i>Percentage increase</i>					3.29%
<i>Annual Increase</i>					£28.26
<i>Weekly Increase</i>					£0.54
Band B Properties	12.7%	17.2%	7/9	£1,001.91	£1,034.88
<i>Percentage increase</i>					3.29%
<i>Annual Increase</i>					£32.97
<i>Weekly Increase</i>					£0.63
Band C Properties	10.8%	8.3%	8/9	£1,145.04	£1,182.72
<i>Percentage increase</i>					3.29%
<i>Annual Increase</i>					£37.68
<i>Weekly Increase</i>					£0.72
Band D Properties	5.6%	5.2%	1	£1,288.17	£1,330.56
<i>Percentage increase</i>					3.29%
<i>Annual Increase</i>					£42.39
<i>Weekly Increase</i>					£0.82
Band E Properties	2.3%	3.5%	11/9	£1,574.43	£1,626.24
<i>Percentage increase</i>					3.29%
<i>Annual Increase</i>					£51.81
<i>Weekly Increase</i>					£1.00
Band F Properties	1.0%	0.6%	13/9	£1,860.69	£1,921.92
<i>Percentage increase</i>					3.29%
<i>Annual Increase</i>					£61.23
<i>Weekly Increase</i>					£1.18
Band G Properties	0.5%	1.2%	15/9	£2,146.95	£2,217.60
<i>Percentage increase</i>					3.29%
<i>Annual Increase</i>					£70.65
<i>Weekly Increase</i>					£1.36
Band H Properties	0.1%	-	18/9	£2,576.34	£2,661.12
<i>Percentage increase</i>					3.29%
<i>Annual Increase</i>					£84.78
<i>Weekly Increase</i>					£1.63



12. What are the Council's housing revenue spending plans?

162. 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.
163. 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.
164. From 1st April 2006, 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.
165. 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.
166. The table below summarises the overall position on the Housing Revenue Account for the next three years.

Housing Revenue Account	2007/08	2008/09	2009/10
	Budget £m	Provisional Budget £m	Budget £m
Spending Plans	49.423	50.579	52.734
Income Plans	-49.314	-50.647	-52.777
TOTAL Surplus (-) / Deficit (+)	0.109 -	0.068 -	0.043



12. What are the Council's housing revenue spending plans?

167. 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.

Housing Revenue Expenditure Plans for 2007/08

168. The table below details the HRA planned expenditure for 2007/08.

Housing Revenue Account Spending Plans	2006/07	2007/08	Change	
	Budget £m	Budget £m	£m	%
Management	14.511	14.939	0.428	2.9%
Repairs and maintenance	13.100	13.796	0.696	5.3%
Rents, Rates, Taxes, Insurance	0.853	0.896	0.043	5.0%
Provision for bad debts	0.537	0.548	0.011	2.0%
Capital charges	16.852	17.614	0.762	4.5%
Total	45.853	47.793	1.940	
Provision for job evaluation, equal pay and minimum wage	-	0.700	0.700	100.0%
Unallocated 49th rent week	-	0.930	0.930	100.0%
TOTAL Housing Revenue Spending	45.853	49.423	3.570	7.8%

169. Overall spending is set to increase by 7.8% in 2007/08. The growth in repairs and management expenditure relates to the investment in improving front line services to be provided through South Tyneside Homes and increasing pensions and energy costs. Capital charges are expected to increase based on take up of ALMO borrowing approvals starting in 2007/08, depending on our successful inspection in 2007.



12. What are the Council's housing revenue spending plans?

170. The provision elements set aside are prudent assumptions in relation to a continuing increase in costs as a result of job evaluation and one-off costs relating to equal pay and the minimum wage.

Housing Revenue Income Plans for 2007/08

171. The table below details the HRA income for 2007/08.

Housing Revenue Account Income Plans	2006/07		2007/08		Change	
	Budget	Budget	Budget	Budget	£m	%
	£m	£m	£m	£m		
Rents - Dwellings	- 43.188	- 44.665	- 1.477	3.4%		
Income - other services / property	- 1.509	- 1.555	- 0.046	3.0%		
Housing related support charges	- 0.956	- 0.933	0.023	-2.4%		
Contributions and interest	- 1.506	- 1.500	0.006	-0.4%		
Rent Income - 49th rent week	-	- 0.930	- 0.930	100.0%		
Total income before subsidy	- 47.159	- 49.583	- 2.424			
Deduct housing subsidy recovery	2.254	2.630	0.376			
Add rental constraint allowance	- 0.968	- 2.361	- 1.393	143.9%		
TOTAL Housing Revenue Income after subsidy	- 45.873	- 49.314	- 3.441	7.5%		

172. The key areas of change are the increase in housing subsidy recovery, meaning that less of our income is available to fund our spending plans, and the level of dwelling rents and service charges.



12. What are the Council's housing revenue spending plans?

Dwelling Rents and Service Charges for 2007/08

173. As in previous years, we have to set our rents and service charges in accordance with government guidelines. The budget plans for 2007/08 are as follows:

- **Dwelling Rents**

Individual dwelling rents to be set, in accordance with Government rent restructuring guidelines, to achieve an **average rent increase of 5%** across all stock. Average rents are anticipated to be £52.24 per week (48 week collection) - an average rent rise which will approximate to around £2.49 per week (5.0%);

- **Service Charges**

Garage rents to be increased by **3.6%**;

Heating charges to be set to recover energy costs. A rise of **2%** is necessary for 2007/08 due to increases in gas contract prices;

Service charges for landlord charges (Scheme Managers and communal facilities) to be increased by **3.6%**;

Sheltered accommodation guest room charges to be increased by **3.6%**

Temporary furnished accommodation charges to be increased by **3.6%**



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

174. 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.
175. The table below summarises the spending plans for the Fund for 2007/08 and provisional spending plans for 2008/09 and 2009/10. The Pension Committee will meet to consider these plans on 7th February 2007.

2006/07 Budget £m	Tyne and Wear Pension Fund	2007/08 Budget £m	2008/09 Provisional Budgets £m	2009/10 Provisional Budgets £m
	Investment Office			
14.109	Investment Management Fees	17.162	19.096	20.953
0.194	Property Portfolio	0.199	0.199	0.199
0.917	Direct Costs and Recharges	0.903	0.656	0.667
2.280	Pensions Office	2.674	2.396	2.463
17.500	TOTAL Tyne and Wear Pension Fund Budgets	20.938	22.346	24.282
	Percentage increase in Pension budget	19.6%	6.7%	8.7%

176. The proposed budget for 2007/08 represents an increase of £3.439m over the 2006/07 revised budget. Further budget increases of £1.408m and £1.936m are projected for 2008/09 and 2009/10 respectively.
177. The vast majority of the budget increase relates to additional management fees (excluding management fees, the budget increase for 2007/08 is £0.386m), most of which will result from the current and future investment alternative assets.



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

178. The reasons for the significant increase in investment management fees in 2007/08 are as follows:

- The Fund's increased investment into alternative assets. These investments carry premium fee rates but it is believed they can achieve a more attractive investment return net of fees;
- The ageing of the Private Equity programme has resulted in some fees being charged for a full year for the first time and others stepping up as the investment programme increases;
- 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 by an amount greater than that when setting the budget for 2006/07, the fees have also increased by a greater amount.

179. The following table shows the proposed revisions to the 2006/07 budget and the revised budget proposal for the next three years.

Pensions Spending Plans	2007/08	2008/09	2009/10
	£m	£m	£m
Base Budget	17.500	20.938	22.346
Standstill Pressures	2.892	1.247	1.408
Budget Growth/New Initiatives	0.816	0.384	0.533
Redirection of Current Spending	-0.268	-0.223	-0.005
Increased Income Opportunities	-0.001	0.000	0.000
Revised Budget	20.938	22.346	24.282

14. What are the Council's prudential indicators?



Prudential Code

180. 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.
181. 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**.
182. 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.
183. 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

184. 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.
185. 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

14. What are the Council's prudential indicators?



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 2007.

