



North Tyneside Council

2009/10 Quarter 1 Finance and Performance Management Position Statement.

Working closer
with communities

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PART I




Section 1.0 Council Plan

1.1 COUNCIL PLAN PERFORMANCE

This section of the report provides an update on performance against Council Plan milestones.

Table 1: Council Plan Milestones

| Council Plan Programme |  |  |  | Total |
|------------------------|---|---|---|-------|
| Ambition | 9 | 2 | 0 | 11 |
| Growth | 6 | 2 | 0 | 8 |
| Quality of Life | 9 | 0 | 0 | 9 |
| Closer | 5 | 1 | 0 | 6 |
| Total | 29 | 5 | 0 | 34 |

| | |
|-------------------|---|
| Ahead of schedule |  |
| On schedule |  |
| Not on schedule |  |

The Value for Money programme of the Council Plan covers a programme of projects that are currently being reviewed by the Corporate Management Team. In future reporting, there will be a summary statement of general progress for the programme.

Quarter 1 highlights of achievements of the projects in the Council Plan include:

- Completing work on the Holystone roundabout and the interim scheme for the Seaton Burn roundabout;
- Introducing six shoppers' bus services from sheltered accommodation sites;
- Collecting over 1000 tonnes of dry recycling in a month, for the first time ever;
- Holding a launch event for the Digitally Connected Borough project;
- Securing funding from OneNorthEast for the learning village site; and,
- Beginning to work with preferred developers on options for the Longsands development sites.

Only five projects are not on schedule. Each project has a quarterly profile which sets out what should happen during the quarter. For each project which is not on

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schedule, the table below shows the quarterly profile and gives an update on progress with the project.

Table 2: Projects not on schedule

| Project | Quarterly profile | Update |
|-------------------------------|---|---|
| <p>Homes for the homeless</p> | <p>Multi-Agency Homelessness Strategy Steering Group (MAHSSG) meeting.</p> <p>Number of homelessness presentations and outcomes, including use of temporary accommodation.</p> <p>Review year 1 of action plan,</p> <p>Agree and implement year 2 of action plan.</p> <p>Review prevention measures.</p> <p>Development of service user engagement and feedback mechanisms.</p> | <p>Although we achieved the end of year target to reduce the numbers of households in temporary accommodation to 53, further improvements need to be made in this area to achieve our 2010 target of 43 or less. Considerable improvement is still needed in the number of preventions achieved and numbers of homelessness households accepted, with stronger strategic links to support services needed.</p> <p>A number of improvement measures have been put in place, including the successful operation of a Deposit Guarantee Scheme. The Supporting People team recently awarded a range of contracts for floating support services and an accommodation-based support service. These services help to prevent homelessness and reduce the use of temporary accommodation.</p> <p>Successful delivery of affordable homes schemes with our Registered Social Landlord partners is increasing choice and access.</p> <p>The latest meeting of the MAHSSG held on 17 June included presentations from representatives of Depaul UK, the Crime & Disorder Reduction Partnership and Misuse of Drugs Partnership and the Teenage Pregnancy Team.</p> <p>Rescheduled date: Not applicable as the red triangle relates to the year-end performance figure and not the programme of activity.</p> |
| <p>Wallsend Housing PFI</p> | <p>No quarterly profile set</p> | <p>The Government announcement of the successful Housing Private Finance Initiatives (PFI) 6 awards, was made on the 17 July 2009. The Council received a letter to say that its application had been unsuccessful.</p> <p>Rescheduled date: no longer applicable.</p> |

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| Project | Quarterly profile | Update |
|----------------------------|---|---|
| North Bank of the Tyne | <p>Completion of final report with masterplans and move into implementation stage.</p> <p>Consultation on master plans.</p> <p>Master plan and implementation plan completed.</p> | <p>The North Bank Board, following extensive public consultation, has agreed the Strategic Framework Plan. Pending its formal acceptance by the Council, detailed concepts are being developed for key strategic sites, including Wallsend town centre.</p> <p>A consultation event is scheduled for September 2009, which will inform the completion of the master plan process.</p> <p>Rescheduled date: September 2009.</p> |
| Retail centres development | <p>Action plan approved.</p> <p>Funding investigated.</p> | <p>The time period has been extended to further develop the brief and select the successful tenderer.</p> <p>Good progress is now being made with consultants. The work is progressing well and completion anticipated to revised schedule of Autumn 09.</p> <p>Rescheduled date: September 2009.</p> |
| Roads and pavements | <ol style="list-style-type: none"> 1) Commencement of first tranche of schemes 2) Further schemes identified and programmed. 3) Ongoing consultation on new schemes. 4) Ongoing design of schemes. 5) Completion of schemes. | <p>The Elected Mayor and Cabinet recognise residents' concerns regarding roads and pavements and acknowledge the response received and the support of the residents panel.</p> <p>Plans are currently under consideration to bring forward an early range of works to begin to deal with these concerns, in addition to engaging with the Area Forums to play their part and make a contribution into the future.</p> <p>Rescheduled date: To be confirmed during Quarter 2.</p> |

PART II

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|---|
| Section 2.0 2008/09 Financial Management |
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Summary

- 2.1 This is the first report to Cabinet for 2009/10 setting out the Council's financial performance position.
- 2.2 This report includes details of the forecast out-turn position to the 31 March 2010, highlighting key strategic issues to be managed by the Council during the year.

Strategic Management of the Council's Budget

- 2.3 The budget for 2009/10 was approved by Council at its meeting of 5 March 2009. The net General Fund revenue budget was set at £168.992m, which represented an increase of *£3.404m (2.06%) over 2008/09*. The council tax increase for the year was set at 2.5%.
- 2.4 The General Fund revenue budget included pay and price pressures, (£7.158m); statutory, mandatory, or committed pressures (£7.730m); and Mayoral priorities (£2.913m). Offsetting these cost pressures were value for money savings of £9.587m and additional income and grant of £0.236m.
- 2.5 The Strategic Investment Plan (SIP) level of expenditure for 2009/10 was approved at £122.466m. The outturn report for 2008/09 indicated reprogramming into 2009/10 of £8.039m that was approved by Cabinet on the 13 June 2009. Details of further revisions to the plan are included in Section 6 that takes the approved capital expenditure for 2009/10 to £131.700m.
- 2.6 As in previous years, over and above the management of the Council's core budget there may be major issues which need to be addressed in year or which give rise to implications which extend beyond the one year time scale of the annual budget. These issues are summarised below.

Strategic Issues

Value for Money

- 2.7 The Council approved a value for money programme of £9.6m as part of setting its 2009/10 budget. This consisted of several themes including energy efficiency, new ways of working and organisational shape. In addition, and as reported as part of the 2008/09 Financial Out-turns to Cabinet on 17 June 2009, there are £1.3m of overhanging efficiencies from the 2008/09 value for money programme. This, together with £0.6m of one-off staff-related efficiencies that were delivered through higher vacancy targets in 2008/09, are now incorporated into the total (£11.5m). Arrangements are in place to manage and monitor the overall Value for Money programme, with nominated project sponsors and project managers for each project. Progress is regularly discussed at Corporate Management Team.

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- 2.8 At the end of Quarter 1, the Council has achieved and / or has plans in place to deliver £7.7m, i.e. two-thirds, of this target.
- 2.9 Of the remaining £3.8m, 80% of this relates to workforce efficiency-related targets. The Chief Executive and his Corporate Management Team are carrying out further work in relation to the management delayering and business management reviews and action has been taken to accelerate this programme of work, with the expectation of delivering the efficiencies required by the year-end. This is imperative so that the Council can secure full year efficiencies from these projects in 2010/11.

Equal Pay and Equal Value

- 2.10 Some major issues around equal pay claims were resolved in 2007/08 and 2008/09, with the result that the overall financial risk to the Council was significantly diminished going forward into 2009/10. Some claims remain outstanding, however, with the further risk of new claims in the year. To recognise this risk we have continued the strategy of the previous two years and in May 2009 a capitalisation request was submitted to Communities and Local Government, (CLG). Councils will be advised of the outcome of their requests in September 2009. It is hoped that a settlement process can be agreed in 2009/10 that will resolve the majority of the remaining equal pay issues.

Job Evaluation

- 2.11 The job evaluation exercise is nearing completion with Stage 2 appeals in progress, and due to be completed this year. The final overspend on job evaluation during 2008/09 was reported to Cabinet as part of the outturn report (17 June 2009) and a resulting pressure of £0.500m continues into 2009/10.

The Economic Climate

- 2.12 One of the major features of 2008/09 was the rapid downturn in economic conditions and its effects. Whilst in the main budget management was not directly affected by the 2008/09 downturn, the effects of changing economic conditions are being seen in 2009/10 in such areas as investment income, rental income and land charges income. These pressures are covered later in the report.
- 2.13 At its meeting of 17 June 2009 Cabinet requested a report on the financial position of the Pension Fund and its implications for the Council's financial planning process. This information is given in Section 7 of the report.

Area Based Grant

- 2.14 Included within directorate service budgets for 2009/10 is Area Based Grant (ABG) funding of £10.265m. In addition £1.143m of the 2008/09 ABG remained unspent at the end of 2008/09 and was transferred to the balance sheet to be used in 2009/10. In total, therefore, £11.408m of ABG budget is available this financial year. Currently services are forecasting to spend all of the available ABG during 2009/10.

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The accounting rules for ABG require that any amounts unspent at year-end should be transferred to the balance sheet and identified separately.

Pay Award

- 2.15 Included in the 2009/10 budget preparation was an assumption of a pay award of 2.5%. In light of current negotiations it is considered that this level of pay award is unlikely. The assumption is that the savings arising from a lower than budgeted pay award will be used to meet the £2.5m cash limit Value for Money saving built into directorate budgets for 2009/10. This assumption is built into directorate monitoring statements. The effect of the pay award is kept under constant review as pay negotiations progress.

Financing of the Strategic Investment Plan (SIP)

- 2.16 The SIP is on track in terms of the physical delivery of the various projects and the level of spend continues to be closely monitored by the Strategic Investment Group
- 2.17 The latest Strategic Investment Plan shows a financing requirement from General Fund capital receipts of £14m for 2009/10. If the level of receipts in 2009/10 were to fall below this, with capital expenditure remaining as budgeted, then the financing shortfall would need to be taken up by unsupported borrowing in the first instance. For 2009/10 only the interest costs of such borrowing would be charged to revenue; however, the full year effect would be felt in 2010/11 and would need to be reflected in the Business and Resource Planning Process for 2010 -15. The financing of the Plan is being kept under constant review. Up to the first quarter of the year, £162k of General Fund capital receipts had been generated.

