

COUNCIL TAX

2012-2013

How much you pay...
How it's spent...




Sunderland
City Council



YOUR COUNCIL TAX BILL

This is an extremely challenging time for both Sunderland and the City Council. The Government's public spending reductions continue to affect all local authorities and will do so for the next year and beyond.

In 2012-2013 we plan to spend over £729m to provide services for the 281,736 residents of Sunderland.

Council Tax provides just 13 per cent of Sunderland City Council's budgeted income.

The majority of the budget is made up from Government grants, so the heavy reduction in Government spending continues to give the council a significant challenge.

This year Council Tax will stay at the 2011-2012 level. Once again Sunderland's Council Tax will be among the lowest in the country and the lowest in the North East region.

This, together with the reductions in Government funding, means that the City Council must reduce its spending by a further £28m in 2012-2013.

This is on top of the £58m reductions last year, which we achieved by reducing our spending, reviewing services and targeting resources to areas of highest need. We also reduced back office costs and protected frontline services as much as possible. We will continue to do this in the coming financial year. We are committed to finding smart and efficient ways of working and innovative ways to generate additional income.

In reviewing the council's ability to meet these financial challenges the independent auditor, the Audit Commission stated:

"The Council has robust arrangements in place to ensure financial resilience. The Council has a history of good financial management, robust systems of corporate governance and internal control, and a strong record in the delivery of budgets."

The reductions in funding and grants from the Government have meant that some services could not continue at their current level. Other programmes are being delivered in a different way by the Government.

Despite all this, we are continuing to invest in frontline services and key projects that will help stimulate economic growth and improve job prospects for residents.

The last 12 months have seen some major improvements for Sunderland, these include:

- Opening the new Customer Service Centre in Fawcett Street and launching initiatives such as 'Tell us Once' to make accessing council services easier.
- Redeveloping Barnes Park to make a welcome and attractive space for residents across the city.
- Becoming the first UK city to host wall-to-wall superfast broadband coverage, which is good news for both residents and businesses.
- Being awarded £82.6m from the Department for Transport for the New Wear Crossing project. Providing a link to the new 'Enterprise Zone' and securing the future prosperity of the city.

We are working hard to ensure our priorities reflect yours.



Cllr Paul Watson
Leader of the Council

Paul Watson



Dave Smith
Chief Executive

D. Smith



Malcolm Page
Executive Director of Commercial and Corporate Services

Malcolm Page



WHAT YOU PAY

Normally the person living in the property is responsible for paying Council Tax if it is their main home and they are over 18 years of age.

The amount of Council Tax that you pay depends on the value of your home. More valuable properties pay more Council Tax.

Each home is placed in a valuation band based on what your home was valued at, or would have been valued at, in 1991.

The table below sets out the Council Tax levels for 2012-2013 for each valuation band. Your Council Tax bill states the band that applies to your property. It is important to note that residents in most of Sunderland will pay the Total Council Tax level in column 5, whilst residents of Hetton will pay the Total Council Tax level in column 7.

1	2	3	4	5	6	7
Valuation Band	City Council Tax level	Tyne and Wear Fire and Rescue Authority Tax level	Northumbria Police Tax level	Total Council Tax level	Hetton residents only	
					Hetton Town Council Tax level	Total Council Tax level
	£ p	£ p	£ p	£ p	£ p	£ p
A	790.64	48.77	55.79	895.20	8.74	903.94
B	922.41	56.90	65.08	1,044.39	10.20	1,054.59
C	1,054.19	65.03	74.38	1,193.60	11.65	1,205.25
D	1,185.96	73.16	83.68	1,342.80	13.11	1,355.91
E	1,449.51	89.42	102.28	1,641.21	16.02	1,657.23
F	1,713.05	105.68	120.87	1,939.60	18.94	1,958.54
G	1,976.60	121.93	139.47	2,238.00	21.85	2,259.85
H	2,371.92	146.32	167.36	2,685.60	26.22	2,711.82

YOUR COUNCIL TAX HELP

Children's Services

Providing services that help keep children safe and healthy and services for children, young people and families.

In 2011, Sunderland City Council recruited more foster carers to provide homes in Sunderland for looked after children. It was also a great year for improvements in early years, Key Stage 2, GCSE and A-level results.



Adult Services

Looking after vulnerable people who need care and support to help them live as independent, healthy and active a life as possible.

In 2011, Sunderland City Council continued to help people with different levels of care and support needs, to enjoy independent lives through extra care housing. The first resident moved into Cherry Tree Gardens, the city's fourth scheme. Extra care housing provides independent living for people over the age of 55 who require support or personal care at home.