186. 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.

187. 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

188. The Council's Capital Financing Requirement measures the Council's underlying need to borrow money to fund its capital programme.
189. The following table summarises the Council's capital programme for 2007/08 to 2009/10 (excluding potential ALMO investment).

14. What are the Council's prudential indicators?



2006/07 Revised £m	Capital Spending Plans	2007/08 Budget £m	2008/09 Provisional Spending £m	2009/10 £m	Total Capital £m
55.876	Council Capital Programme	39.829	59.828	23.633	123.290
16.691	Housing Capital Programme	14.336	14.355	14.325	43.016
72.567	TOTAL - Council Capital Programme	54.165	74.183	37.958	166.306

190. 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).

2006/07 Revised £m	Capital Financing Requirement (CFR)	2007/08 Budget £m	2008/09 Estimate £m	2009/10 Estimate £m
114.747	Council Capital Programme	130.823	146.884	144.588
86.781	Housing Capital Programme	89.107	91.433	93.759
201.528	TOTAL - Council Capital Financing Requirement	219.930	238.317	238.347

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

191. 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.

14. What are the Council's prudential indicators?



2006/07 Revised %	Ratio of Financing Costs to Net Revenue Stream	2007/08 Budget %	2008/09 Estimate %	2009/10 Estimate %
3.50%	Council Capital Programme	4.33%	5.42%	6.18%
35.92%	Housing Capital Programme	34.86%	36.88%	37.84%

Affordability – Estimated Impact of Capital Investment Decisions

192. A key measure of affordability is the incremental impact on the Council Tax and the Council rent levels of capital investment decisions.
193. 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.

Estimated Incremental Impact of Capital Investment Decisions	2007/08	2008/09	2009/10
For the Band D Council Tax (annually)	£5.11	-£64.95	£44.85
For the Band D Council Tax (weekly)	£0.10	-£1.25	£0.86
For Average Weekly Housing Rents	£0.76	£2.50	£4.62

194. 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

14. What are the Council's prudential indicators?



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

195. The Council has an integrated treasury management strategy and has adopted the CIPFA *Code of Practice for Treasury Management in the Public Services*.
196. 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.
197. The Council's treasury management strategy and annual plan for 2007/08 will be presented to Cabinet for approval on 14 March 2007.

Prudence Indicator - Net Borrowing and Capital Finance Requirement

198. 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”
199. 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.

14. What are the Council's prudential indicators?



Prudence – Council External Debt

- 200. The Council's actual external debt at 31st March 2006 was £201.6m. The Council's debt at 31st March 2006 is estimated to be £207.7m.
- 201. 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.
- 202. The following table identifies the **Council's authorised limit for external debt** for 2007/08 to 2009/10. For 2007/08, the authorised limit of £350m is the statutory limit determined under section 3(1) of the Local Government Act 2003.

Council External Debt	2007/08 Budget £m	2008/09 Estimate £m	2009/10 Estimate £m
External Debt Authorised Limit			
Council Borrowing	347.0	352.0	352.0
Other Council Long Term Liabilities	3.0	3.0	3.0
TOTAL - Council External Debt Authorised Limit	350.0	355.0	355.0

- 203. 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.

14. What are the Council's prudential indicators?



204. The following table identifies the **Council's operational boundary for external debt** for 2007/08 to 2009/10.

Council External Debt	2007/08 Budget £m	2008/09 Estimate £m	2009/10 Estimate £m
External Debt Operational Boundary			
Council Borrowing	297.0	302.0	302.0
Other Council Long Term Liabilities	3.0	3.0	3.0
TOTAL - Council External Debt Operational Boundary	300.0	305.0	305.0

205. 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.
206. 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.

14. What are the Council's prudential indicators?



Prudence – Council Fixed and Variable Interest Rate Exposure

207. 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.

Fixed and Variable Interest Rate Exposure	2007/08 Budget %	2008/09 Estimate %	2009/10 Estimate %
Fixed rate interest - upper limit	100%	100%	100%
Variable rate interest - upper limit	25%	25%	25%

208. No change to our interest rate exposure is proposed.

Prudence - Maturity Structure of Council Borrowing

209. The following table sets upper and lower limits for the maturity structure of the Council's borrowing during 2007/08. The limits represent the amount of projected fixed rate borrowing maturing in each period, as a percentage of total projected fixed rate borrowing.

Maturity Structure of Borrowing for 2007/08	Upper Limit %	Lower Limit %
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%

14. What are the Council's prudential indicators?



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

Prudence - Investments for Periods Longer Than 364 Days

211. 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.

15 Evaluation and review



Performing Together

- 212. 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.
- 213. 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.
- 214. 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.
- 215. Executive Team and the Head of Finance review the financial reports at a monthly performance, improvement and monitoring meeting.
- 216. 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

- 217. During the year, budget holders may need to transfer budgets from one service area to another to reflect changed service needs or priorities.
- 218. A budget transfer is defined as a movement of budget between any budget service line identified in Appendix 1 and 2 of this report.
- 219. **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.
- 220. **Budget transfers greater than £100,000** require the approval of Cabinet.
- 221. **Budget transfers greater than £500,000** require the approval of full Council and must be proposed by Cabinet.

15 Evaluation and review



Carry Forward Policy

222. Any overspending by a directorate may be carried forward by the directorate (subject to Cabinet approval)
223. 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 31st December each year may be available to the directorate to help meet spending pressures in subsequent years (subject to Cabinet approval).
224. Cabinet approvals will only be given after consideration of the year-end statement of accounts and the overall financial position of the Council.

16 Glossary



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

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.

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.

16 Glossary



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.

16 Glossary



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.



Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
CHIEF EXECUTIVES OFFICE						
ASSISTANT CHIEF EXECUTIVE PERFORMANCE						
K Harcus, Asst Chief Exec - Performance						
1	-41,940	Performance Team	K Joy, Performance Team Manager	370,790	-370,790	0
2	0	Innovation Team	P Robinson, Innovation Team Manager	349,550	-349,550	0
3	-6,070	Strategic Procurement	T Ormond, Strategic Procurement Manager	522,690	-522,690	0
4	-48,010	Sub-Total		1,243,030	-1,243,030	0
ASSISTANT CHIEF EXECUTIVE POLICY						
D Wood, Asst Chief Exec - Policy						
5	17,610	Policy Team	A Smith, Policy Team Manager	553,520	-553,520	0
6	149,060	LSP Team	H McShane, LSP Team Manager	248,230	-155,370	92,860
7	-20,000	Information Team	D Bowman, Information Team Manager	811,590	-811,590	0
8	146,670	Sub-Total		1,613,340	-1,520,480	92,860
CHIEF EXECUTIVE						
I Lucas, Chief Executive						
9	144,700	Chief Executives Office	I Lucas, Chief Executive	416,620	-317,110	99,510
10	144,700	Sub-Total		416,620	-317,110	99,510
	243,360	TOTAL CHIEF EXECUTIVES OFFICE		3,272,990	-3,080,620	192,370
REGENERATION & RESOURCES						
FINANCE						
B Scott, Head of Finance						
11	0	Financial Management	J Watt, Assistant Head of Finance	552,370	-552,370	0
12	0	Neighbourhood Services Finance	N Bradley, Assistant Head of Finance	219,390	-219,390	0
13	-39,950	Financial Planning	A Hayday, Group Manager Financial Planning	409,210	-409,210	0
14	0	Financial Systems	G O'Brien, Project Accountant	50,000	0	50,000
15	0	Payroll	J Watt, Assistant Head of Finance	747,070	-747,070	0
16	0	Income	J Watt, Assistant Head of Finance	302,220	-302,220	0
17	0	Creditors	J Watt, Assistant Head of Finance	199,450	-199,450	0

Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
18	0	Gordon House Cashiers	J Watt, Assistant Head of Finance	129,320	-129,320	0
19	124,600	Benefits Administration	T Oliver, Group Manager Council Tax & Benefits	2,158,350	-2,198,200	-39,850
20	-187,550	Housing Benefits Payments	T Oliver, Group Manager Council Tax & Benefits	41,772,910	-41,965,210	-192,300
21	1,225,320	Council Tax Collection	T Oliver, Group Manager Council Tax & Benefits	17,044,440	-15,738,300	1,306,140
22	1,122,420	Sub-Total		63,584,730	-62,460,740	1,123,990
		PENSIONS	S Moore, Head of Pensions			
23	0	Pensions	S Moore, Head of Pensions	20,947,100	-20,947,100	0
24	0	Sub-Total		20,947,100	-20,947,100	0
		CORPORATE GOVERNANCE	B Scott, Head of Corporate Governance			
25	0	Insurance Premiums	B Dawson, Corporate Risk and Assurance Manager	3,877,860	-3,877,860	0
26	0	Corporate Risk and Assurance	B Dawson, Corporate Risk and Assurance Manager	1,143,440	-1,143,440	0
27	0	Legal Services - Corporate	M Harding , Legal Services Manager	1,991,460	-1,991,460	0
28	0	Legal Services - Support	M Harding , Legal Services Manager	644,680	-644,680	0
29	0	Courier	R Cochrane, Democratic Services Manager	65,250	-65,250	0
30	-740	Administration Support	R Cochrane, Democratic Services Manager	314,360	-314,360	0
31	-116,670	Local Land Charges	M Harding , Legal Services Manager	94,060	-226,040	-131,980
32	389,750	Elections	V Stephenson, Elections Officer	461,660	0	461,660
33	91,270	Register of Electors	V Stephenson, Elections Officer	95,730	-2,410	93,320
34	192,310	Registration Service	V Stephenson, Elections Officer	329,730	-143,050	186,680
35	574,060	Democratic Support	R Cochrane, Democratic Services Manager	721,110	-34,200	686,910
36	208,690	Members Support	R Cochrane, Democratic Services Manager	236,090	0	236,090
37	900,290	Elected Members	R Cochrane, Democratic Services Manager	938,800	0	938,800
38	98,110	Office of the Mayor	R Cochrane, Democratic Services Manager	101,160	0	101,160
39	61,520	Civic Duties	R Cochrane, Democratic Services Manager	63,190	0	63,190
40	2,398,590	Sub-Total		11,078,580	-8,442,750	2,635,830

Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
ENTERPRISE & REGENERATION			R O'Farrell Head of Enterprise & Regeneration			
41	5,100	Asset Management	R O'Farrell Head of Enterprise & Regeneration	1,578,990	-1,578,990	0
42	54,390	Property	J MacDonald, Asset & Capital Manager	1,450,720	-1,526,850	-76,130
43	-195,960	Civic Buildings	C Bell, Civic Buildings Manager	2,632,290	-2,632,290	0
44	482,120	Non Operational Assets	C Bell, Civic Buildings Manager	49,810	-74,260	-24,450
45	-26,510	Repairs & Maintenance	J MacDonald, Asset & Capital Manager	698,380	-698,380	0
46	0	Building Maintenance	G Whitehead, Education Buildings Team Leader	1,395,830	-1,401,570	-5,740
47	70,510	Design Team	R Johnston, Design Team Manager	1,045,440	-1,045,440	0
48	1,635,620	Economic Development	G Currey, Economic Development Manager	1,471,470	-105,000	1,366,470
49	727,690	Regeneration	R O'Farrell Head of Enterprise & Regeneration	1,282,460	-641,530	640,930
50	593,250	Grants	R O'Farrell Head of Enterprise & Regeneration	12,279,240	-11,671,590	607,650
51	3,346,210	Sub-Total		23,884,630	-21,375,900	2,508,730
CUSTOMER SERVICES & ICT			A Holt, Head of Customer Services & ICT			
52	0	Management	A Holt, Head of Customer Services & ICT	300,400	-300,400	0
53	0	Telephones	D Lamb, Support Manager	162,810	-162,810	0
54	39,770	Support	D Lamb, Support Manager	2,069,400	-2,069,400	0
55	0	Development	D King, Information Systems Manager	2,340,030	-2,340,030	0
56	-96,000	Operations	A Holt, Head of Customer Services & ICT	0	0	0
57	262,050	Call Centre	P Moore, Corp ICT and Customer Services Manager	416,070	-416,070	0
58	169,620	Customer Services	P Moore, Corp ICT and Customer Services Manager	208,990	-208,990	0
59	425,000	Strategic Partnership	A Holt, Head of Customer Services & ICT	426,640	0	426,640
60	800,440	Sub-Total		5,924,340	-5,497,700	426,640
ORGANISATIONAL DEVELOPMENT & PEOPLE			P Fanning, Head of Organisational Development & People			
61	0	Human Resources	P Fanning, Head of Organisational Development & People	623,820	-623,820	0
62	0	Organisation Development	P Fanning, Head of Organisational Development & People	594,800	-594,800	0

Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
63	0	Health & Safety	C Inving, Health & Safety Manager	299,800	-299,800	0
64	0	Occupational Health	C Inving, Health & Safety Manager	163,230	-163,230	0
65	0	Sub-Total		1,681,650	-1,681,650	0
		COMMUNICATIONS	L Fothergill, Head of Communications			
66	49,480	Marketing Team	A Burgh, Marketing Team Leader	408,670	-408,670	0
67	0	Web Team	R Abbott, Web Team Leader	370,580	-370,580	0
68	0	Press Team	A Brewis, Press Team Leader	230,670	-230,670	0
69	-24,000	Printing Section	R Abbott, Web Team Leader	656,420	-656,420	0
70	25,480	Sub-Total		1,666,340	-1,666,340	0
		SERVICE MANAGEMENT COSTS	D Slater, Executive Director Regeneration & Resources			
71	-48,200	Management	D Slater, Executive Director Regeneration & Resources	184,890	-184,890	0
72	0	Support Service Restructure	D Slater, Executive Director Regeneration & Resources	-284,000	0	-284,000
73	-48,200	Sub-Total		-99,110	-184,890	-284,000
	7,644,940	TOTAL REGENERATION & RESOURCES		128,668,260	-122,257,070	6,411,190
		CORPORATE FINANCE	B Scott, Head of Finance			
74	178,560	Implementation of Single Status	B Scott, Head of Finance	216,040	0	216,040
75	1,540,000	Staffing Proposals Funding Provision	B Scott, Head of Finance	0	0	0
76	1,500,000	Implementation of Job Evaluation	B Scott, Head of Finance	4,421,000	0	4,421,000
77	-200,000	Business Rate Growth Incentive Scheme	J Watt, Assistant Head of Finance	0	-200,000	-200,000
78	-103,000	Review of Fees & Charges	J Watt, Assistant Head of Finance	0	-103,000	-103,000
79	-200,000	Newcastle Airport Dividend	A Hayday, Group Manager Financial Planning	0	0	0
80	228,110	Coroners Service	J Watt, Assistant Head of Finance	530,440	-290,020	240,420
81	300,040	Magistrates Courts	J Watt, Assistant Head of Finance	0	0	0
82	367,330	External Audit Costs	J Watt, Assistant Head of Finance	356,890	-42,830	314,060
83	186,920	Banking & Cash Collection	J Watt, Assistant Head of Finance	257,180	-64,660	192,520

Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
84	41,040	Debt Administration Expenses	A Wallage, Capital Finance Manager	99,610	-38,020	61,590
85	2,819,360	Corporate & Democratic Costs	J Watt, Assistant Head of Finance	2,632,220	-318,150	2,314,070
86	-1,868,660	Central Pension Costs	J Watt, Assistant Head of Finance	31,592,610	-29,517,940	2,074,670
87	-2,051,950	Investment Income	A Wallage, Capital Finance Manager	0	-3,023,060	-3,023,060
88	9,128,260	Precepts & Levies	J Watt, Assistant Head of Finance	9,363,520	0	9,363,520
89	11,564,560	Debt Charges	A Wallage, Capital Finance Manager	12,398,950	0	12,398,950
90	-17,406,360	Capital Recharges	A Wallage, Capital Finance Manager	32,564,570	-42,426,140	-9,861,570
91	0	Value for Money Projects	D Slater, Executive Director Regeneration & Resources	0	-1,925,000	-1,925,000
92	6,024,210	TOTAL RESOURCES CORPORATE FINANCE		94,433,030	-77,948,820	16,484,210
	13,669,150	TOTAL REGENERATION & RESOURCES REVENUE BUDGET		223,101,290	-200,206,140	22,895,150
		CHILDREN & YOUNG PEOPLE				
		SCHOOLS DELEGATED	Head of Directorate Support			
93	74,192,270	Delegated Schools Budget	J Allison, Assistant Head of Finance	80,402,110	-3,383,860	77,018,250
94	0	Schools Standard Grant	J Allison, Assistant Head of Finance	3,033,060	-3,033,060	0
95	0	Standards Fund	M Dillon, Head of Social Inclusion & Achievement	8,161,610	-8,161,610	0
96	3,545,380	Teachers Threshold Pay	M Grady, Personnel Manager	3,634,010	0	3,634,010
97	77,737,650	Sub-Total		95,230,790	-14,578,530	80,652,260
		SOCIAL INCLUSION & ACHIEVEMENT	M Dillon, Head of Social Inclusion & Achievement			
98	11,940	Education Business Partnership	n/a	0	0	0
99	188,700	Chuter Ede Education Centre	L Freer, Support Services Officer	506,560	-347,200	159,360
100	4,110	Library Service	n/a	0	0	0
101	136,230	LEA Initiatives	M Dillon, Head of Social Inclusion & Achievement	0	0	0
102	438,876	School Improvement Team	M Dillon, Head of Social Inclusion & Achievement	594,030	-57,810	536,220
103	41,484	Governor Support	N Longstaff, Governors Support Manager	203,370	-165,450	37,920
104	539,430	Standards Fund Non Devolved	M Dillon, Head of Social Inclusion & Achievement	4,727,460	-4,366,120	361,340

Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
105	67,320	Inter LEA Recoupment	S Makin, Pupil Services Manager	198,630	-129,960	68,670
106	824,790	Independent Placement Fees	S Makin, Pupil Services Manager	1,637,790	-804,400	833,390
107	462,483	Education Welfare Officers	P Bovill/K Rutherford, Education Welfare Officers	425,730	-98,020	327,710
108	758,900	Alternative Education Service	C Marchant, Manager AEN Service	1,716,290	-1,041,280	675,010
109	183,970	Visually Impaired Service	S Hemley, Head of Visually Impaired Service	223,540	-11,760	211,780
110	396,590	Hearing Impaired Service	E Raynor, Head of Hearing Impaired Service	485,790	-35,900	449,890
111	145,190	English Second Language Service	J Braithwaite, Ethnic Minority Service Manager	151,370	-1,960	149,410
112	-130	Ethnic Minority Achievement	S Chopra, Adult & Community Learning Manager	20,530	-20,780	-250
113	460,090	Learning Support Service	W Larmont, Learning Support Manager	489,200	-5,610	483,590
114	212,412	Other SEN Support	S Makin, Pupil Services Manager	159,290	0	159,290
115	381,194	Pupil Services	S Makin, Pupil Services Manager	373,870	-5,300	368,570
116	-30,000	Externally Funded Projects	M Dillon, Head of Social Inclusion & Achievement	29,500	-28,440	1,060
117	4,937,320	Capital Charges	J Allison, Assistant Head of Finance	2,651,770	0	2,651,770
118	253,390	Central Support Charges	J Allison, Assistant Head of Finance	122,650	0	122,650
119	28,230	Redirection, Efficiency & Turnover Savings	M Dillon, Head of Social Inclusion & Achievement	0	0	0
120	10,442,519	Sub-Total		14,717,370	-7,119,990	7,597,380
		EARLY INTERVENTION & SAFEGUARDING	A Bradley, Head of Early Intervention & Safeguarding			
121	566,500	Education Psychology	M Walsh, SEN Assessment Manager	796,220	-139,050	657,170
122	139,419	Portage & Preschool	V Davies, Portage Manager	185,090	-30,900	154,190
123	31,972	Head of Service Support	A Bradley, Head of Early Intervention & Safeguarding	34,250	0	34,250
124	600,831	Out of Hours & Duty Teams	A Scott, Child Care Manager (Commissioning)	749,560	-62,760	686,800
125	53,218	Children's Trainees	A Scott, Child Care Manager (Commissioning)	56,070	0	56,070
126	-101,120	CAMHS	A Bradley, Head of Early Intervention & Safeguarding	334,050	-380,990	-46,940
127	79,698	Common Assessment Framework	A Bradley, Head of Early Intervention & Safeguarding	156,050	0	156,050
128	523,602	Community Family Support Team	C Shipley, Team Manager (Family Support)	554,880	0	554,880

Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
129	37,950	Section 17 Assessment Services	A Scott, Child Care Manager (Commissioning)	48,730	0	48,730
130	82,130	Laygate Centre	A Scott, Child Care Manager (Commissioning)	84,760	0	84,760
131	1,015,596	Referral & Assessment Teams	A Scott, Child Care Manager (Commissioning)	785,150	0	785,150
132	-166,000	Children's Grants	A Scott, Child Care Manager (Commissioning)	219,290	-419,900	-200,610
133	2,172,824	Children's Area Teams	A Scott, Child Care Manager (Commissioning)	2,361,640	-62,410	2,299,230
134	882,316	Children with Disability	K McKee, Team Manager (Children with Disabilities)	1,096,480	-177,750	918,730
135	47,603	Playschemes	S Taylorson, Strategic Manager (Children with Disabilities)	13,460	0	13,460
136	715,542	Leaving Care Service	A Scott, Child Care Manager (Commissioning)	706,230	0	706,230
137	336,810	Section 17 Commissioning Services	A Scott, Child Care Manager (Commissioning)	318,970	0	318,970
138	1,610,370	Independent Foster Placements	A Scott, Child Care Manager (Commissioning)	1,545,280	0	1,545,280
139	320,870	Thornhill Park	A Scott, Child Care Manager (Commissioning)	265,380	0	265,380
140	1,118,620	Independent Placement Fees	A Scott, Child Care Manager (Commissioning)	1,550,870	-399,510	1,151,360
141	0	Business Management	M McCracken, Child Care Manager	63,580	-61,760	1,820
142	110,251	Childminder Payments	R Carr, Service Manager (Residential Care)	63,510	-30,000	33,510
143	277,215	Jane Fry Centre	M McCracken, Child Care Manager	254,320	-100,000	154,320
144	291,070	Garrick Street Family Centre	M McCracken, Child Care Manager	258,570	-50	258,520
145	1,902,309	In House Fostering	B Morgan, Service Manager (Fostering)	2,178,930	-208,000	1,970,930
146	840,597	Adoption Service	T Fitzpatrick, Service Manager (Adoption)	1,202,840	-160,200	1,042,640
147	1,429,799	Children's Homes	R Carr, Service Manager (Residential Care)	1,339,640	-55,580	1,284,060
148	269,448	Contact Services	M McCracken, Child Care Manager	290,650	0	290,650
149	342,981	The Place	M Bettencourt, Education Support Manager (The Place)	381,510	0	381,510
150	623,060	Children's Standards Unit	P Dhiraj, Children's Safeguarding Co-ordinator	646,110	0	646,110
151	251,644	Policy & Planning	M McCracken, Child Care Manager	334,200	-75,360	258,840
152	260,000	Simonside Lodge	A Ledger, Information Sharing Project Manager	165,200	0	165,200
153	53,000	Local Child Protection Board	M McCracken, Child Care Manager	54,590	0	54,590

Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
154	551,850	Capital Charges	J Allison, Assistant Head of Finance	473,530	0	473,530
155	-94,710	Redirection, Efficiency & Turnover Savings	A Bradley, Head of Early Intervention & Safeguarding	0	-343,950	-343,950
156	17,177,265	Sub-Total		19,569,590	-2,708,170	16,861,420
		TRANSITION & WELLBEING	C Smith, Head of Transition & Wellbeing			
157	348,280	Nursery Education	A Tennet, Early Years Manager	310,840	0	310,840
158	-85,020	Early Years External Projects	A Tennet, Early Years Manager	2,297,590	-2,333,460	-35,870
159	229,390	Early Years Excellence Centre	S Hedley, Manager Early Excellence Centre	890,590	-848,340	42,250
160	10	Children's Fund & NRF Projects	J Watson, Extended Schools Officer	751,340	-717,850	33,490
161	197,650	Foundation Stage	A Tennet, Early Years Manager	208,670	-2,740	205,930
162	3,139,760	Community Education	S Chilton, Community Development Manager	0	0	0
163	0	Community Education Support Staffing	S Chilton, Community Development Manager	0	0	0
164	230,990	Adult & Community Learning	S Chopra, Adult & Community Learning Manager	4,035,640	-3,849,250	186,390
165	1,103,358	Youth Service	V High, Youth Services Manager	768,340	-25,800	742,540
166	-340	Youth Service External Projects	V High, Youth Services Manager	279,060	-276,260	2,800
167	0	Youth Support Staffing	V High, Youth Services Manager	194,690	-42,180	152,510
168	97,564	Student Support	S Chopra, Adult & Community Learning Manager	218,870	-152,390	66,480
169	223,400	Outdoor Education Service	V High, Youth Services Manager	574,270	-406,820	167,450
170	282,190	Children's Play	B Atkinson, Cultural Development Manager	274,730	-105,410	169,320
171	108,150	Music Service	E Young, Music Service Manager	110,310	0	110,310
172	839,018	Youth Offending	P Bennett, Youth Offending Team Manager	1,886,400	-975,330	911,070
173	-26,280	Sure Start	P Pick, Acting Sure Start Manager	4,775,250	-4,732,070	43,180
174	0	Central Support Charges	J Allison, Assistant Head of Finance	23,650	0	23,650
175	172,400	Redirection, Efficiency & Turnover Savings	C Smith, Head of Transition & Wellbeing	0	0	0
176	6,860,520	Sub-Total		17,600,240	-14,467,900	3,132,340

Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
		DIRECTORATE SUPPORT	J Allison, Assistant Head of Finance			
177	49,220	Home to College Transport	T Reynolds, SEN Transport Manager	0	0	0
178	918,276	Special Education Transport	T Reynolds, SEN Transport Manager	1,178,180	-47,590	1,130,590
179	46,150	Home to School Transport	T Reynolds, SEN Transport Manager	47,070	0	47,070
180	127,565	Schools Admission	T Renwick, Asset Manager	115,330	-2,080	113,250
181	123,300	School Meals & Milk	E Luke, Catering Manager	5,763,070	-5,788,830	-25,760
182	47,780	Maintenance of Land & Buildings	T Renwick, Asset Manager	48,380	-90	48,290
183	315,900	Schools Non Delegated	J Allison, Assistant Head of Finance	338,090	-157,350	180,740
184	385,830	Finance & Administration	J Allison, Assistant Head of Finance	613,360	-80,250	533,110
185	236,482	Personnel	M Grady, Personnel Manager	671,250	-448,410	222,840
186	97,090	Asset Management	T Renwick, Asset Manager	141,710	-27,180	114,530
187	42,600	Client Services	C Toward, Purchasing Advisory Services for Schools	43,860	-14,080	29,780
188	81,373	Policy	M Campbell, Policy and Planning Assistant	125,260	-1,420	123,840
189	167,600	EDIC	C Gardner, Principal Information Officer	155,150	-2,110	153,040
190	535,790	Strategic Management	J Allison, Assistant Head of Finance	642,710	0	642,710
191	1,209,170	Residual Pensions	J Allison, Assistant Head of Finance	2,845,340	0	2,845,340
192	1,023,560	Valuation Lump Sum	J Allison, Assistant Head of Finance	0	0	0
193	0	ST College Pensions	J Allison, Assistant Head of Finance	95,000	-95,000	0
194	1,677,040	Central Support Charges	J Allison, Assistant Head of Finance	2,021,190	0	2,021,190
195	49,980	Redirection, Efficiency and Turnover Savings	J Allison, Assistant Head of Finance	0	-750,000	-750,000
196	-530,790	Directorate Redirection & Efficiency Savings	J Allison, Assistant Head of Finance	0	0	0
197	6,603,916	Sub-Total		14,844,950	-7,414,390	7,430,560
198	118,821,870	TOTAL CHILDREN & YOUNG PEOPLE REVENUE BUDGET		161,962,940	-46,288,980	115,673,960

Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
		NEIGHBOURHOOD SERVICES				
		COMMISSIONING & CARE	J Bowie, Interim Head of Commissioning & Care			
199	6,050	Head of Commissioning & Care	J Bowie, Interim Head of Commissioning & Care	230,240	-226,960	3,280
200	6,854,860	Business Services	B Jewitt, Business Services Manager	9,363,110	-2,475,770	6,887,340
201	1,608,040	Quality & Commissioning	S Woodhouse, Quality & Commissioning Manager	2,300,420	-1,095,240	1,205,180
202	15,066,390	Older Persons	J Bowie, Older Peoples Manager	25,301,810	-9,882,390	15,419,420
203	8,478,060	Learning Disabilities	L Bradford, Learning Disabilities Manager	13,325,640	-4,570,620	8,755,020
204	2,777,020	Mental health	J Bowie, Mental Health Manager	3,973,800	-1,272,070	2,701,730
205	4,152,940	Physical Disabilities	B Jewitt, Physical Disabilities Manager	6,358,010	-2,278,590	4,079,420
206	38,943,360	Sub-Total		60,853,030	-21,801,640	39,051,390
207		DIRECTORATE SUPPORT	K Hannah, Head of Resources & Business Services			
208	-24,720	Finance & Financial Assessment	N Bradley, Assistant Head of Finance	962,770	-962,770	0
209	10,720	Central Services	K Hannah, Head of Resources & Business Services	3,094,960	-3,094,960	0
210	-7,930	Information Services	Graeme Purvis, Interim Information Services Manager	1,514,980	-1,556,310	-41,330
211	2,591,570	Policy & Performance	K Hannah, Head of Resources & Business Services	2,658,090	-1,993,620	664,470
212	27,490	Human Resources	John Gibson, Directorate HR Manager	1,476,490	-1,476,490	0
213	-91,580	Supporting People & Asylum Seekers	K Hannah, Head of Resources & Business Services	5,332,090	-5,589,290	-257,200
214	-36,820	Welfare Rights Service	M Peel, Co-ordinating Welfare Rights Officer	809,580	-809,580	0
215	134,590	Warden Call & CCTV	K Hannah, Head of Resources & Business Services	1,557,740	-1,386,250	171,490
216	2,603,320	Sub-Total		17,406,700	-16,869,270	537,430
		CULTURAL SERVICES	T Duggan, Head of Cultural Services			
217	2,839,070	Indoor Sport & Recreation Facilities	R Jago, Cultural Operations Manager	4,660,980	-2,156,870	2,504,110
218	81,870	School Swimming	R Jago, Cultural Operations Manager	439,490	-463,900	-24,410
219	420	Caravan Sites	R Jago, Cultural Operations Manager	202,070	-201,050	1,020
220	179,400	Outdoor Sport & Recreation Facilities	R Jago, Cultural Operations Manager	181,930	-22,970	158,960

Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
221	1,751,020	Community Parks & Open Spaces	R Jago, Cultural Operations Manager	1,963,290	-246,680	1,716,610
222	28,940	Allotments	R Jago, Cultural Operations Manager	119,960	-91,710	28,250
223	168,910	Children's Play	B Atkinson, Cultural Development Manager	170,620	0	170,620
224	287,670	Foreshore	R Jago, Cultural Operations Manager	382,400	-144,740	237,660
225	371,700	EPA Cleansing Duties	R Jago, Cultural Operations Manager	380,210	0	380,210
226	732,310	Sports Development	B Atkinson, Cultural Development Manager	922,480	-263,830	658,650
227	116,350	Great North Run	B Atkinson, Cultural Development Manager	153,930	-55,210	98,720
228	248,780	Cookson Festival	B Atkinson, Cultural Development Manager	309,780	-44,750	265,030
229	50,000	Tall Ships & Other New Events	B Atkinson, Cultural Development Manager	51,000	0	51,000
230	317,100	Tourism	B Atkinson, Cultural Development Manager	350,150	-11,260	338,890
231	561,250	Arts Development & Support	B Atkinson, Cultural Development Manager	548,640	0	548,640
232	90,530	Archive Service	B Atkinson, Cultural Development Manager	90,600	0	90,600
233	1,298,460	Museums & Galleries	B Atkinson, Cultural Development Manager	1,137,500	-29,590	1,107,910
234	2,913,930	Public Library Service	M Freeman, Libraries Manager	3,201,820	-318,070	2,883,750
235	-48,282	Cultural & Community Services Administration	B Atkinson, Cultural Development Manager	844,330	-844,330	0
236	11,989,428	Sub-Total		16,111,180	-4,894,960	11,216,220
		BUILDING STRONGER COMMUNITIES	S Brown, Head of Building Stronger Communities			
237	442,482	Partnership Team	S Brown, Head of Building Stronger Communities	2,779,910	-2,147,250	632,660
238	122,431	Anti Social Behaviour Team	S Brown, Head of Building Stronger Communities	612,240	-406,870	205,370
239	0	Youth Choice	S Brown, Head of Building Stronger Communities	323,290	-323,520	-230
240	710,229	Community Health & Safety	S Brown, Head of Building Stronger Communities	1,035,460	-303,170	732,290
241	1,275,142	Sub-Total		4,750,900	-3,180,810	1,570,090
		STREETSCAPE	B Buckley - Head of Streetscape			
242	422,940	Community Wardens	B Buckley - Head of Streetscape	680,210	-47,070	633,140
243	0	Sustainable Design	R Weetman, Infrastructure Projects Manager	234,670	-234,670	0

Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
244	483,300	Environmental Projects	R Weetman, Infrastructure Projects Manager	324,980	0	324,980
245	32,150	Groundwork Trust	R Weetman, Infrastructure Projects Manager	32,790	0	32,790
246	3,275,690	Highways Structural Maintenance	R Weetman, Infrastructure Projects Manager	1,894,330	-7,740	1,886,590
247	1,245,100	Highways Routine Maintenance	R Weetman, Infrastructure Projects Manager	1,241,360	-3,430	1,237,930
248	438,490	Winter Maintenance	R Weetman, Infrastructure Projects Manager	440,110	0	440,110
249	2,225,630	Street Lighting	R Weetman, Infrastructure Projects Manager	3,606,780	-1,394,210	2,212,570
250	76,130	Festive Lighting	R Weetman, Infrastructure Projects Manager	77,650	-75,000	2,650
251	1,270,460	Highways Maintenance Departmental Costs	R Weetman, Infrastructure Projects Manager	1,412,030	-390,520	1,021,510
252	-47,000	Engineering Works, Highways	R Weetman, Infrastructure Projects Manager	4,503,960	-4,653,960	-150,000
253	-26,880	Transport Operations	R Hepburn, Fleet Manager	4,720,490	-4,720,490	0
254	0	Highways & Structures Design	D Elliott, Transport Design Manager	802,220	-802,220	0
255	605,340	Traffic Management	D Elliott, Transport Design Manager	622,410	-70,400	552,010
256	824,640	Road Safety	D Elliott, Transport Design Manager	836,980	-7,690	829,290
257	25,550	Car Parking	D Elliott, Transport Design Manager	1,129,880	-1,186,870	-56,990
258	3,177,640	Streetscene & Streetscape	K Wallace, Environmental Maintenance Manager	3,442,580	-299,420	3,143,160
259	-61,570	Market	K Wallace, Environmental Maintenance Manager	299,120	-362,780	-63,660
260	167,800	Bereavement Services	K Wallace, Environmental Maintenance Manager	1,123,110	-989,020	134,090
261	451,810	Public Conveniences	K Wallace, Environmental Maintenance Manager	454,890	-560	454,330
262	100,860	Grounds Maintenance	K Wallace, Environmental Maintenance Manager	103,530	0	103,530
263	25,700	Building Cleaning Services	K Wallace, Environmental Maintenance Manager	4,275,970	-4,275,970	0
264	1,873,910	Waste Collection	A Whittaker, Waste Services Manager	4,472,800	-2,634,680	1,838,120
265	736,390	Recycling Collection	A Whittaker, Waste Services Manager	742,380	0	742,380
266	4,169,700	Waste Disposal	A Whittaker, Waste Services Manager	5,343,260	-791,650	4,551,610
267	21,493,780	Sub-Total		42,818,490	-22,948,350	19,870,140

Appendix 1: Council revenue budget 2007/08



Line Ref	2006/07 Budget £	Council Revenue Budget	Budget Holder	Total Cost £	Total Income £	2007/08 Budget £
		STRATEGIC & REGULATORY SERVICES	P Walker - Head of Strategic & Regulatory Services			
268	428,000	Contributions to the HRA re items shared by the whole community	P Walker - Head of Strategic & Regulatory Services	436,560	0	436,560
269	29,850	Housing Advances	P Walker - Head of Strategic & Regulatory Services	42,700	-13,030	29,670
270	1,750,000	Grants-Deferred Charges Written Off	P Walker - Head of Strategic & Regulatory Services	1,750,000	0	1,750,000
271	159,980	Homelessness	P Walker - Head of Strategic & Regulatory Services	429,400	-147,420	281,980
272	-11,180	Other Council Property	P Walker - Head of Strategic & Regulatory Services	11,530	-23,150	-11,620
273	1,689,420	Environmental Health	A Wainwright, Environmental Services Manager	2,323,120	-521,070	1,802,050
274	10,130	Coastal Protection	A Wainwright, Environmental Services Manager	35,350	0	35,350
275	198,890	Licensing	D Brooks, Trading Standards Manager	503,380	-355,020	148,360
276	619,610	Trading Standards & Consumer Protection	D Brooks, Trading Standards Manager	634,350	-30,410	603,940
277	761,020	Development Control	K Lawless, Development Control Manager	1,282,160	-542,440	739,720
278	660,590	Strategic Planning Policy	I Cansfield, Strategic Policy & Project Service Mgr	604,060	-57,990	546,070
279	279,170	Countryside Projects	I Cansfield, Strategic Policy & Project Service Mgr	285,330	-1,120	284,210
280	164,540	Strategic Housing Policy	M Ellis, Housing Futures Manager	540,670	-251,000	289,670
281	211,980	Strategic Transport Policy	J Edwards, Transport Futures Manager	267,920	-53,920	214,000
282	-37,000	Building Surveying	I Wilkinson, Building Control Manager	752,560	-752,560	0
283	0	Building Control Charging Account	I Wilkinson, Building Control Manager	380,310	-380,310	0
284	498,520	Building Control Non-Fee Earning Account	I Wilkinson, Building Control Manager	426,310	0	426,310
285	-88,000	Strategic & Regulatory Administration	P Walker - Head of Strategic & Regulatory Services	31,710	-31,710	0
286	7,325,520	Sub-Total		10,737,420	-3,161,150	7,576,270
		COMMUNITY EDUCATION SERVICES	S Brown, Head of Building Stronger Communities			
287		Community Education	S Brown, Head of Building Stronger Communities	3,190,200	-794,810	2,395,390
288		Youth Service	S Brown, Head of Building Stronger Communities	113,980	-28,450	85,530
289	0	Sub-Total		3,304,180	-823,260	2,480,920
290	83,630,550	TOTAL NEIGHBOURHOOD SERVICES REVENUE BUDGET		155,981,900	-73,679,440	82,302,460
291	216,364,930	TOTAL COUNCIL REVENUE BUDGET		544,319,110	-323,255,180	221,063,930