VAT Partial Exemption

- 2.18 In financial years 2007/08 and 2008/09 Revenue and Customs (HMRC) suspended the requirement for Councils to carry out a partial exemption calculation relating to VAT. As Cabinet may recall, prior to this the calculation was important as any breach of the 5% partial exemption limit allowed to councils would generate a significant VAT liability to HMRC. The partial exemption calculation was therefore monitored throughout the year and reported to Cabinet as part of the regular monitoring process. At present the calculation shows a projected level of exempt VAT incurred of 5.6%. If this level were to be maintained for the remainder of the year then the Council would face a VAT liability of £1.3m (£0.9m Capital, £0.4m revenue). We are currently reviewing options to manage this figure down below the 5% limit.

CHRIS Joint Venture

- 2.19 At its meeting on 12 December 2006 Cabinet approved and granted delegated authority to the Strategic Director for Development and Strategic Director for Community Services to undertake an integrated procurement exercise covering both the Council's housing and public buildings routine repairs and maintenance programmes and the Council's planned and responsive construction work programmes. This followed an initial Cabinet decision at its earlier meeting on 16 May 2006 approving a procurement exercise for the housing repairs and

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maintenance service. An officer project team has been set up to undertake the procurement of a partner organisation to deliver the project entitled "Construction and Housing Repairs Integrated Services" ("**CHRIS project**") to secure a high quality housing repairs and maintenance service for our tenants and significant improvement in the Council's construction capability to support the delivery of the Council's Strategic Investment Programme.

- 2.20 In April this year the procurement process had progressed to the stage where final negotiations were started with the preferred bidder to arrive at financial close. It is anticipated that this will occur early September 2009, and the Joint Venture arrangement will commence at that stage.
- 2.21 The Joint Venture arrangement will represent a major partnership for the Council and as such reporting of the arrangement will be included within this report as part of the financial management reporting process of the Council.

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| <p style="text-align: center;">Section 3.0 General Fund Income and Expenditure</p> |
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Introduction

- 3.1 As recommended by Cabinet at its meeting on the 17 June 2009 we have given due consideration to the content and presentation of information contained within the Financial Management reports. We have revised Table 3 below to give an indication of the variations being managed by the Council and the forecast outturn following mitigating actions. This table is supported by more detailed variance reports contained in Appendix A to E. The appendices detail material variances for each Service Area together with mitigating actions each directorate plans to take address those variances. We have introduced a system of traffic lighting in the appendices to indicate levels of variation. Green indicates a surplus to or on budget outturn; amber indicates a variation of up to £50k over budget, and red indicates a variation in excess of £50k over budget. We will continue to refine and improve these reports to enhance the quality of information provided.
- 3.2 Table 3 shows current budget pressures identified by directorates and the expected year end out-turn following mitigating actions taken to reduce those pressures.

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Table 3: 2009/10 General Fund Revenue Budget Forecast to 31 March 2010

| General Fund Budget Monitoring Summary 2009/10 Draft Position Statement 30 June 2009 | | | | | |
|---|---------------------------|---------------------------|----------------------------------|-----------------------------|---------------------------|
| | Full Year Budget £m | Forecast Outturn £m | Forecast Before actions £m | Mitigating actions £m | Forecast Outturn £m |
| Expenditure | | | | | |
| Service Outturn | | | | | |
| 1 Children, Young People & Learning | 52.745 | 52.825 | 0.080 | -0.080 | 0.000 |
| 2 Development | 22.795 | 22.795 | 0.000 | 0.000 | 0.000 |
| 3 Community Services | 96.094 | 96.385 | 0.291 | -0.291 | 0.000 |
| 4 Commercial Directorate | 1.241 | 1.556 | 0.315 | -0.315 | 0.000 |
| 5 Chief Executive Office | 0.688 | 1.058 | 0.370 | -0.370 | 0.000 |
| Sub Total - Service- Approved Budget | 173.563 | 174.619 | 1.056 | -1.056 | 0.000 |
| 7 Use of Reserves(Scheme of Delegation) | | | | | |
| North Tyneside Hardship Rate Relief (HRR) Scheme | | 0.125 | 0.125 | 0.000 | 0.000 |
| Use of the Strategic Reserve | | -0.125 | -0.125 | 0.000 | 0.000 |
| Sub- Total Amended Service Budgets | 173.563 | 174.619 | 1.056 | -1.056 | 0.000 |
| Non Delegated budgets | | | | | |
| 8 Corporate and Democratic Core | 15.559 | 15.559 | 0.000 | 0.000 | 0.000 |
| 9 Corporate Accounting | -23.847 | -23.347 | 0.500 | 0.000 | 0.500 |
| 10 Value for money | -9.256 | -5.352 | 3.904 | -0.100 | 3.804 |
| 11 Levies | 12.972 | 12.972 | 0.000 | 0.000 | 0.000 |
| Sub-total- non delegated budgets | -4.572 | -0.168 | 4.404 | -0.100 | 4.304 |
| Total | 168.991 | 174.451 | 5.460 | -1.156 | 4.304 |
| Potential Savings/ additional income | | | | | |
| 12 CHRIS (Part year effect of receipt of £1.7m Goodwill) | 0.000 | -0.708 | -0.708 | 0.000 | -0.708 |
| Net current forecast deficit/(surplus) position | 168.991 | 173.743 | 4.752 | -1.156 | 3.596 |

Directorates

- 3.3 Children Young People and Learning are forecasting overall spend in line with budget following actions to manage service variations. The Children Disability Service is experiencing additional demand resulting in a forecast over-commitment of £88k. The Student Support Service Area is forecasting an over-commitment on home to school transport costs of £68k, however overall the service area is projected to underspend by £72k due to compensating savings on PFI costs. Necessary changes in the delivery of the Safeguarding Operations service area have led to a forecast over-commitment of £50k. In total current pressures of £80k have been identified. The directorate has plans in place to mitigate the net pressure of £80k and bring services back on budget by the end of the financial year.
- 3.4 Development directorate is forecasting overall spend in line with budget. The major variations within service areas are as follows. Transport Planning and Highways is showing an overcommitment of £148k due primarily to energy costs, management of the vacancy saving target of £60k, and a shortfall in car parking income. The Planning service is forecasting an overcommitment of £137k due primarily to a fall off in the level of planning applications. Overall, however, the Development Strategy

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and Planning Service shows an anticipated underspend at year end of £122k due to trading account surpluses credited to revenue. The other major variation in the Directorate is in the Investment and Regeneration Service budget where there is a projected shortfall of £136k in Asset Management income, due primarily to the effects of the economic downturn.

- 3.5 Community Services is forecasting overall spend in line with budget, following actions to manage service variations totalling £291k over-commitment. A detailed breakdown of variances is given in Appendix C, but in summary, the main pressures and savings are arising in the Adult Social Care and Serving Communities Services. In Adult Social Care significant pressures have arisen in the Learning Disabilities (£99k), Community Disability (£190k), Older People (£662k) and Mental Health (£90k) service areas. These pressures are offset to some extent by savings in the Provider Services (£226k) and Adult Services Central Costs (£342k) service areas leaving a net Service overcommitment of £473k. Serving Communities is currently forecasting an undercommitment of £222k arising mainly from Business Support (£153k) and the Delivery team (£68k). Overall the directorate is showing an initial overcommitment of £291k which is being managed down to zero by control of vacancies and a targeted reduction in discretionary spend across directorates.
- 3.6 The Commercial Directorate is forecasting overall spend in line with budget. The main variances being managed across the directorate are in respect of a potential overspend on Telephony of £172k due to the timing of the change to VOIP (Voice Over Internet Protocol) and management of the vacancy saving target of £100k within the Technology and Transformation service. The directorate has actions in place to mitigate these pressures and expects these actions to produce a directorate spend on budget at the year end.
- 3.7 The Chief Executive's Office is forecasting overall spend in line with budget. In total an over-commitment of £370k is currently projected. The main overcommitments are in Legal Services (£245k shortfall in Land Charge income, and £60k agency costs) and Policy and Performance (£80k Interim Head of Service cost). Under-commitments are shown against Central Services to the Public (£76k saving made from joint Mayoral and European elections) and Communications (£53k net saving). The resulting £370k net over commitment is to be managed down by a review of agency staff provision and a targeted reduction of discretionary spend across the directorate.
- 3.8 During the Business and Resource Planning Process we reflect any known changes to external funding and grants in arriving at the net budget requirement. However, there are also circumstances where grants are awarded by Government Departments and Funding bodies during the course of the financial year. Where additional funding and the associated projects are in respect of the Strategic Investment Plan these are disclosed as part of the variations and reprogramming that are reported as part of the usual financial management process. Additional revenue grant funding and the associated expenditure is included in the directorate monitoring returns. Table 4 below gives a detailed breakdown of these new grants received to date for 2009/10.

Table 4: Additional Grant Funding Received 2009/10

| Grant Provider | Name of Grant | £ |
|--|--|------------------|
| Sure Start - General Grant | Aiming High Short Break Care - Additional Funding | 47,500 |
| Primary Care Trust | Young Persons Substance Misuse Partnership | 111,984 |
| One North East | Regional Business Ambassador Programme | 15,184 |
| Department for Children Schools and Families | Right2BCared4 Pilot Project Grant | 186,500 |
| Department for Children Schools and Families | Think Family - Think Family Reforms & Youth Crime FIPs | 178,000 |
| Department for Children Schools and Families | Think Family - Parenting Early Intervention Programme | 143,000 |
| Department for Children Schools and Families | Think Family - Parenting Experts | 100,000 |
| Department for Children Schools and Families | Youth Crime Action Plan | 171,982 |
| Learning Skills Council | Post 16 Transport Partnership | 41,028 |
| Department for Children Schools and Families | Independent State School Partnership - Sustainability | 22,000 |
| CILT - The national Centre for Languages | MFL KS3 Strategic Learning Network | 2,790 |
| Learning Skills Council | Care to Learn | 25,000 |
| Training & Development Agency for Schools | Initial Teacher Training | 311,600 |
| Total Revenue Grants - CYPL | | 1,356,568 |
| Communities and Local Government | The New Burdens Grant | 16,835 |
| Department for Work and Pensions | City Strategy Seedcorn | 166,660 |
| Department for Work and Pensions | City Strategy Reward | 166,666 |
| One NorthEast | Raising Enterprise - Business and Employment ERDF | 236,654 |
| Total Revenue Grants - Development | | 586,815 |
| Culture 10 (One North East) | Xperience09 | 127,000 |
| Arts Council England | Arts Council England (North East) | 50,001 |
| Total Revenue Grants - Community Svcs | | 177,001 |
| TOTAL NEW GRANTS 2009/10 | | 2,120,384 |

Non-Delegated Budgets items- £4.304m forecast over-commitment

Corporate Accounting

- 3.9 The 2008/09 out turn report to Cabinet identified a General Fund overspend of £3.7m arising from the implementation of the Council's Job Evaluation scheme. The substantial part of this pressure was recognised in the setting of this year's budget, but an additional, unbudgeted commitment of £500k remains. We are working to consider appropriate actions to manage this over-commitment within 2009/10.