Recreation and Tourism

Providing sport, leisure and wellness centres, museums, libraries, theatres and other visitor attractions and events.

Residents used Sunderland's sport, leisure and wellness centres over 2.3 million times last year to increase their activity.

Sunderland attracted approximately 8.4 million visitors who spent around £332m in Sunderland.



...PS PAY FOR ALL OF THIS



Refuse collection, disposal and environmental health

Collecting and recycling rubbish, street cleaning, maintaining parks and open spaces and everything that helps keep the city clean, green and attractive.

Sunderland City Council has local, area based teams to provide a quick response to environmental issues like fly-tipping, graffiti and dog fouling which can affect the quality of your neighbourhood.

The council is also working with partners to develop an 'energy from waste' plant on Teesside which will dramatically reduce the amount of waste sent to landfill.

Highways

Maintaining over 750 miles of roads, 1,500 miles of footway and 48,000 street lights across the city.

Housing services

Making sure that everyone has the chance of a decent home and help, when needed, with Housing Benefit.

Economic Development Services

Economic development services assist existing businesses to develop and also help to attract new businesses into the city. Advice and support enables businesses to sustain their development and be competitive. In 2011, Sunderland City Council continued its investment in infrastructure and connectivity by signing a landmark deal with IBM to create a hi-tech Cloud computing environment in the city.

Other services

These include the central services which keep the rest running, such as finance, human resources and governance services.

Contingencies and strategic priorities

While all known spending pressures have been provided for within the budget, there is still uncertainty over some costs and it is important that we have sufficient contingencies to meet emergency funding requirements. In addition, provision is made for a range of strategic priorities.

Levies

Sunderland City Council pays direct levies to the Integrated Transport Authority (ITA) to provide financial support to help fund public transport and to the Environment Agency to support flood defence works.

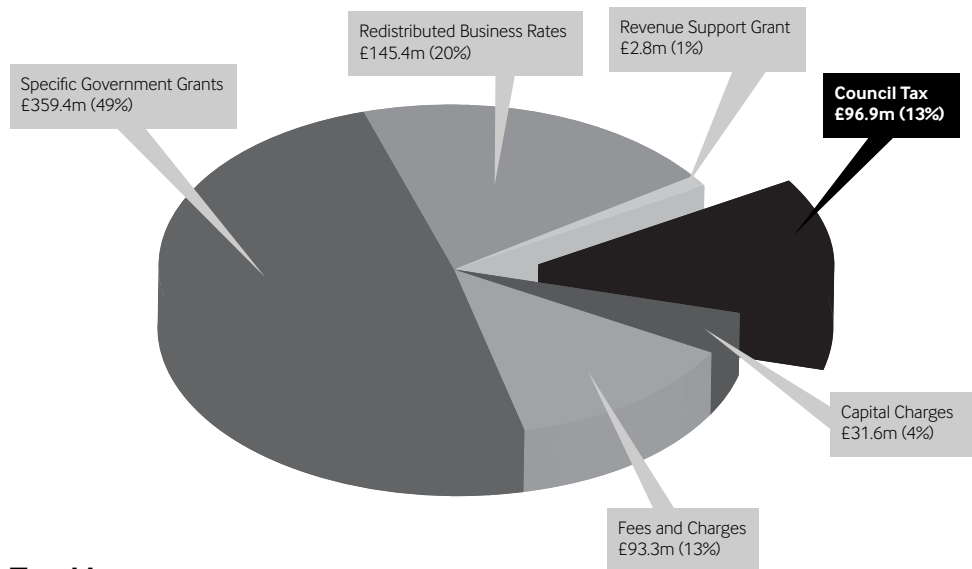
Precepts

Sunderland City Council collects your contributions toward the cost of Police and Fire and Rescue services, based on the precepts which are set by them.

WHERE THE MONEY WILL COME FROM IN 2012-2013

The council provides a wide range of services including schools, caring for the elderly, collecting rubbish and providing leisure facilities. The cost of running and maintaining the day-to-day services provided by the council is called Revenue Expenditure.

The Council Tax you pay forms only part of the funding to pay for these services. The chart below shows that over half of the money comes from the Government and the remainder from Council Tax and income received from users of council services.