Appendix 1: Council revenue budget 2007/08



Line Ref	Council Revenue Budget (format for external reporting)	Total Cost £m	Total Income £m	2007/08 Budget £m
	Central Services			
1	Democratic Representation and Management	3.926 -	0.273	3.654
2	Corporate Management	1.754 -	0.542	1.212
3	Non Distributed Cost - Unused Share of Assets	0.050 -	0.074 -	0.024
4	Non Distributed Cost - Pensions Past Service	6.613 -	0.538	6.075
5	Central Services to the Public	18.995 -	16.728	2.267
6	Precepts and Levies	9.506	-	9.506
7	Trading Account Surpluses and Deficits	16.177 -	16.203 -	0.026
8	Trading Services Control Account	6.382 -	6.532 -	0.150
9	Emergency Planning	0.217 -	0.006	0.211
10	Interest and Investment Income	-	3.023 -	3.023
11	Pensions Costs	24.980 -	19.360	5.620
12	Extraordinary Items	4.830 -	2.228	2.602
13	TOTAL CENTRAL SERVICES	93.431 -	65.507	27.924
	Court Services			
14	Coroners Service	0.530 -	0.290	0.240
15	TOTAL COURT SERVICES	0.530 -	0.290	0.240
	Cultural, Environmental and Planning Services			
16	Culture and Heritage	2.138 -	0.074	2.063
17	Recreation and Sport	9.534 -	3.743	5.791
18	Opens Spaces	4.539 -	0.686	3.853
19	Tourism	0.350 -	0.011	0.339

Appendix 1: Council revenue budget 2007/08



Line Ref	Council Revenue Budget (format for external reporting)	Total Cost £m	Total Income £m	2007/08 Budget £m
20	Library Service	3.202	- 0.318	2.884
21	Cemetery, Cremation and Mortuary Services	1.123	- 0.989	0.134
22	Coast Protection	0.138	- 0.017	0.121
23	Environmental Health	3.233	- 1.223	2.010
24	Community Safety (Crime Reduction)	3.600	- 1.983	1.617
25	Trading Standards	0.634	- 0.030	0.604
26	Street Cleansing	2.848	- 0.299	2.549
27	Waste Collection	2.989	- 0.409	2.581
28	Waste Disposal	5.343	- 0.792	4.551
29	Building Control	0.807	- 0.380	0.426
30	Development Control	1.192	- 0.534	0.658
31	Planning Policy	0.694	- 0.066	0.628
32	Environmental Initiatives	0.033	-	0.033
33	Economic Development	14.505	- 12.388	2.118
34	Community Development	3.028	- 2.303	0.726
35	Cultural and related Management and Support Costs	0.845	- 0.845	-
36	Planning and Development Management and Support Costs	0.785	- 0.785	0.000
37	Environmental Services Management and Support Costs	0.235	- 0.235	-
38	TOTAL CULTURAL, ENVIRONMENT AND PLANNING	61.794	- 28.110	33.684
	Education Services			
39	Nursery Schools	2.305	- 0.551	1.754
40	Primary Schools	48.477	- 7.199	41.278
41	Secondary Schools	57.136	- 11.792	45.345
42	Special Schools	9.768	- 2.157	7.612
43	Non School Funding	17.137	- 13.828	3.309

Appendix 1: Council revenue budget 2007/08



Line Ref	Council Revenue Budget (format for external reporting)	Total Cost £m	Total Income £m	2007/08 Budget £m
44	Education Departmental Management	3.024	- 3.024	-
45	TOTAL EDUCATION SERVICES	134.824	- 35.527	99.298
	Highways, Roads and Transport Services			
46	Transport Planning, Policy and Strategy	0.268	- 0.054	0.214
47	Highways Structural	2.318	- 0.125	2.193
48	Construction	0.071	- 0.020	0.051
49	Highways Routine	2.089	- 0.238	1.851
50	Street Lighting	3.684	- 1.469	2.215
51	Winter Maintenance	0.511	- 0.020	0.491
52	Traffic Management and Road Safety	1.459	- 0.078	1.381
53	Parking Services	1.130	- 1.187	0.057
54	Highways Management and Support Services	0.802	- 0.802	-
55	TOTAL HIGHWAYS, ROADS AND TRANSPORT	12.332	- 3.992	8.340
	Housing Services			
56	Housing Strategy	0.282	-	0.282
57	Housing Advances	0.043	- 0.013	0.030
58	Private Sector Housing Renewal	2.115	- 0.153	1.963
59	Homelessness	0.429	- 0.140	0.290
60	Housing Benefit Payments	41.773	- 41.965	0.192
61	Housing Benefit Administration	2.158	- 2.198	0.040
62	Contributions to the Housing Revenue Account	0.437	-	0.437
63	Other Council Property	0.012	- 0.023	0.012
64	Housing Management Support Services	0.259	- 0.259	-
65	TOTAL HOUSING SERVICES	47.508	- 44.751	2.757

Appendix 1: Council revenue budget 2007/08



Line Ref	Council Revenue Budget (format for external reporting)	Total Cost £m	Total Income £m	2007/08 Budget £m
	Social Services			
66	Service Strategy	0.275 -	0.227	0.048
67	Children's Commissioning and Social Work	5.844 -	0.684	5.160
68	Children Looked After	7.444 -	1.000	6.444
69	Family Support Services	2.417 -	0.131	2.286
70	Youth Justice	1.854 -	0.975	0.879
71	Other Children's and Families Services	2.299 -	0.580	1.719
72	Older People (Aged 65 and Over)	39.132 -	14.313	24.819
73	Physically Disabled Adults	5.034 -	1.688	3.346
74	Learning Disabled Adults	11.998 -	4.963	7.035
75	Adults with Mental Health Needs	4.162 -	1.643	2.518
76	Other Adult Services	1.257 -	1.260 -	0.003
77	Sheltered Employment	2.132 -	0.478	1.654
78	Supporting People	3.258 -	3.258	-
79	Adult Management and Support Services	7.045 -	7.045	-
80	TOTAL SOCIAL SERVICES	94.150 -	38.245	55.904
81	TOTAL COUNCIL NET REVENUE BUDGET (BEFORE APPROPRIATIONS)			228.147
82	APPROPRIATIONS (TRANSFERS TO RESERVES)	44.963 -	52.046 -	7.083
83	TOTAL COUNCIL NET REVENUE BUDGET			221.064