Value for Money

- 3.10 The Council approved a value for money programme of £9.6m as part of setting its 2009/10 budget. This consisted of several themes including energy efficiency, new ways of working and organisational shape. In addition, and as reported as part of the 2008/09 Financial Out-turns to Cabinet on 17 June 2009, there are £1.3m of overhanging efficiencies from the 2008/09 value for money programme. This, together with £0.6m of one-off staff-related efficiencies that were delivered through higher vacancy targets in 2008/09, are now incorporated into the total (£11.5m). Arrangements are in place to manage and monitor the overall Value for Money programme, with nominated project sponsors and project managers for each project. Progress is regularly discussed at Corporate Management Team.
- 3.11 At the end of Quarter 1, the Council has achieved and / or has plans in place to deliver £7.7m, i.e. two-thirds, of this target.
- 3.12 Of the remaining £3.8m, 80% of this relates to workforce efficiency-related targets. The Chief Executive and his Corporate Management Team are carrying out further work in relation to the management delayering and business management reviews

and action has been taken to accelerate this programme of work, with the expectation of delivering the efficiencies required by the year-end. This is imperative so that the Council can secure full year efficiencies from these projects in 2010/11.

Other Issues

Use of the Strategic Reserve

- 3.13 Under the Council's Reserves and Balances Policy delegated authority is given to the Mayor, Cabinet Member for Finance, Section 151 Officer and Deputy Section 151 Officer to review the level and use of reserves and balances in the context of the Council's overall financial position.
- 3.14 During quarter 1 approval was sought under this delegation to release £126.5k from the Strategic Reserve to enhance the Council's Hardship Rate Relief Scheme (HRR) as part of the Economic Resilience Plan to support North Tyneside business. In effect this is an allocation of the 2008/09 Local Authority Business Growth Incentives (LABGI) award that was transferred to the Strategic Reserve pending a formal decision on its usage. Table 3 reflects this action.

Section 4.0

Housing Revenue Account Income and Expenditure

- 4.1 This section of the report provides an update on the financial position and projections for the Council's Housing Revenue Account (HRA). The projected year-end position and variance analysis for June 2009 are attached as Appendix F to this report.
- 4.2 Current projections show that HRA balances at the year-end are expected to be £114k lower than the original budget of £1.740m. Of this variation £2.002m relates to an improvement in balances brought forward from 2008/09. The projected in year variation against budget is currently projected as £2.116m overspend.
- 4.3 The major components of the in-year variation of £2.116m are as follows:
- 4.4 The impact of the continued downward trend in interest rates and the net impact of changes to the Consolidated Rate of Interest (CRI) on both Subsidy cover for Capital Financing charges, and the actual Capital Financing charges is (£27k). This net variation is made up of two elements:
- (i) A reduction in the estimated CRI leading to a reduction in the subsidy cover included in the Government's overall subsidy calculation, (£920k additional expenditure);
 - (ii) A reduction in the actual capital charges attributed to the HRA at year-end (estimated £947k saving).
- 4.5 A projected under-spend on Management costs of £106k, due to the estimated full-year impact of vacancies and pay award below budgeted levels.
- 4.6 Housing Repairs, estimated underspend currently of (£227k) – This is as a result of a number of issues including strict control on the use of sub-contractors and agency workers, whilst still trying to deal with a backlog of jobs particularly in Planned Maintenance and Void works. The impact of the Joint Venture CHRIS project has still to be worked through in detail, but it is anticipated that there will be ongoing savings as a result of the change to the Joint Venture arrangement.
- 4.7 Rent and Service Charge Income, shows a reduction in income of £284k, this is due to the current high level of voids within Direct Access units, due to a review of the service provision, coupled with the impact of the rent reduction, is likely to have a significant impact on rents collected.
- 4.8 Increased Revenue contribution to Capital, £2.177m – This has increased due to a combination of factors:
- i) As outlined in the 2008-09 outturn statements £1.2m relates to re-programming within the Strategic Investment Plan;

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- ii) Right to buy sales (RTB) continue to fall, with only one sale in first quarter. This has reduced the planned level of capital receipts available for capital financing. Currently the shortfall is estimated at £375k for the year;
- iii) The anticipated “superprofit” apportionment relating to the Longbenton SRB (Single Regeneration Budget) joint venture scheme is unlikely to be realised due to a fall in house sales, (£400k reduction in receipts); and,
- iv) A reduction in anticipated housing land sale deals means that a significant proportion of the planned receipts are now at risk. If it is just a question of re-profiling the income between years, this can be managed within the Business Planning process. However, some of these receipts may be permanently at risk, and further work is required to identify potential additional sites to realise the planned level of receipts.

4.9 The overall HRA balances will continue to be taken into account in future HRA Business Plan projections and will assist the council in the achievement of the required Decent Homes Standard.

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| <p style="text-align: center;">Section 5.0 Schools Finance</p> |
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- 5.1 The Dedicated Schools grant for 2009-10 is £107.062m; schools budget shares are allocated from this grant.

- 5.2 All schools have submitted a detailed budget plan for 2009/10 during Quarter 1. Schools identified as having a deficit in 2009-10 and requiring deficit approval met with officers to agree actions that can be taken to alleviate budgetary pressures. Updates will be incorporated into budget monitoring reports in subsequent quarters regarding schools finances.

Section 6.0

Strategic Investment Plan Expenditure and Financing

Review of Strategic Investment Plan - Position Statement

- 6.1 The Council's Strategic Investment Plan represents the Council's capital investment programme in projects across all services including Regeneration, Housing, Children Young People and Learning and Cultural/Leisure.
- 6.2 At Cabinet on 17 June 2009, the Mayor requested that a review was undertaken of the Strategic Investment Plan (SIP), including borrowing levels being used to support delivery of the Plan. The review of borrowing so far is explained in Section 8.0 of this document. In relation to the review of strategic investment projects, the Mayor has started this review and has expressed concerns in relation to the reliance on capital receipts to fund the current Strategic Investment Plan. The Mayor has looked at each land sale receipt assumption in 2009/10, totalling £14m, and feels the risk exposure in the current economic climate is now too high. The Strategic Investment Group is continuing the review and will report back further as part of the July 2009 financial monitoring report to Cabinet on 14 September 2009.

Strategic Investment Plan Delivery

- 6.3 Some of the key progress areas to note in quarter 1 are as follows:
- £17m has been spent in the first quarter of 2009/10. This is a 5.1% increase compared to quarter 1 in 2008/09.
 - The first stage of the Longbenton Campus Development is on target for completion in April 2010.
 - The Churchill Pavilion Adult Learning Centre project is nearing completion.
 - 13 play sites and 1 adventure playground will be completed in the financial year.
 - The Home Access to Targeted Groups schemes that provides Playsite equipment at various sites should be completed by the end of August 2009.
 - Funding of £0.400m has been secured from Department for Schools Children and Families to provide covered tennis courts at Churchill College.
 - A business grant scheme was launched in June 2009 to help improve the borough's retail centres.
 - Energy Audits have been commissioned to identify opportunities for invest to save projects.
 - Holystone Roundabout Improvements were completed on time and on budget.

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- Waves, which opened in March 2009, have already seen 100,000 visits in the first three months.
- Phase 1 of the Whitley Bay Dome refurbishment is well advanced and due for completion by September 2009.
- The Whitley Bay Skate Park has been highly commended by the Royal Institute of Chartered Surveyors at the 2009 Renaissance awards and also in the 2009 Local Government Association Street Design awards.
- New shopping centre completed in Battlehill, the new Lidl store is open and work has started on new medical centre.

Variations to the 2009-2019 Strategic Investment Plan

- 6.4 The 2009 - 2019 Strategic Investment Plan was approved by Council on 5 March 2009. The total approved budget was £680.662m (£519.799m General Fund and £160.863m Housing). Variations and reprogramming of £8.038m were approved as part of the 2008/09 outturn report to Cabinet on 17 June 2009.
- 6.5 As part of the regular capital monitoring process during Quarter 1 variations of £1.853m credit and reprogramming of £3.049m have been identified. Table 5 details the changes to the approved 10-year Strategic Investment Plan as agreed at Council on 5 March 2009.
- 6.6 In relation to the Whitley Bay Playhouse project, additional spend of £400k has been identified as being required to complete the scheme in 2009/10. The additional costs relate mainly to building works, specialist stage and sound equipment, counterweights/flying bars and fixtures and fittings. In accordance with the Council's Financial Regulations in relation to virement, it is proposed that £200k is vired from the Whitley Bay Regeneration project to the Whitley Bay Playhouse project and that the balance of £200k is funded from the Capital Contingencies Budget.

Table 5: 2009 - 2019 Strategic Investment Plan changes identified

| | 2009/10 £m | 2010/11 £m | 2011/12 £m | 2012/13 £m | 2013/19 £m | Total £m |
|---|----------------|---------------|---------------|---------------|----------------|----------------|
| Approved Strategic Investment Plan – Council 5 March 2009 | 122.466 | 82.106 | 38.630 | 71.093 | 366.367 | 680.662 |
| Reprogramming and other variations previously approved by Cabinet | 8.038 | 0 | 0 | 0 | 0 | 8.038 |

ANNEX 1

| | | | | | | |
|---|----------------|---------------|---------------|---------------|----------------|----------------|
| Approved Strategic Investment Plan – Cabinet 17 June 2009 | 130.504 | 82.106 | 38.630 | 71.093 | 366.367 | 688.700 |
| Quarter 1 Reprogramming | 3.049 | -3.049 | 0 | 0 | 0 | 0 |
| Quarter 1 Variations | -1.853 | 1.631 | 0.150 | 0 | 0 | -0.072 |
| Revised Strategic Investment Plan | 131.700 | 80.688 | 38.780 | 71.093 | 366.367 | 688.628 |

- 6.7 The quarter 1 variations and reprogramming have been identified as part of the regular capital monitoring process, and it is these variations that Cabinet is recommended to approve at this meeting. The variations on the individual schemes are shown in Appendix G and Appendix H, which detail the whole of the revised SIP, taking into account the reported changes.