Total Income
£729.4m

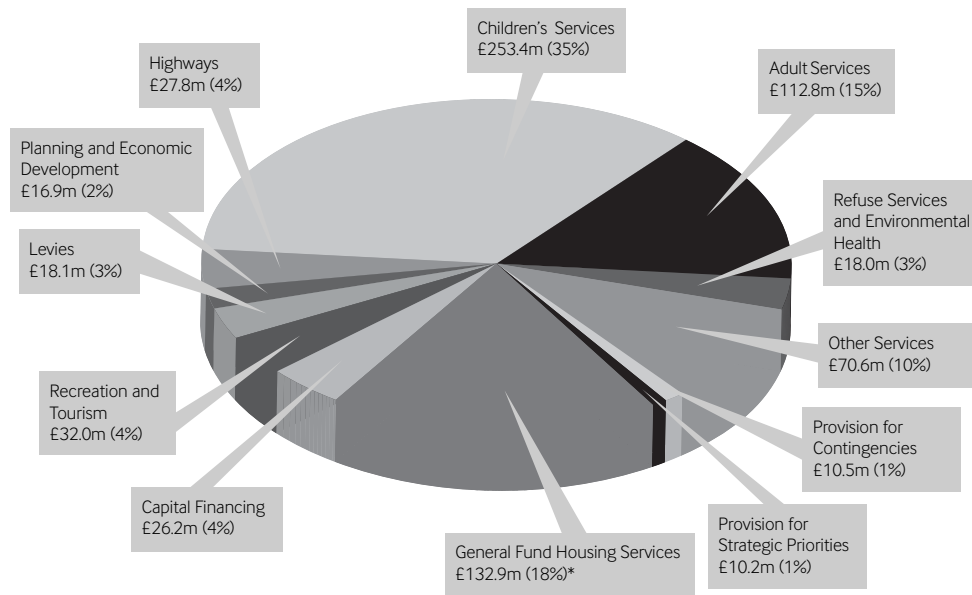
*Capital charges amounting to £31.6m are included in gross expenditure and income in accordance with the Service Reporting Code of Practice. This has no impact on the level of Council Tax.

HOW RESIDENTS HELP SET THE BUDGET

We consult with thousands of residents all year round on a whole range of issues that help us plan our services and to develop our city. It's only by residents telling us what they want that we can set the right priorities and make sure we're delivering the things that really matter to people. At budget time we have additional consultation sessions and we're particularly grateful for the help and support of residents who are members of our citizens' panel, 'Community Spirit'.

WHERE THE MONEY WILL BE SPENT ON SERVICES FOR 2012-2013

The chart below shows what the council plans to spend on its services in 2012-2013.



Total Revenue Expenditure £729.4m

* This excludes council housing costs as this service has transferred to Gentoo and mainly consists of Housing Benefit payments.

GLOSSARY OF TERMS

Revenue Expenditure – the cost of maintaining and running day-to-day council services.

Gross Expenditure – the total revenue costs of running council services before any income from grants and fees and charges are taken into account.

Spending Pressures – costs which the council

has no control over such as inflation and demand for services.

Precepts – these are the costs of the Fire and Rescue and the Police services which all Council Tax payers must pay for.

Council Tax Requirement – the amount of money that the council needs from its Council Tax payers.

THE MAJOR ISSUES IN SETTING THE 2012-2013 BUDGET

The budget for the next financial year has been prepared taking account of the continued significant grant reductions from central government and the increase in costs to provide council services, such as inflation on fuel, gas, electricity and general price increases.

During the budget process, the council has used balances of £2.272m in order to enable spending pressures to be addressed .

The cost of services

In addition to services provided by the council, other bodies including the Northumbria Police Authority and the Tyne and Wear Fire and Rescue Authority also provide services which the council must take into account. The table below gives a summary of the net cost of these services for 2012-2013 and how the Council Tax for Band D is built up.

Last Year 2011-2012 £m	Summary net cost of services	This Year 2012-2013 £m	Band D Council Tax £ p
95.075	City Council (including Levies)	96.302	1,185.96
5.865	Tyne and Wear Fire and Rescue Authority	5.941	73.16
6.708	Northumbria Police Authority	6.795	83.68
107.648		109.038	1,342.80

In addition, Hetton Town Council will levy a precept of £54,144 in 2012-2013 (£52,663 2011-2012). This is equivalent to a Band D charge of £13.11 but is only paid by the residents of the Parish of Hetton Town Council.

Cost per head of population

The table below shows the total cost to each person in Sunderland of services provided by the council and Precepting Authorities, after taking account of the income received from the Revenue Support Grant and Business Rates.