Appendix 2: Council capital budget 2007/08



Line Ref	Council Capital Budget	Budget Holder	2007/08 Budget £	External Funding £	Council Funding £	Scheme Status
	CHILDREN AND YOUNG PEOPLE					
	DIRECTORATE SUPPORT	Head of Directorate Support				
1	Horsley Hill Campus	Head of Directorate Support	804,000	0	804,000	Green
2	Building Schools for the Future	Head of Directorate Support	1,746,000	0	1,746,000	Green
3	Primary School Reorganisation	Head of Directorate Support	400,000	0	400,000	Amber
4	Asbestos Removal in Schools	Head of Directorate Support	200,000	0	200,000	Amber
5	Temporary Accommodation for Secondary Schools	Head of Directorate Support	1,475,000	-100,000	1,375,000	Amber
6	Schools Access Initiative	Head of Directorate Support	225,000	0	225,000	Green
7	School Asset Condition and Suitability	Head of Directorate Support	500,000	0	500,000	Green
8	Schools Devolved Formula	Head of Directorate Support	1,730,000	-1,730,000	0	Green
9	Sub-Total		7,080,000	-1,830,000	5,250,000	
	TRANSITION AND WELLBEING	Christine Smith				
10	Children's Centres	C Smith, Head of Transition and Wellbeing	380,000	-380,000	0	Green
11	Sub-Total		380,000	-380,000	0	
	TOTAL CHILDREN AND YOUNG PEOPLE		7,460,000	-2,210,000	5,250,000	
	NEIGHBOURHOOD SERVICES					
	HEAD OF COMMISSIONING AND CARE SERVICES	Jane Bowie				
12	Social Care & Health ICT System Upgrade	J Bowie, Acting Head of C & C Services	113,000	-113,000	0	Green
13	Alterations to STAR Centre	J Bowie, Acting Head of C & C Services	190,000	0	190,000	Green
14	Sub-Total		303,000	-113,000	190,000	

Appendix 2: Council capital budget 2007/08



Line Ref	Council Capital Budget	Budget Holder	2007/08 Budget £	External Funding £	Council Funding £	Scheme Status
	STREETSCAPE	Bill Buckley				
15	Adoption of Back Lanes	B Buckley, Head of Streetscape	100,000	0	100,000	Green
16	Improving the Quality of Footpaths	B Buckley, Head of Streetscape	200,000	0	200,000	Green
17	Integrated Transport Programme (LTP)	B Buckley, Head of Streetscape	1,194,000	-111,000	1,083,000	Green
18	Highways Maintenance Programme (LTP)	B Buckley, Head of Streetscape	1,059,000	-99,000	960,000	Green
19	Highways Infrastructure Improvements	B Buckley, Head of Streetscape	200,000	0	200,000	Green
20	Maintain and Improve Subways	B Buckley, Head of Streetscape	100,000	0	100,000	Green
21	Street and Flood Alleviation Schemes	B Buckley, Head of Streetscape	80,000	0	80,000	Green
22	Footbridges	B Buckley, Head of Streetscape	25,000	0	25,000	Green
23	Sub-Total		2,958,000	-210,000	2,748,000	
	REGULATORY SERVICES	Paul Walker				
24	Improve Private Housing in the Borough	P Walker, Head of Strategic & Regulatory Services	869,000	-869,000	0	Amber
25	Disabled Facilities in Private Housing	P Walker, Head of Strategic & Regulatory Services	1,125,000	-922,000	203,000	Amber
26	Cleadon Park Regeneration	P Walker, Head of Strategic & Regulatory Services	1,802,000	0	1,802,000	Amber
27	Coastal Protection Appraisal	P Walker, Head of Strategic & Regulatory Services	370,000	-280,000	90,000	Amber
28	Coastal Protection Infrastructure	P Walker, Head of Strategic & Regulatory Services	1,750,000	-1,313,000	437,000	Amber
29	Sub-Total		5,916,000	-3,384,000	2,532,000	
	CULTURAL SERVICES	Tony Duggan				
30	South Marine Park	T Duggan, Head of Cultural Services	2,110,000	-1,690,000	420,000	Amber
31	Custom House	T Duggan, Head of Cultural Services	818,000	-676,000	142,000	Amber
32	Sub-Total		2,928,000	-2,366,000	562,000	
	TOTAL NEIGHBOURHOOD SERVICES CAPITAL BUDGET		12,105,000	-6,073,000	6,032,000	

Appendix 2: Council capital budget 2007/08



Line Ref	Council Capital Budget	Budget Holder	2007/08 Budget £	External Funding £	Council Funding £	Scheme Status
	REGENERATION AND RESOURCES					
	FINANCE	Brian Scott				
33	Single Status Capitalisation Costs	B Scott, Head of Finance	13,078,000	0	13,078,000	Amber
34	Sub-Total		13,078,000	0	13,078,000	
	ENTERPRISE AND REGENERATION	Rick O'Farrell				
	Planned Maintenance					
35	Design and Feasibility - New schemes	R. O'Farrell, Head of Enterprise & Regeneration	90,000	0	90,000	Green
36	Energy Efficiency Improvements	R. O'Farrell, Head of Enterprise & Regeneration	45,000	0	45,000	Green
37	Social Care & Health Facilities	R. O'Farrell, Head of Enterprise & Regeneration	150,000	0	150,000	Green
38	Improve Access to Building (DDA Programme)	R. O'Farrell, Head of Enterprise & Regeneration	225,000	0	225,000	Green
39	Health & Safety Works to Asset Portfolio	R. O'Farrell, Head of Enterprise & Regeneration	225,000	0	225,000	Green
40	Front Line Buildings / Civic Buildings Maintenance	R. O'Farrell, Head of Enterprise & Regeneration	200,000	0	200,000	Green
41	Riverside Maintenance	R. O'Farrell, Head of Enterprise & Regeneration	50,000	0	50,000	Green
42	Carbon Trust Management - Invest to Save Fund	R. O'Farrell, Head of Enterprise & Regeneration	100,000	0	100,000	Green
	ENTERPRISE AND REGENERATION					
	Priority Led Schemes					
43	Community Area Forum Grants	R. O'Farrell, Head of Enterprise & Regeneration	100,000	0	100,000	Green
44	Business Support Fund	R. O'Farrell, Head of Enterprise & Regeneration	250,000	0	250,000	Green
45	A19 Jobslink	R. O'Farrell, Head of Enterprise & Regeneration	1,330,000	-1,000,000	330,000	Amber
46	External Funding Development Fund	R. O'Farrell, Head of Enterprise & Regeneration	100,000	0	100,000	Green

Appendix 2: Council capital budget 2007/08



Line Ref	Council Capital Budget	Budget Holder	2007/08 Budget £	External Funding £	Council Funding £	Scheme Status
47	Tyne Gateway/Riverside Regeneration	R. O'Farrell, Head of Enterprise & Regeneration	1,330,000	-1,000,000	330,000	Amber
48	Regeneration Fund for Land Purchases	R. O'Farrell, Head of Enterprise & Regeneration	250,000	0	250,000	Green
49	Regeneration and Transformation Fund	R. O'Farrell, Head of Enterprise & Regeneration	250,000	0	250,000	Green
50	Achieving the transformation of the Borough	R. O'Farrell, Head of Enterprise & Regeneration	2,000,000	0	2,000,000	Amber
51	Sub-Total		6,695,000	-2,000,000	4,695,000	
	CUSTOMER SERVICES AND ICT	Alan Holt				
52	Customer Service Strategy	A. Holt, Head of Customer Services and ICT	491,000	0	491,000	Green
				0	0	Green
53	Sub-Total		491,000	0	491,000	
	TOTAL REGENERATION AND RESOURCES CAPITAL BUDGET		20,264,000	-2,000,000	18,264,000	
	TOTAL COUNCIL CAPITAL BUDGET 2007/08		39,829,000	-10,283,000	29,546,000	