Details of changes to the 2009/10 Strategic Investment Plan

- 6.8 The total quarter 1 variations for 2009/10 of £1.853m credit have been identified during the regular budget process. The details of the main changes for 2009/10 are shown below.

- **DV047 Fenwick Eccles Reclamation, £5.778m (credit)** – The original estimate of the cost of the scheme was £10.000m. This has been revised and a contract entered into with Carrillion with funding being provided by the Homes and Community Agency to the value of £6.062m over a period of three years. This variation reflects the change in contract value and the profile of proposed expenditure over the life of the project, which is now: 2009/10 £4.222m, 2010/11 £1.690m and 2011/12 £0.150m.
- **Children Young People and Learning, Additional Funding £0.656m** – Additional external funding has been secured for the following projects: CH017 Youth Capital Fund £0.096m (Youth Capital Fund Grant); to provide grants to youth organisations within the borough, ED180 Kitchen and Dining Facilities £0.160m (Standards Fund Grant) and ED181 Churchill College Tennis Courts £0.400m (Standards Fund Grant).
- **SHIP (Social Housing Investment Pot Schemes), £0.628m** – Additional Social Housing Investment Pot funding has been awarded to fund the continuation of Battlehill regeneration demolitions, to facilitate the delivery of affordable housing.
- **SHIP Warm Zones, £1.423m** – Budget has been increased to reflect the external funding provided by Scottish Power. This change is to reflect the full cost of the project whose aim is to reduce fuel poverty within the borough through providing free loft and/or cavity wall insulation and providing domestic energy efficiency through discounted measures.
- **Battlehill Commercial Centre Regeneration - £0.500m** – The budget variation reflects the contingency funding agreed under delegated powers on

ANNEX 1

8 March 2007, which is to be financed from capital receipts. This contingency was made available to fund fluctuations in the financial arrangements that have materialised over the life of the project.

- **Growth Point Fund, £0.894m** – The New Growth Point Funding Programme was announced by CLG to provide support to local authorities to pursue sustainable housing, new infrastructure and to enhance the local environment. North Tyneside has been successful in becoming one of the second round New Growth Points and has been awarded £0.894m capital funding in 2009/10.
- **Wallsend Regeneration North Bank of Tyne, £0.500m (credit)** – Adjustment to a reduction in Single Programme grant as reported to Cabinet on 11 May 2009.

6.9 The quarter 1 reprogramming of £3.049m from 2010/11 to 2009/10 relates to the following schemes:

- **ED166 Primary Capital Strategy, £1.799m** – The cash flow projection profile has been revised and advance Targeted Capital Fund monies are now to be utilised in 2009/10;
- **ED179 Building Schools for the Future, £0.250m** – Advance Targeted Capital Fund monies have been brought forward to be utilised in 2009/10 to fund surveys required as part of the BSF programme.
- **DV 046 Wallsend Regeneration North Bank of Tyne, £1.000m** – Adjustment to reflect Council funding brought forward from 2010/11 that was necessary due to changes in the Single Programme award that was reported to Cabinet on 11 May 2009.

6.10 The impact of these changes on Capital Financing is shown in Table 6 below:

Table 6: Impact of variations on Capital Financing 2009/10

| | 2009/10 £m | 2010/11 £m | 2011/12 £m | 2012/13 £m | 2013/19 £m | Total £m |
|--|----------------|---------------|---------------|---------------|----------------|----------------|
| Approved Strategic Investment Plan – Cabinet 17 June 2009 | 130.504 | 82.106 | 38.630 | 71.093 | 366.367 | 688.700 |
| Grants and Contributions | -2.106 | -0.418 | 0.150 | 0 | 0 | -2.374 |
| Supported Borrowing | -0.144 | 0 | 0 | 0 | 0 | -0.144 |
| Unsupported Borrowing | 0 | 0 | 0 | 0 | 0 | 0 |

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| | | | | | | |
|--|----------------|---------------|---------------|---------------|----------------|----------------|
| Capital Receipts – General Fund | 3.421 | -1.000 | 0 | 0 | 0 | 2.421 |
| Capital Receipts – Housing | -0.118 | 0 | 0 | 0 | 0 | -0.118 |
| Ringfenced Receipts | 0.025 | 0 | 0 | 0 | 0 | 0.025 |
| Contribution from Reserves | 0.118 | 0 | 0 | 0 | 0 | 0.118 |
| Major Repairs Reserve | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Financing Variations | 0.302 | -1.418 | 0.150 | 0 | 0 | -0.966 |
| Revised 2009/10 Strategic Investment Plan | 131.700 | 80.688 | 38.780 | 71.093 | 366.367 | 688.628 |

Capital receipts

- 6.11 Capital Receipts brought forward at 1 April 2009 were £3.344m (General Fund £2.273m and Housing £1.071m). These receipts are committed against projects in the 2009-2019 SIP.
- 6.12 To fully fund all planned capital spend, the 2009-19 Strategic Investment Plan requires a further £55.186m of capital receipts to be generated over the term of the Plan. Taking into account current economic conditions, this has been identified as a risk item on the Strategic Risk Register as any shortfall in capital receipts will need to be taken up by unsupported borrowing, with consequential effects on the revenue budget. The original 2009/10 Plan, as approved at Council on 5 March 2009, included a target of £17.282m of capital receipts for 2009/10. This has been revised downwards to £14.377m primarily due to movement of Department for Schools Children and Families (DCSF) Grant between years. However, this is a financing movement between 2008/09 and 2009/10 and the underlying requirement for capital receipts remains unchanged. To date £0.167m (£0.162m General Fund and £0.005m Housing) of capital receipts have been received in 2009/10.

Strategic Investment Plan Monitoring Position to 30 June 2009

- 6.13 Actual expenditure in the General Ledger was £16.986m (12.9%) of the total revised Strategic Investment Plan as at 30 June 2009.

Table 7: 2009/10 Total Strategic Investment Budget and Expenditure to 30 June 2009

| | 2009/10 Revised Strategic Investment Plan £m | Actual Spend to 30 June 2009 £m | Spend as % of Total Revised Strategic Investment Budget % |
|--------------|---|------------------------------------|--|
| General Fund | 94.735 | 13.429 | 14.2 |

ANNEX 1

| | | | |
|--------------|----------------|---------------|-------------|
| Housing | 36.965 | 3.557 | 9.6 |
| TOTAL | 131.700 | 16.986 | 12.9 |

- 6.14 Comparative figures for previous years were 2007/08: 7.3% and 2008/09: 8.2%. The Head of Investment and Regeneration, based on discussions with the Project Managers, has confirmed that at present it is forecast that the SIP will spend in line with the revised Plan.

PART III

Section 8.0

Borrowing and the Financing of the Council's Strategic Investment Plan

Summary

- 8.1 The Council finances its capital investment (Strategic Investment Plan) by grants, capital receipts, and borrowing. After accounting for external grants and contributions, the remaining amount is the "Council Contribution" to the Plan, i.e. the amount of capital financing the Council has to find from its own resources by way of capital receipts and borrowing.
- 8.2 After taking account of capital receipts to be used the amount remaining in the Plan is financed by borrowing. This is the Capital Financing Requirement.
- 8.3 Borrowing is primarily external, from the Public Works Loan Board, but expenditure can also be financed by "internal borrowing", i.e. the Council's own cash resources.
- 8.4 Borrowing can either be "Supported", where the annual costs of borrowing are supported through government grant, or "unsupported " (prudential), where the annual costs of borrowing have to be found from within the Council's own revenue resources.
- 8.5 The long term debt outstanding at the end of financial year 2008/09 was £250.8m. The capital financing requirement at the end of 2008/09 was £320.5m, so effectively £70m of capital expenditure was being financed by internal borrowing at that point.
- 8.6 These borrowing figures compare to a total figure for fixed assets in the balance sheet of over £1billion.
- 8.7 Up to 2008/09 £73m of unsupported borrowing had been taken out to finance capital expenditure. The Strategic Investment Plan from 2009/10 envisages another £75m of unsupported borrowing. Overall, the current Plan therefore projects total unsupported borrowing of £148m.
- 8.8 The annual revenue cost to the General Fund of all borrowing is set to rise from £9.0m in 2007/08 to £19.5m in 2013/14.
- 8.9 On current projections, by 2013/14 the incremental effect of unsupported borrowing will produce an increase of £104 on band D council tax.
- 8.10 Options for an immediate reduction in debt are limited. Ways of reducing the current and planned level of debt in the balance sheet are by simple repayment, the generation of additional capital receipts, and the reduction of capital expenditure going forward.

The detail is given as follows:

Borrowing and the financing of the Council's capital investment

- 8.11 The Council finances its capital investment (its Strategic Investment Plan) from a variety of sources: capital receipts, capital grants, contributions, and borrowing. Since this borrowing is used to finance long term assets, loans are normally taken out for periods of 25 to 50 years and are shown in the balance sheet under "Long Term Borrowing". The borrowing is of two types: "**Supported Borrowing**", where the annual financing costs – in effect the costs of interest and principal repayment – are supported by Government through Formula Grant, and "**Unsupported (Prudential) Borrowing**", where the annual financing costs have to be met from the Council's own revenue resources.
- 8.12 The total borrowing required to finance the capital plan is calculated by taking the total capital plan expenditure and then adjusting for the amount to be financed by capital receipts, capital grants, and contributions. The remaining figure – **the Capital Financing Requirement** - is the Council's underlying need to borrow. For the most part, this borrowing is taken from external bodies (primarily the Public Works Loan Board), but the Council can also "internally borrow" – i.e. use its own internal cash resources to fund the expenditure. The costs of any borrowing must be built into the Council's revenue budgets.

Internal Borrowing

- 8.13 Previous Treasury Management and Budget Monitoring reports have noted the fall in the Council's cash surpluses (short term investments) over the past year. To a large degree this has been a conscious strategy in light of the current economic downturn, the fall in interest rates on investments, and the increased risk in the markets. In effect, a large part of the Council's capital expenditure in 2008/09 was financed by the relatively high cash surpluses held by the Council, which in consequence reduced over the year. The cost of this internal borrowing is reflected in the loss of income from the investments which would otherwise have been made. The current high level of internal borrowing reflects the economic environment and treasury management considerations. The level of internal borrowing will vary from year to year depending on changes in those factors.

Capital Receipts and their effect on borrowing levels

- 8.14 After taking into account funding from external grants and contributions the Council is left with a funding requirement for its capital investment: this is the "**Council Contribution**", and it is made up of borrowing and capital receipts. As the expenditure in the Plan is fixed then any change in the capital receipts figure will have an impact on the required borrowing, and vice versa. The Strategic Investment Plan approved by Council on 5 March 2009 envisaged the generation of £17.3m of General Fund capital receipts in 2009/10. That figure has subsequently been reduced (by management of grant between years) to £14.4m. Should receipts fall below this amount, and capital expenditure come in on budget, then the financing shortfall would need to be taken up by additional borrowing. As at the end of the first quarter of the year, General Fund capital receipts total £162k.