	Total Budget Requirement £	Revenue Support Grant £	Business Rates £	Collection Fund Surplus £	Council Tax Requirement £
City Council	869.57	(10.00)	(515.97)	(1.77)	341.83
Tyne and Wear Fire and Rescue Authority	50.03	(0.54)	(27.99)	0.07	21.57
Northumbria Police Authority	189.95	(81.93)	(82.29)	(0.18)	25.55
Total	1,109.55	(92.47)	(626.25)	(1.88)	388.95



BUDGET INFORMATION

Sunderland City Council budget information

Explanatory Notes

The net increase in the Council Tax Requirement is £1.3m, details of which are shown in the table opposite. In 2012-2013 Council Tax represents 13.2% of Gross Revenue Expenditure (2011-2012 12.8%) this increases the Council's reliance on Council Tax as a funding stream.

	£m
Inflation and increased costs	0.2
Decrease in levies	(0.9)
Reduction in service expenditure	(16.0)
Increase in other income	(7.7)
Reduction in use of reserves/balances	1.5
Net reduction in Government Grants	24.2
Total	1.3

Last Year 2011-2012				This Year 2012-2013		
Gross Expenditure £m	Gross Income £m	Net Expenditure £m		Gross Expenditure £m	Gross Income £m	Net Expenditure £m
279.4	220.4	59.0	Children's Services	253.4	199.6	53.8
111.6	47.4	64.2	Adult Services	112.8	54.7	58.1
29.6	10.5	19.1	Highways	27.8	10.6	17.2
18.9	10.6	8.3	Planning and Economic Development	16.9	9.6	7.3
34.7	8.8	25.9	Recreation and Tourism	32.0	8.0	24.0
4.4	1.1	3.3	Environmental Health	2.7	1.1	1.6
15.7	1.1	14.6	Refuse Collection and Disposal	15.3	1.1	14.2
127.6	112.4	15.2	Housing (Non Council Housing Costs)	132.9	119.9	13.0
58.3	41.7	16.6	Other Services	70.6	41.6	29.0
0.0	2.7	(2.7)	Other Core Grants	0.0	2.6	(2.6)
22.7	0.0	22.7	Capital Financing Costs	26.2	0.0	26.2
702.9	456.7	246.2		690.6	448.8	241.8
15.8	0.0	15.8	Provision for contingencies	10.5	0.0	10.5
7.0	0.0	7.0	Provision for strategic priorities	10.2	0.0	10.2
0.0	1.7	(1.7)	Interest on Balances	0.0	1.6	(1.6)
0.0	4.8	(4.8)	Transfer to/(from) Reserves and Balances	0.0	2.3	(2.3)
0.0	27.8	(27.8)	Capital Charges	0.0	31.6	(31.6)
725.7	491.0	234.7	TOTAL EXPENDITURE	711.3	484.3	227.0
			Levies			
		18.7	Tyne and Wear Integrated Transport Authority			17.8
		0.2	Environment Agency - Flood Defence			0.2
		0.1	NE Inshore Fisheries Conservation Authority			0.1
		253.7	TOTAL BUDGET REQUIREMENT			245.1
		37.3	Less Revenue Support Grant			2.8
		120.8	Redistributed Business Rates			145.4
		0.5	Collection Fund Surplus			0.5
		95.1	COUNCIL TAX REQUIREMENT			96.4

10,185 Total number of employees (Full-time equivalent)

8,877

191.3 Borrowing (£m)

201.3



BUDGET INFORMATION

Levies and precepts

Your Council Tax bill is made up of a number of elements besides the council's Council Tax Requirement. These include levies and precepts that the council is legally required to collect on behalf of other organisations. For Sunderland City Council these organisations are:

Levying Authorities

Environment Agency							Change in levy (Total Budget Requirement) between years is attributable to:	£m
	Last Year 2011-2012			This Year 2012-2013				
		Gross Expenditure £m	Gross Income £m	Net Expenditure £m	Gross Expenditure £m	Gross Income £m	Net Expenditure £m	
Flood Defence	23.0	21.0	2.0	19.5	17.4	2.1	Change in inflation and levels of service	(3.5)
Transfer to/(from reserves)			0.0			0.0	Decrease in grants/other income	3.6
Levy			2.0			2.1		0.1
							Sunderland's proportion of the Environment Agency levy is £0.206m in 2012-2013 (2011-2012 £0.196m)	