Checks on the level of borrowing

ANNEX 1

- 8.15 The level of Council borrowing for the Strategic Investment Plan is set out every year in the budget setting report approved by Council. In addition, borrowing is monitored by Prudential Indicators which are also included in the budget setting reports to Council, and in the regular monitoring reports to Cabinet. These include projections of the Capital Financing Requirement (explained above), and “**Indicators of Affordability**”, which show the effects of borrowing costs on the Council’s revenue budget and its council tax requirement.
- 8.16 There is, therefore, a fairly comprehensive framework of regulation and required accounting practice around the issue of borrowing and council debt. The Capital Finance Regulations which came into force on 1 April 2004, and particularly the power they gave to prudentially borrow, allowed councils greater flexibility in managing their capital investment. However, at the same time prudential (unsupported) borrowing placed a duty on councils to ensure that the cost of this additional borrowing could be financed from their revenue budgets on a continuing basis. The Council’s borrowing levels and the Local Prudential Code will be reviewed as part of the 2010-2015 Business and Resource Planning Process.

North Tyneside borrowing levels

- 8.17 For North Tyneside Council the levels and costs of borrowing, currently, and planned for future years, are as follows.
- 8.18 At the end of financial year 2008/09, the Council had long term borrowing of **£250.8m**, a net increase of £15.0m over the year. The Capital Financing Requirement, however, was **£320.5m**, which indicates “internal borrowing” of £70m at the end of the year.
- 8.19 That Capital Financing Requirement of £320.5m breaks down as General Fund £194.9m and Housing Revenue Account £125.7m. Overall, £320.5m compares to a balance sheet figure for fixed assets of £1,070m, so as a percentage the level of debt is not large in balance sheet terms. The other side of the equation, however, is the cost of financing that borrowing, particularly unsupported borrowing, and its effects on the Council’s revenue budget and council tax requirement.
- 8.20 Going forward, the total capital expenditure projected over the ten year plan period 2009/10 to 2018/19 is **£688.6m**. Of this total, £433.8m (63.0%) is funded by grants and external contributions, with £254.8m (37.0%) being the amount of “**Council Contribution**” – ie the amount the Council has to find from capital receipts and borrowing. The council contribution required for General Fund capital expenditure in the Plan is **£195.9m**. Of this total requirement, £57.5m is projected to be met from capital receipts, with **£70.8m** coming from unsupported borrowing; the remainder comes from supported borrowing (£65.7m) and a small contribution from reserves of £1.9m.
- 8.21 The Capital Financing requirement is set to rise from £320.5m at the end of 2008/09 to £392.6m at the end of 2013/14, (£231.1m General Fund and £161.4m HRA).

Table 8: Capital Financing Requirement (Pls 8 and 9)

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| | 2007/08 <i>Actual</i> £m | 2008/09 <i>Actual</i> £m | 2009/10 <i>Estimate</i> £m | 2010/11 <i>Estimate</i> £m | 2011/12 <i>Estimate</i> £m | 2012/13 <i>Estimate</i> £m | 2013/14 <i>Estimate</i> £m |
|--------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| General Fund | 167.575 | 194.868 | 215.525 | 221.632 | 225.085 | 227.806 | 231.136 |
| HRA | 110.151 | 125.669 | 144.668 | 164.370 | 163.388 | 162.405 | 161.422 |
| Total | 277.726 | 320.537 | 360.193 | 386.002 | 388.473 | 390.211 | 392.558 |
| | | | | | | | |

Tyne and Wear Area Comparison

8.22 The figures for long term borrowing and the capital financing requirement, as shown in the draft 2008/09 accounts for the five Tyne Wear councils, are set out below. For comparison purposes the figures in the balance sheets for fixed assets are also shown.

Table 9 Comparison of five Tyne and Wear councils

| | Long Term Borrowing | Capital Financing Requirement. | Fixed Assets |
|-----------------------|---------------------|--------------------------------|----------------|
| | £m | £m | £m |
| Newcastle | 745.7 | 857.5 | 1,917.5 |
| Gateshead | 393.2 | 442.5 | 1,599.4 |
| North Tyneside | 244.8 | 320.5 | 1,069.6 |
| South Tyneside | 217.4 | 249.0 | 1,001.3 |
| Sunderland | 139.1 | 205.8 | 1,115.8 |

Revenue cost of borrowing – General Fund.

8.23 The “Affordability Indicators” for the period up to 2013/14 are set out in the annual budget setting reports. The indicator “**Ratio of Financing Costs to Net Revenue Stream**” (i.e. costs of interest and principal payments as a percentage of the net revenue budget) currently shows that this revenue cost of borrowing is projected to rise from 5.76% in 2007/08 to 10.44% in 2013/14. In actual cost terms this is a rise in the charge to the revenue budget from £9.0m to £19.5m, an increase of £10.5m over that seven year period.

Table 10: Ratio of Financing Costs to Net Revenue Stream (Pls 1 and 2)

| General Fund | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|----------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <i>Actual</i> £m | <i>Actual</i> £m | <i>Estimate</i> £m | <i>Estimate</i> £m | <i>Estimate</i> £m | <i>Estimate</i> £m | <i>Estimate</i> £m |
| Financing cost | 8.958 | 11.585 | 16.564 | 18.410 | 18.499 | 19.382 | 19.524 |
| % | 5.76% | 7.00% | 9.42% | 10.64% | 10.41% | 10.63% | 10.44% |

ANNEX 1

8.24 This figure covers the costs of both supported and unsupported borrowing. A second indicator “**Impact on Council tax**”, shows the *incremental* revenue cost arising from unsupported borrowing alone. This indicator shows an increase by 2013/14 of £103.98 over the 2007/08 council tax base position. Basically, this is the application onto the Band D council tax (approximately £1,400) of the financing costs of unsupported borrowing.

Table 11: Impact on Council Tax and Housing Rents (Pls 3 and 4)

| | 2008/09 £ | 2009/10 £ | 2010/11 £ | 2011/12 £ | 2012/13 £ | 2013/14 £ |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| For the Band D Council Tax | 7.17 | 44.80 | 72.39 | 87.70 | 93.46 | 103.98 |

8.25 The latest figures for the financing of the Council’s approved Strategic Investment Plan show a projected requirement of **£74.8m** of General Fund unsupported borrowing over the period 2009/10 to 2018/19. Previous to this, General Fund unsupported borrowing up to and including financial year 2008/09 was £73.5m, so overall, on current projections, over £148m of unsupported borrowing will have been taken out by the Council by the end of the current Strategic Investment Plan.

Effecting changes in the level of borrowing

8.26 A major part of the planned unsupported borrowing has therefore already been incurred in the years up to and including 2008/09, and in fact the large increases in the affordability indicators which occur in 2009/10 are primarily due to the full year effects of this previous borrowing. As this borrowing has already been incurred, and the costs committed, there is little latitude in making significant adjustments to this figure. The main ways of affecting the levels and costs of borrowing are by debt restructuring, debt repayment, increased generation of capital receipts, and the reduction of capital expenditure. These options are discussed below.

8.27 **Restructuring debt:** The restructuring of debt involves the repayment of loans at one interest rate and their replacement by loans at a different rate. These transactions generate premiums and/or discounts, and changes to the annual interest cost to revenue. The nature of any restructure will depend on the interest rate environment. Although the Treasury management team, in conjunction with the Council’s advisors, monitor interest levels for opportunities to restructure debt, current economic conditions and changes in accounting practice etc have made restructuring less effective in generating savings to revenue. In any case, since debt restructuring involves replacement of loans, it does not reduce the actual amount of debt held by the Council.

8.28 **Repaying debt:** Theoretically the Council could simply repay some of its loans prematurely. However, to do this it would require very large sums of surplus cash, well in excess of current levels, (in effect, cash which was not linked to reserves etc), and the capacity to absorb any premiums for early repayment. These premiums would be substantial and the full amount would be chargeable to revenue

ANNEX 1

or capital in the year of repayment. At present there is no capacity in revenue to absorb such substantial charges. A charge to capital would reduce the level of debt saving.

- 8.29 It should also be noted that, as approximately 40% of borrowing relates to the Housing Revenue Account, the General Fund would receive only 60% or so of the benefits of any debt repayment.
- 8.30 **Increased generation of capital receipts** : The “council contribution” to capital financing is made up of borrowing and capital receipts. Therefore, if the level of capital receipts in the plan could be increased – with expenditure remaining fixed – then the level of new borrowing could be reduced. However, significant levels of capital receipts are already built into the current financing projections (£55.2m over the current 10 year plan) and to reduce the levels of borrowing going forward new receipts over and above this amount would need to be generated. Alternatively, additional capital receipts could be used for early repayment of debt (as described in 8.27 above). However, the generation of additional receipts is likely to be difficult in the short to medium term, especially bearing in mind current market conditions.
- 8.31 **Reduction of capital expenditure:** For the ten year Strategic investment Plan going forward from 2009/10, the total projected amount of General Fund borrowing is £136.5m. This is split: supported borrowing £65.7m, and unsupported borrowing £70.8m. The annual revenue cost of this total unsupported borrowing would be approximately £6m, and so *on a purely arithmetical calculation* that amount could eventually be saved annually if the Council was to stop all capital expenditure to be financed from unsupported borrowing from 2009/10. The £6m saving would however accrue gradually year by year over the period of the Plan. For example, even if it were possible to stop all such capital expenditure in 2009/10 (£19.5m in the Plan), the full year saving of £1.7m arising from that decision would only occur in 2010/11. In addition, a large proportion of that capital expenditure will relate to schemes already committed. For that reason any review of capital expenditure would need to look at the whole range of projects financed by council contribution, i.e. both supported and unsupported borrowing and capital receipts.
- 8.32 The accounting rules for capital expenditure relate to the financing of capital expenditure as a whole – i.e. except where there are grants or contributions for specific projects, individual schemes are not regarded as being funded from particular loans or capital receipts. Within the Council’s Strategic Investment Plan, the identification of individual schemes as being funded from supported borrowing, unsupported borrowing, or capital receipts is an arrangement made for internal planning and budget management purposes. Any planning decisions taken around changes in the level of borrowing and the consequential effect on particular capital schemes would therefore need to look at the totality of the council contribution to the Plan – i.e. all borrowing, both supported and unsupported, and capital receipts. A schedule of all schemes funded by council contribution as at 30 June 2009 is attached as Appendix J.

BUDGET MONITORING 2009/2010 - Controllable Budget

Chief Executive's Office

Jun-09

| | Forecast before action | | | | Risk | Cause and Effect | 2008/09 Actual outturn £'000 |
|---|------------------------------|----------------------------------|-------------------------------|---------------|------|--|---------------------------------------|
| | Full Year Budget £'000 | Forecast End of year £'000 | Forecast Variance £'000 | Variance % | | | |
| <u>Legal & Democratic Services</u> | | | | | | | |
| Central Services To Public | 744 | 668 | -76 | -10.2% | G | Forecast underspend on elections due to savings made from the joint election. | 779 |
| Legal & Democratic Services Management Team | 8 | 8 | 0 | 0.0% | G | | |
| Democratic Support | 3 | -17 | -20 | -666.7% | G | | 1,659 |
| Legal Services | 2,502 | 2,904 | 402 | 16.1% | R | Land charges are expected to fall short of their income target by at least £245k by the end of the year. There are minor issues with other income targets. In addition, they have a forecast spend of £60k on agency staff to cover absence and maternity cover. | 1,162 |
| | 3,257 | 3,563 | 306 | 9.4% | | | 3,600 |
| <u>Chief Executive's Office</u> | | | | | | | |
| Chief Executive's Office | 268 | 312 | 44 | 16.6% | A | | 419 |
| | 268 | 312 | 44 | 16.6% | | | 419 |
| <u>Policy & Performance</u> | | | | | | | |
| Policy & Performance | 1,358 | 1,455 | 97 | 7.1% | R | The interim head of service is forecast to cost £80k over budget in 2009-10. | 1,193 |
| Partnerships | 35 | 11 | -24 | -68.6% | G | | 39 |
| | 1,393 | 1,466 | 73 | 5.2% | | | 1,232 |

BUDGET MONITORING 2009/2010 - Controllable Budget

Chief Executive's Office

Jun-09

Marketing & Communications

Communications

Marketing

| | Forecast before action | | | | Risk | Cause and Effect | 2008/09 |
|--|---------------------------|-------------------------------|----------------------------|-------------|------|------------------|-------------------------|
| | Full Year Budget £'000 | Forecast End of year £'000 | Forecast Variance £'000 | Variance % | | | Actual outturn £'000 |
| | | | | | | | |
| | 699 | 663 | -35 | -5.1% | G | | 905 |
| | 26 | 9 | -17 | -64.7% | A | | -93 |
| | 725 | 672 | -53 | -7.3% | | | 812 |
| | | | | | | | |
| | 5,643 | 6,013 | 370 | 6.6% | | | 6,063 |

Actions being considered to mitigate this pressure

-60

310310

Review of Agency Staff Provision across the services

Targeted Reduction of Agency spend

Key to "risk" Status

Forecast surplus to budget or zero

Forecast less than £50k deficit/overspend to budget

Forecast greater than £50k deficit /overspend to budget

| |
|---|
| G |
| A |
| R |

APPENDIX H

2009 - 2019 STRATEGIC INVESTMENT PLAN - VARIATIONS REPORTED AS PART OF 10TH AUGUST 2009 MONITORING REPORT TO CABINET

| | 2009/10 £000 | 2010/11 £000 | 2011/12 £000 | 2012/13 £000 | 2013/14 | 2014/19 £000 | Total £000 |
|---|-----------------|-----------------|-----------------|-----------------|---------|-----------------|---------------|
| Budget to be agreed at 10th August 2009 Cabinet | 131,700 | 80,688 | 38,780 | 71,093 | 71,873 | 294,494 | 688,628 |
| Budget approved at 17th June 2009 Cabinet | 130,504 | 82,106 | 38,630 | 71,093 | 71,873 | 294,494 | 688,700 |
| Variations | 1,196 | -1,418 | 150 | 0 | 0 | 0 | -72 |
| <u>Variations</u> | | | | | | | |
| CH014 Childrens Centre Initiative | -297 | | | | | | -297 |
| CO045 Playhouse Refurbishment | 400 | | | | | | |
| ED075 Develoved Formula Capital | 310 | | | | | | 310 |
| ED132 LEA Formula Capital - Modernisation | -275 | | | | | | -275 |
| ED166 Primary Capital Strategy | 1,799 | -1,799 | | | | | 0 |
| ED168 Extended Schools | 297 | | | | | | 297 |
| ED176 Home Access for Targeted Groups | 112 | | | | | | 112 |
| ED179 Building Schools for the Future | 250 | -452 | | | | | -202 |
| ED180 Kitchen and Dining Facilities | 160 | 143 | | | | | 303 |
| ED181 Churchill College Tennis Courts | 400 | | | | | | 400 |
| DV019 Whitley bay Regneration Strategy | -200 | | | | | | -200 |
| DV046 North Bank of Tyne | 500 | -1,000 | | | | | -500 |
| DV047 Fenwick Eccles Reclamation | -5,778 | 1,690 | 150 | | | | -3,938 |
| GEN03 Contingency Provision | -200 | | | | | | |
| HS005 SHIP Schemes | 645 | | | | | | 645 |
| HS013 Battlehill Commercial Centre Regeneration | 500 | | | | | | 500 |
| HS036 SHIP Warm Zones | 1,423 | | | | | | 1,423 |
| DV055 Growth Point Fund | 894 | | | | | | 894 |
| Schemes with Variations less than £100k | 256 | | | | | | 256 |
| | 1,196 | -1,418 | 150 | | | 0 | -272 |

NORTH TYNESIDE COUNCIL
2009 - 2019 STRATEGIC INVESTMENT PLAN

APPENDIX I

| Project Ref | Project Title | 2009/10 £000 | 2010/11 £000 | 2011/12 £000 | 2012/13 £000 | 2013/14 £000 | 2014/19 £000 | Total £000 | Funding Source | £000 |
|-------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|--|---|
| | Theme: Ambition | | | | | | | | | |
| CO055 | Howdon Library | 1,035 | 14 | 0 | 0 | 0 | 0 | 1,049 | Big Lottery Fund Unsupported Borrowing | 983 66 |
| CH020 | Integrated Children's System - Phase 3 | 17 | 0 | 0 | 0 | 0 | 0 | 17 | DCSF | 17 |
| ED075 | Devolved Formula Capital | 2,916 | 2,625 | 2,625 | 2,625 | 2,625 | 13,125 | 26,541 | Standards Fund Supported Borrowing | 26,506 35 |
| ED121 | LEA Formula Capital - School Access Initiative | 379 | 387 | 387 | 387 | 387 | 1,935 | 3,862 | Supported Borrowing | 3,862 |
| ED132 | LEA Formula Capital - Modernisation | 2,589 | 3,542 | 3,542 | 3,542 | 3,542 | 17,710 | 34,467 | Standards Fund Supported Borrowing | 16,219 18,248 |
| ED156 | Beaconhill School | 24 | 0 | 0 | 0 | 0 | 0 | 24 | LSC | 24 |
| ED159 | New Build Monkseaton High School | 8,127 | 0 | 0 | 0 | 0 | 0 | 8,127 | Learning & Skills Council Standards Fund - Modernisation Standards Fund - Devolved Capital Capital Receipts Ringfenced Receipts Unsupported Borrowing | 240 408 94 1,300 1,906 4,179 |
| ED166 | Primary Capital Strategy | 12,121 | 6,377 | 0 | 0 | 0 | 0 | 18,498 | Primary Capital Programme Standards Fun Targeted Capital Fund - SEN & Disability Standards Fund Environmental Grant | 12,559 4,999 892 48 |
| CO041 | Libraries External Repairs and DDA Improvements | 53 | 0 | 0 | 0 | 0 | 0 | 53 | Capital Receipts | 53 |
| ED168 | Extended Schools | 511 | 162 | 0 | 0 | 0 | 0 | 673 | Standards Fund Extended Schools Grant | 376 297 |
| ED171 | Burradon Security | 7 | 0 | 0 | 0 | 0 | 0 | 7 | Unsupported Borrowing | 7 |
| ED172 | Marden & Longbenton City Learning Centres | 372 | 300 | 0 | 0 | 0 | 0 | 672 | Standards Fund | 672 |
| ED174 | Full Service Adult Learning Centres | 234 | 0 | 0 | 0 | 0 | 0 | 234 | LSC | 234 |
| ED176 | Home Access for Targeted Groups | 112 | 0 | 0 | 0 | 0 | 0 | 112 | Standards Fund | 112 |
| GEN05 | Schools PFI | 700 | 700 | 700 | 700 | 700 | 3,500 | 7,000 | Unsupported Borrowing | 7,000 |
| ED177 | Skills and Enterprise Centres | 0 | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 8,000 | Capital Receipts Unsupported Borrowing | 6,000 2,000 |

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APPENDIX I

| Project Ref | Project Title | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/19 | Total | Funding Source | |
|--|--|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---|---|
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | £000 |
| ED179 | Building Schools For The Future | 250 | 2,750 | 0 | 35,500 | 35,500 | 142,000 | 216,000 | Targered Capital Fund Building Schools for the Future | 3,000 213,000 |
| ED180 | Kitchen and Dining Facilities - SF K&DF | 160 | 143 | 0 | 0 | 0 | 0 | 303 | Standards Fund | 303 |
| ED181 | Churchill College Tennis Courts - SF Sport | 400 | 0 | 0 | 0 | 0 | 0 | 400 | Standards Fund | 400 |
| GEN08 | LAA Pump Priming Grant | 94 | 0 | 0 | 0 | 0 | 0 | 94 | LAA Pump Priming Grant | 94 |
| Total: A World Class Education System | | 30,101 | 19,000 | 9,254 | 44,754 | 44,754 | 178,270 | 326,133 | | 326,133 |
| HS002 | HRA Schemes | 36,965 | 33,336 | 10,202 | 10,382 | 10,998 | 61,035 | 162,918 | Supported Borrowing Revenue Contribution Capital Receipts Unsupported Borrowing Major Repairs Allowance | 4,110 11,642 8,479 34,592 104,095 |
| HS003 | Private Sector Renovation | 773 | 796 | 820 | 845 | 910 | 4,718 | 8,862 | Social Housing Investment Pot Housing Capital Receipts Unsupported Borrowing | 483 3,030 5,349 |
| HS004 | Disabled Facility Grants | 818 | 800 | 800 | 800 | 800 | 4,800 | 8,818 | Social Housing Investment Pot Housing Capital Receipts Disabled Facilities Grant | 518 3,500 4,800 |
| HS005 | SHIP Schemes | 1,100 | 0 | 0 | 0 | 0 | 0 | 1,100 | SHIP Grant | 1,100 |
| HS036 | SHIP - Warm zones | 1,423 | 0 | 0 | 0 | 0 | 0 | 1,423 | Scottish Power | 1,423 |
| Total: Growth in Housing | | 41,079 | 34,932 | 11,822 | 12,027 | 12,708 | 70,553 | 183,121 | | 183,121 |
| Total - Theme: Ambition | | 71,180 | 53,932 | 21,076 | 56,781 | 57,462 | 248,823 | 509,254 | | 509,254 |