Tyne and Wear Integrated Transport Authority							Change in levy (Total Budget Requirement) between years is attributable to:	£m
	Last Year 2011-2012			This Year 2012-2013				
		Gross Expenditure £m	Gross Income £m	Net Expenditure £m	Gross Expenditure £m	Gross Income £m	Net Expenditure £m	
Tyne Tunnels	29.1	15.3	13.8	16.5	19.4	(2.9)	Inflation and other cost pressures	1.3
ITA	3.7	0.1	3.6	3.5	0.0	3.5	Decrease in grant to Nexus	(3.4)
Grant to Nexus	100.9	0.0	100.9	101.3	0.0	101.3	Budget reductions	(2.6)
	133.7	15.4	118.3	121.3	19.4	101.9	Contribution from reserves	(0.2)
Transfer to Reserves			(15.3)			(3.8)	Reduction in Grant Income	1.3
Total Budget Requirement			103.0			98.1		(3.6)
Less Rail Grants and Miscellaneous Grants			(29.2)			(27.9)	Sunderland's proportion of the Tyne and Wear Integrated Transport Authority levy is £17.778m in 2012-2013 (2011-2012 £18.759m)	
Levy			73.8			70.2		

BUDGET INFORMATION

Precepting Authorities

Northumbria Police Authority						
	Last Year 2011-2012			This Year 2012-2013		
	Gross Expenditure £m	Gross Income £m	Net Expenditure £m	Gross Expenditure £m	Gross Income £m	Net Expenditure £m
Police General	329.6	41.9	287.7	311.6	40.7	270.9
Contingencies	0.0	0.0	0.0	1.0	0.0	1.0
Total Budget Requirement	329.6	41.9	287.7	312.6	40.7	271.9
Less: Police Grant			124.3			115.0
Total Net Police Expenditure			163.4			156.9
Less Revenue Support Grant			29.9			2.3
Business Rates			96.8			117.8
Collection Fund Surplus			0.2			0.2
Precept			36.5			36.6

Change in Precept (Council Tax Requirement) between years is attributable to:

	£m
Inflation and other changes	4.4
Budget savings/use of reserves	(21.3)
Change in grant funding/other income	17.0

0.1

Sunderland's proportion of the Northumbria Police Authority precept is £6.795m in 2012-2013 (2011-2012 £6.708m)

This represents £83.68 of the Band D Council Tax and equates to a Council Tax freeze.

Council Tax represents 11.7% of Gross Expenditure (2011-2012 11.1%) this increases the reliance on Council Tax as a funding stream

Staffing (Full Time Equivalents) 5,861 (2011-2012 6,536). **Borrowing** £52.1m (2011-2012 £48.5m)

Tyne and Wear Fire and Rescue Authority						
	Last Year 2011-2012			This Year 2012-2013		
	Gross Expenditure £m	Gross Income £m	Net Expenditure £m	Gross Expenditure £m	Gross Income £m	Net Expenditure £m
Fire Service	62.9	6.2	56.7	62.2	6.2	56.0
Emergency Planning	0.5	0.5	0.0	0.0	0.0	0.0
	63.4	6.7	56.7	62.2	6.2	56.0
Contingencies			0.2			0.5
Interest on Balances			(0.2)			(0.2)
Core Grants			(0.6)			(0.7)
Total Budget Requirement			56.1			55.6
Less Revenue Support Grant			7.6			0.6
Business Rates			24.6			31.1
Collection Fund Surplus			0.0			(0.1)
Precept			23.9			24.0

Change in Precept (Council Tax Requirement) between years is attributable to:

	£m
Inflation and other changes	0.9
Government funding	0.4
Change in Collection Fund	0.1
Efficiency savings	(1.3)

0.1

Sunderland's proportion of the Tyne and Wear Fire and Rescue Authority precept is £5.941m in 2012-2013 (2011-2012 £5.865m)

This represents £73.16 of the Band D Council Tax and equates to a Council Tax freeze.

Council Tax represents 38.5% of Gross Expenditure (2011-2012 37.7%) this increases the reliance on Council Tax as a funding stream

Staffing (Full Time Equivalents) 1,141 (2011-2012 1,160). **Borrowing** £16.2m (2011-2012 £16.9m)

Help towards rent and Council Tax is changing

The Government is planning to make significant changes to welfare payments in 2013 for **working age** customers. Pensioners are not expected to be affected by these changes. Some of the proposed changes are:

- For new benefit claimants, help with rent, Income Support, Jobseeker's Allowance and Tax Credits will be replaced with a single payment of Universal Credit.
- Help towards rent will be paid as Universal Credit. This will be paid directly to you and not your landlord (except in exceptional circumstances). It will therefore be your responsibility to pay the rent to your landlord.
- Existing benefit claimants will gradually move onto Universal Credit between 2013 and 2017.
- In most cases, the amount of welfare benefits a **non-working** household can claim each week will be capped at around £500 per week for couples and single parent households and £350 for single adult households without children.
- Council Tax Benefit will not be included in Universal Credit; it will be replaced by a local scheme, this will be set and administered by the Local Authority.

For more information see
www.sunderland.gov.uk/benefitchanges