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APPENDIX I

| Project Ref | Project Title | 2009/10 £000 | 2010/11 £000 | 2011/12 £000 | 2012/13 £000 | 2013/14 £000 | 2014/19 £000 | Total £000 | Funding Source | £000 |
|-------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|--|-------------------------------|
| | Theme: Growth | | | | | | | | | |
| EV034 | Local Transport Plan | 4,958 | 4,107 | 4,511 | 4,511 | 4,511 | 26,171 | 48,769 | Local Transport Plan Grant Supported Borrowing Capital Receipts Nexus Grant | 4,620 43,536 349 264 |
| EV067 | Transport Asset Management Plan | 53 | 0 | 0 | 0 | 0 | 0 | 53 | Department for Transport | 53 |
| NS002 | Transport Corridor | 100 | 0 | 0 | 0 | 0 | 0 | 100 | Ringfenced Receipts | 100 |
| DV052 | Northern Gateway | 2,250 | 9,250 | 3,280 | 0 | 0 | 0 | 14,780 | Department for Transport Capital Receipts | 13,302 1,478 |
| | Total: Improved Public Transport | 7,361 | 13,357 | 7,791 | 4,511 | 4,511 | 26,171 | 63,702 | | 63,702 |
| CO045 | Playhouse refurbishment | 2,300 | 0 | 0 | 0 | 0 | 0 | 2,300 | Unsupported Borrowing Capital Receipts | 1,200 700 |
| CP008 | Planning Development Grant | 64 | 0 | 0 | 0 | 0 | 0 | 64 | Planning Development Grant | 64 |
| DV018 | Fish Quay Environmental Improvements | 845 | 109 | 113 | 151 | 0 | 0 | 1,218 | Heritage Lottery Fund English Heritage Unsupported Borrowing Capital Receipts | 51 168 355 644 |
| DV019 | Whitley Bay Regeneration Strategy | 4,793 | 0 | 0 | 0 | 0 | 0 | 4,793 | Capital Receipts Unsupported Borrowing | 3,993 1,000 |
| DV047 | Fenwick Eccles Reclamation | 4,222 | 1,690 | 150 | 0 | 0 | 0 | 6,062 | English Partnership Grant | 6,062 |
| DV046 | Wallsend & North Bank of Tyne Regeneration | 10,935 | 0 | 0 | 0 | 0 | 0 | 10,935 | Single Programme Unsupported Borrowing Capital Receipts LAGBI | 6,009 889 4,000 37 |
| BS025 | Demolition of Linskill | 169 | 0 | 0 | 0 | 0 | 0 | 169 | Unsupported Borrowing | 169 |
| DV054 | Coastal Development | 0 | 1,000 | 1,000 | 1,000 | 1,000 | 0 | 4,000 | Unsupported Borrowing Capital Receipts | 1,000 3,000 |
| DV049 | Retail Centres | 300 | 150 | 0 | 0 | 0 | 0 | 450 | Capital Receipts | 450 |
| | Total: More Focused Economic Growth | 23,628 | 2,949 | 1,263 | 1,151 | 1,000 | 0 | 29,991 | | 29,791 |
| | Total - Theme: Growth | 30,989 | 16,306 | 9,054 | 5,662 | 5,511 | 26,171 | 93,693 | | 93,493 |

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APPENDIX I

| Project Ref | Project Title | 2009/10 £000 | 2010/11 £000 | 2011/12 £000 | 2012/13 £000 | 2013/14 £000 | 2014/19 £000 | Total £000 | Funding Source | £000 |
|-------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|--|------------------------|
| | Theme: Quality of Life | | | | | | | | | |
| CI008 | Development of comprehensive mental health services for adults | 445 | 113 | 100 | 100 | 100 | 500 | 1,358 | Mental Health Grant Ringfenced Supported Borrowing | 1,358 0 |
| CI018 | Social Care Grant | 208 | 104 | 0 | 0 | 0 | 0 | 312 | Social Care Grant | 312 |
| CH013 | Electronic Social Care Record & Single Assessment Process | 55 | 0 | 0 | 0 | 0 | 0 | 55 | Social Care Infrastructure Grant | 55 |
| CO058 | Extra Care Scheme | 2,100 | 0 | 0 | 0 | 0 | 0 | 2,100 | Ringfenced Capital Receipts | 2,100 |
| ED173 | Children's Placement Strategy | 878 | 0 | 0 | 0 | 0 | 0 | 878 | Aiming Higher Grant Unsupported Borrowing | 233 645 |
| ST008 | Joint Service Centres at Dudley and Shiremoor | 35 | 0 | 0 | 0 | 0 | 0 | 35 | Capital Receipts | 35 |
| ST010 | Neighbourhood Management | 110 | 0 | 0 | 0 | 0 | 0 | 110 | Unsupported Borrowing | 110 |
| GEN04 | Well being fund | 551 | 0 | 0 | 0 | 0 | 0 | 551 | Unsupported Borrowing | 551 |
| | Total : Customer Care | 4,382 | 217 | 100 | 100 | 100 | 500 | 5,399 | | 5,399 |
| HS014 | Longbenton Estate Regeneration | 314 | 0 | 0 | 0 | 0 | 0 | 314 | Ringfenced Receipts | 314 |
| CO059 | Improved Kerbside Recycling Scheme | 760 | 0 | 0 | 0 | 0 | 0 | 760 | Waste Infrastructure Capital Grant Strategic Reserve LPSA Grant Supported Borrowing | 341 355 38 26 |
| DV041 | East Howdon Regeneration | 365 | 0 | 0 | 0 | 0 | 0 | 365 | Unsupported Borrowing | 365 |
| HS013 | Battlehill Commercial Centre Regeneration | 1,022 | 0 | 0 | 0 | 0 | 0 | 1,022 | Ringfenced Receipts Capital Receipts | 522 500 |
| CO050 | Seafront safety Improvements | 4 | 0 | 0 | 0 | 0 | 0 | 4 | Ringfenced Receipts | 4 |
| DV048 | Roads & Pavements | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 0 | 5,000 | Strategic Reserve Capital Receipts | 1,000 4,000 |
| DV053 | Safer Stronger Communities Fund | 57 | 0 | 0 | 0 | 0 | 0 | 57 | Safer Stronger Communities Fund | 57 |
| | Cemeteries | 100 | 0 | 0 | 0 | 0 | 0 | 100 | Capital Receipts | 100 |
| | Total: Environmental Improvements | 3,622 | 1,000 | 1,000 | 1,000 | 1,000 | 0 | 7,622 | | 7,622 |

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2009 - 2019 STRATEGIC INVESTMENT PLAN

APPENDIX I

| Project Ref | Project Title | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/19 | Total | Funding Source | £000 |
|-------------|---|---------------|--------------|--------------|--------------|--------------|------------|---------------|--------------------------------|---------------|
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| CO034 | Wallsend Swimming Pool - New Facility | 7,112 | 0 | 0 | 0 | 0 | 0 | 7,112 | Sport England Grant | 500 |
| | | | | | | | | | Capital Receipts | 2,172 |
| | | | | | | | | | Unsupported Borrowing | 4,440 |
| CO031 | The Lakeside Leisure Centre | 13 | 0 | 0 | 0 | 0 | 0 | 13 | Unsupported Borrowing | 13 |
| CO037 | East Palmersville Recreation Ground | 1,175 | 0 | 0 | 0 | 0 | 0 | 1,175 | Football Foundation Grant | 490 |
| | | | | | | | | | Strategic Reserve | 525 |
| | | | | | | | | | Section 106 | 60 |
| | | | | | | | | | Ringfenced Supported Borrowing | 75 |
| | | | | | | | | | Club Contribution | 25 |
| LO005 | Arts on the Riverside | 15 | 0 | 0 | 0 | 0 | 0 | 15 | Reserve | 15 |
| | | | | | | | | | Lottery | 0 |
| CO061 | 4 Refurbished Parks | 0 | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 8,000 | Capital Receipts | 6,000 |
| | | | | | | | | | Unsupported Borrowing | 2,000 |
| | Pitch Improvements | 200 | 0 | 0 | 0 | 0 | 0 | 200 | Capital Receipts | 200 |
| | Total: Investment in Leisure | 8,515 | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 16,515 | | 16,515 |
| CH014 | Children's Centre Initiative | 1,573 | 1,003 | 0 | 0 | 0 | 0 | 2,576 | Children's Centre Initiative | 2,217 |
| | | | | | | | | | Extended Schools Grant | 0 |
| | | | | | | | | | Sure Start Grant | 359 |
| CH017 | Youth Capital Fund | 96 | 0 | 0 | 0 | 0 | 0 | 96 | Youth Capital Fund | 96 |
| ED165 | Playsite and Urban Games Strategy | 596 | 0 | 0 | 0 | 0 | 0 | 596 | LAA Fund | 34 |
| | | | | | | | | | Youth Capital Grant | 28 |
| | | | | | | | | | Section 106 Contribution | 186 |
| | | | | | | | | | Big Lottery Fund | 348 |
| ED175 | Playsite Pathfinder Programme | 1,669 | 0 | 0 | 0 | 0 | 0 | 1,669 | Playsite Pathfinder Grant | 1,669 |
| ED178 | Youth Facilities | 0 | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 8,000 | Capital Receipts | 6,908 |
| | | | | | | | | | Unsupported Borrowing | 1,092 |
| | Total: More Youth Facilities | 3,934 | 3,003 | 2,000 | 2,000 | 2,000 | 0 | 12,937 | | 12,937 |
| | Total - Theme: Quality of Life | 20,453 | 6,220 | 5,100 | 5,100 | 5,100 | 500 | 42,473 | | 42,473 |
| | Theme: Value for Money & Corporate Resources | | | | | | | | | |
| ST009 | Office Accommodation | 2,596 | 530 | 0 | 0 | 0 | 0 | 3,126 | Ringfenced Receipts | 3,126 |
| IT020 | ICT Foundation Refresh | 1,688 | 1,300 | 1,300 | 1,300 | 1,300 | 6,500 | 13,388 | Unsupported Borrowing | 13,388 |
| BS026 | Health and Safety (Planned Maintenance) | 1,727 | 1,750 | 1,750 | 1,750 | 2,000 | 10,000 | 18,977 | Unsupported Borrowing | 18,977 |

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2009 - 2019 STRATEGIC INVESTMENT PLAN**

APPENDIX I

| Project Ref | Project Title | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/19 | Total | Funding Source | £000 |
|---|---|----------------|---------------|---------------|---------------|---------------|----------------|----------------|-----------------------|----------------|
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| DV051 | Carbon Emissions & Energy Consumption Reduction | 300 | 150 | 0 | 0 | 0 | 0 | 450 | Capital Receipts | 0 |
| ST011 | Holocaust Memorial Garden | 60 | 0 | 0 | 0 | 0 | 0 | 60 | Capital Receipts | 450 |
| | | | | | | | | | Standards Fund | 25 |
| | | | | | | | | | Ringfenced Receipts | 25 |
| | | | | | | | | | High Bridge | 10 |
| DV055 | Growth Point Fund | 894 | 0 | 0 | 0 | 0 | 0 | 894 | Growth Point Grant | 894 |
| GEN03 | Contingency Provision | 1,813 | 500 | 500 | 500 | 500 | 2,500 | 6,313 | Capital Receipts | 1,000 |
| | | | | | | | | | Unsupported Borrowing | 5,513 |
| Total - Theme: Value for Money & Corporate Resources | | 9,078 | 4,230 | 3,550 | 3,550 | 3,800 | 19,000 | 43,208 | | 43,408 |
| TOTAL | | 131,700 | 80,688 | 38,780 | 71,093 | 71,873 | 294,494 | 688,628 | | 688,628 |

NORTH TYNESIDE COUNCIL
2009 - 2019 STRATEGIC INVESTMENT PLAN
PROJECTS FUNDED BY COUNCIL CONTRIBUTION
(SUPPORTED AND UNSUPPORTED BORROWING, CAPITAL RECEIPTS, REVENUE CONTRIBUTION, RESERVES)

APPENDIX J

| Project Ref | Project Title | 2009/10 £000 | 2010/11 £000 | 2011/12 £000 | 2012/13 £000 | 2013/14 £000 | 2014/19 £000 | Total £000 |
|---------------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| GENERAL FUND | | | | | | | | |
| BS025 | Demolition of Linskill | 169 | 0 | 0 | 0 | 0 | 0 | 169 |
| BS026 | Health and Safety (Planned Maintenance) | 1,727 | 1,750 | 1,750 | 1750 | 2000 | 10,000 | 18,977 |
| CO034 | Wallsend Swimming Pool | 6,612 | 0 | 0 | 0 | 0 | 0 | 6,612 |
| CO037 | East Palmersville Recreation Ground | 600 | 0 | 0 | 0 | 0 | 0 | 600 |
| CO045 | Playhouse Refurbishment | 2,300 | 0 | 0 | 0 | 0 | 0 | 2,300 |
| CO058 | Extra Care Scheme | 2,100 | 0 | 0 | 0 | 0 | 0 | 2,100 |
| CO059 | Improved Kerbside Recycling Scheme | 381 | 0 | 0 | 0 | 0 | 0 | 381 |
| CO060 | Cemeteries | 100 | 0 | 0 | 0 | 0 | 0 | 100 |
| CO061 | 4 Refurbished Parks | 0 | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 8,000 |
| DV018 | Fish Quay Environmental Improvements | 794 | 60 | 62 | 83 | 0 | 0 | 999 |
| DV019 | Whitley Bay Regeneration Strategy | 4,793 | 0 | 0 | 0 | 0 | 0 | 4,793 |
| DV041 | East Howdon Regeneration | 365 | 0 | 0 | 0 | 0 | 0 | 365 |
| DV046 | Wallsend and North Bank of Tyne Regeneration | 4,889 | 0 | 0 | 0 | 0 | 0 | 4,889 |
| DV048 | Roads & Pavements | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 0 | 5,000 |
| DV049 | Retail Centres | 300 | 150 | 0 | 0 | 0 | 0 | 450 |
| DV050 | Grass Pitch Improvements | 200 | 0 | 0 | 0 | 0 | 0 | 200 |
| DV051 | Carbon Emmissions and Energy Consumption reduction | 300 | 150 | 0 | 0 | 0 | 0 | 450 |
| DV052 | Northern Gateway | 0 | 1,150 | 328 | 0 | 0 | 0 | 1,478 |
| DV054 | Coastal Development | 0 | 1,000 | 1,000 | 1,000 | 1,000 | 0 | 4,000 |
| ED121 | School Access Initiative | 379 | 387 | 387 | 387 | 387 | 1,935 | 3,862 |
| ED132 | LEA Formula Capital - Modernisation | 2,281 | 1,191 | 1,847 | 1847 | 1847 | 9,235 | 18,248 |
| ED159 | New Build Monkseaton High School | 7,385 | 0 | 0 | 0 | 0 | 0 | 7,385 |
| ED173 | Children's Placement Strategy | 645 | 0 | 0 | 0 | 0 | 0 | 645 |
| ED177 | Skills and Enterprise Centres | 0 | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 8,000 |
| ED178 | Youth Facilities | 0 | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 8,000 |
| EV034 | Local Transport Plan | 2,343 | 1,838 | 4,511 | 4511 | 4511 | 26,171 | 43,885 |
| GEN03 | Contingency Provision | 1,813 | 500 | 500 | 500 | 500 | 2,500 | 6,313 |
| GEN04 | Well being fund | 551 | 0 | 0 | 0 | 0 | 0 | 551 |
| GEN05 | Schools PFI | 700 | 700 | 700 | 700 | 700 | 3,500 | 7,000 |

NORTH TYNESIDE COUNCIL
2009 - 2019 STRATEGIC INVESTMENT PLAN
PROJECTS FUNDED BY COUNCIL CONTRIBUTION
(SUPPORTED AND UNSUPPORTED BORROWING, CAPITAL RECEIPTS, REVENUE CONTRIBUTION, RESERVES)

APPENDIX J

| Project Ref | Project Title | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/19 | Total |
|-----------------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| HS003 | Private Sector Renovation | 540 | 546 | 820 | 845 | 910 | 4,718 | 8,379 |
| HS004 | Disabled Facility Grants | 70 | 70 | 320 | 320 | 320 | 2,400 | 3,500 |
| HS013 | Battlehill Commercial Centre Regeneration | 1,022 | 0 | 0 | 0 | 0 | 0 | 1,022 |
| HS014 | Longbenton Estate Regeneration | 314 | 0 | 0 | 0 | 0 | 0 | 314 |
| IT020 | ICT Foundation Refresh to include options for Telephony, CRM & Messaging | 1,688 | 1,300 | 1,300 | 1300 | 1300 | 6,500 | 13,388 |
| NS002 | Transport Corridor | 100 | 0 | 0 | 0 | 0 | 0 | 100 |
| ST009 | Office Accommodation | 2,596 | 530 | 0 | 0 | 0 | 0 | 3,126 |
| ST010 | Neighbourhood Management | 110 | 0 | 0 | 0 | 0 | 0 | 110 |
| | Projects under £100k | 253 | 0 | 0 | 0 | 0 | 0 | 253 |
| TOTAL GENERAL FUND | | 49,420 | 18,322 | 20,525 | 20,243 | 20,475 | 66,959 | 195,944 |
| HOUSING | | | | | | | | |
| Council Contribution | | | | | | | | |
| HS002 | HRA Schemes | 26,934 | 23,759 | 407 | 379 | 782 | 6,562 | 58,823 |
| TOTAL HOUSING | | 26,934 | 23,759 | 407 | 379 | 782 | 6,562 | 58,823 |
| TOTAL | | 76,354 | 42,081 | 20,932 | 20,622 | 21,257 | 73,521 | 254,767 |

Appendix K:

Glossary of Terms

| | |
|-----------------------|---|
| Accounts Payable | The computerised system used to pay money to an outside body for goods and services received. |
| Accrual | The recording of transactions when they take place not when payment is made. |
| Actual | The cost of a unit, item or service. |
| Budget | A plan of expected expenditure and income over a set period of time for example the Council's revenue budget covers a financial year. |
| Budget Holder | A nominated officer in a Directorate who has responsibility for the control and monitoring of a particular budget. |
| Budget Manager | A nominated officer in a Directorate who has responsibility for the control and monitoring of the budgets within a service area. |
| Budget Monitoring | The analysis and reporting of expenditure/ income against budget. Budget monitoring is carried out by Directorates and by Strategic Finance on a monthly basis. |
| Budgetary Control | The use of budget monitoring information to manage the budget and bring spend in on target for the year |
| DCSF | Department for Children Schools and Families |
| Cost Centre | A code created in General Ledger to record expenditure and income for a particular activity. For example a library a school |
| CLG | Department for Communities and Local Government |
| DWP | Department for Work and Pensions |
| Fees and Charges | Income arising from the provision of a service. |
| Financial Regulations | Rules which set out the financial policies of the Council and help to ensure that the assets of the Authority are protected and properly deployed. |
| Financial Year | 1 April to 31 March . |
| Forecast Out-turn | A prediction of the final income and expenditure based at the year end. |
| General Ledger (GL) | The prime financial record for the Authority. The General Ledger records all the expenditure incurred and all the income generated by the Council. |
| Journal Transfer | A journal transfer is used to correct miscoded transactions or to allocate costs/income within or across Directorates. |
| LSC | Learning Skills Council |
| LGPS | Local Government Pension Scheme |
| Out-turn | The final expenditure and income position on a cost centre at year-end. |
| Profiling | A method by which budgets are profiled to reflect patterns of spend. |
| Projections | A forecast of expenditure and income to the year-end based on known commitments and trends |
| Revenue Expenditure | Expenditure on the day-to-day running costs of a service for example employees transport. |
| Reprogramming | Refers to changes to the timing of projects in the Strategic Investment Plan |
| Service Area | Groups of related cost centres. |
| Subjective | A subjective shows the type of expenditure incurred for example employees. A subjective can be used to record |

| | |
|-----------------------|--|
| | the type of income generated, for example rent and fees |
| Supported Borrowing | This is borrowing to fund expenditure in the capital plan where the annual financing costs of such borrowing is supported by government through formula grant |
| Suspense Account | A cost centre used when costs or income are not readily identifiable. The account is used temporarily until additional information on the transaction can be found |
| Unsupported Borrowing | This relates to borrowing to fund expenditure where the annual financing costs have to be met from the Council's own revenue resources. |
| Variance | The difference between budgeted expenditure and income compared to actual expenditure and income. |
| Virement | A transfer of budgets from area of the budget to another. |