Sunderland
City Council

COUNCIL TAX
2014-2015

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

YOUR COUNCIL TAX BILL

This remains a very challenging time for Sunderland and the City Council. The longest period of public spending reductions in history continues to affect all local authorities and impact on how services are and will be delivered.

In 2014-2015 we plan to spend over £678m to provide services for the 275,700 residents of Sunderland.

Council Tax provides just 11 per cent of Sunderland City Council's budgeted income.

The majority of the income budget is made up from government grants, so reductions in public spending continue to present the council with a significant challenge.

For the fourth consecutive year Council Tax will stay at the 2010-2011 level. Once again Sunderland's Council Tax will be the lowest in the North East and amongst the lowest in the country for Metropolitan Authorities.

By the end of 2013-2014, the City Council will have achieved savings of £135m to meet reductions in government funding and cost pressures. Over the next three years it is expected that the council will need to make a further £113m of savings with £36m of this being delivered in 2014-2015.

In addition to reducing the funding available, the Government made significant changes last year to the way Local Government is funded, in relation to Business Rates and the Localisation of Council Tax support. Both of these changes continue to create uncertainty and put financial pressure on the council.

The External Auditor undertakes an independent annual health check of the council's arrangements to assure financial resilience and ensure value for money. The October 2013 Annual Audit letter stated that 'The council managed its financial position very well' and that 'The council is financially resilient'.

Given the scale of the funding reductions front line service changes will be unavoidable. The priority for the council continues to be to protect and support the most vulnerable members of our community, refocusing and targeting all of our resources and working in different ways with others to get the best outcomes for our residents. For example we will continue to develop our work with families in the city to support those who are struggling the most and also reshape our care and support services to meet the highest priority needs given increasing demands in these areas.

However, the council's efforts will not be confined to remodelling services and making the necessary savings. We will also continue to invest in the city's infrastructure to help generate wealth and attract more jobs. Our achievements give us confidence in planning for the future, for example, over the last two years we have secured 71 investment and growth projects worth over £530m and created over 3,750 new jobs.

We are continuing to work hard to understand residents' needs, concerns, aspirations and priorities to ensure the council is responding accordingly.

Cllr Paul Watson
Leader of the Council

Dave Smith
Chief Executive

WHAT YOU PAY

The amount of Council Tax 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 in 1991.

The table below sets out the Council Tax levels for 2014-2015 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	Police and Crime Commissioner for Northumbria 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	57.74	897.15	8.74	905.89
B	922.41	56.90	67.36	1,046.67	10.20	1,056.87
C	1,054.19	65.03	76.99	1,196.21	11.65	1,207.86
D	1,185.96	73.16	86.61	1,345.73	13.11	1,358.84
E	1,449.51	89.42	105.86	1,644.79	16.02	1,660.81
F	1,713.05	105.68	125.10	1,943.83	18.94	1,962.77
G	1,976.60	121.93	144.35	2,242.88	21.85	2,264.73
H	2,371.92	146.32	173.22	2,691.46	26.22	2,717.68

YOUR COUNCIL TAX HELPS PAY FOR ALL OF THIS

Children's Services

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

During the past 12 months we have worked with our partners in the Police, Health, Education and Early Intervention Services to set up a Multi-Agency Safeguarding Hub. From its base in the city centre, the hub is working to protect children at risk of harm and respond to initial concerns about child protection.

Adult Services

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

We continue to work towards helping older and vulnerable people keep their independence. 73% of social care users now use a personal budget to tailor the care and support they need to help them live in their own homes for longer.

Recreation and Leisure

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

Construction is progressing on a replacement leisure centre in Washington. When it opens in 2015 the facility will include a six-lane 25m pool and a learner pool including two water-slides, a four court sports hall, a Wellness Centre, squash courts and outdoor football provision.

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.

Our local area based teams continue to provide a quick response to environmental issues like fly-tipping and dog fouling. We also expect our use of landfill for waste disposal to fall to less than 10% from April.

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 grow and also help to attract new businesses into the city.

In the last two years Sunderland has secured 71 investment and growth projects worth over £530m and created over 3,750 new jobs. Much of this investment has been within the manufacturing sector.

Other services

These include council tax and benefit administration as well as the central services which keep the rest running, such as finance, human resources and governance services.

Contingencies

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.

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.

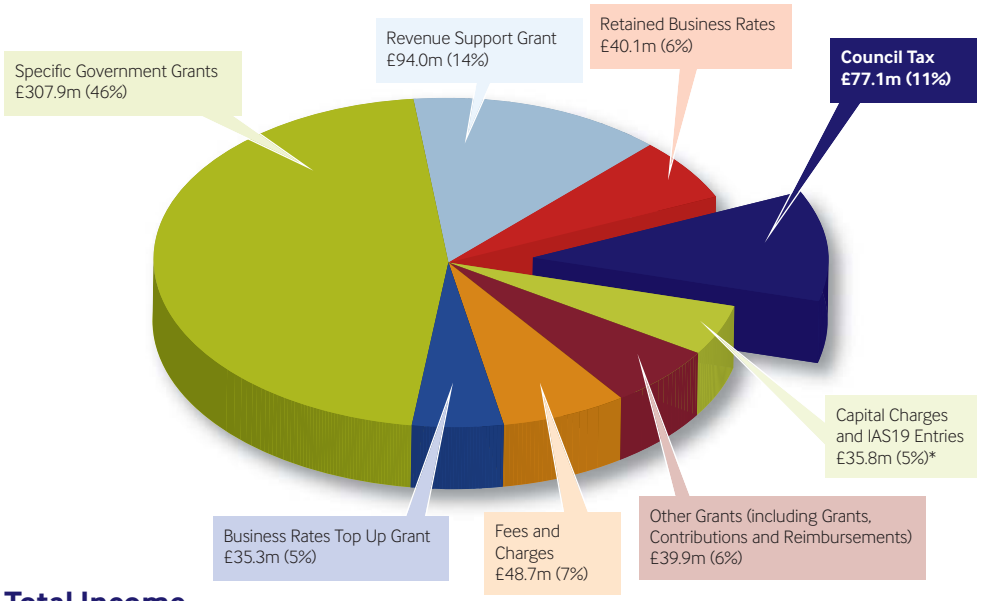
Precepts

Sunderland City Council collects your contributions towards 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 2014-2015

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, Retained Business Rates and income received from users of council services.



Total Income £678.8m

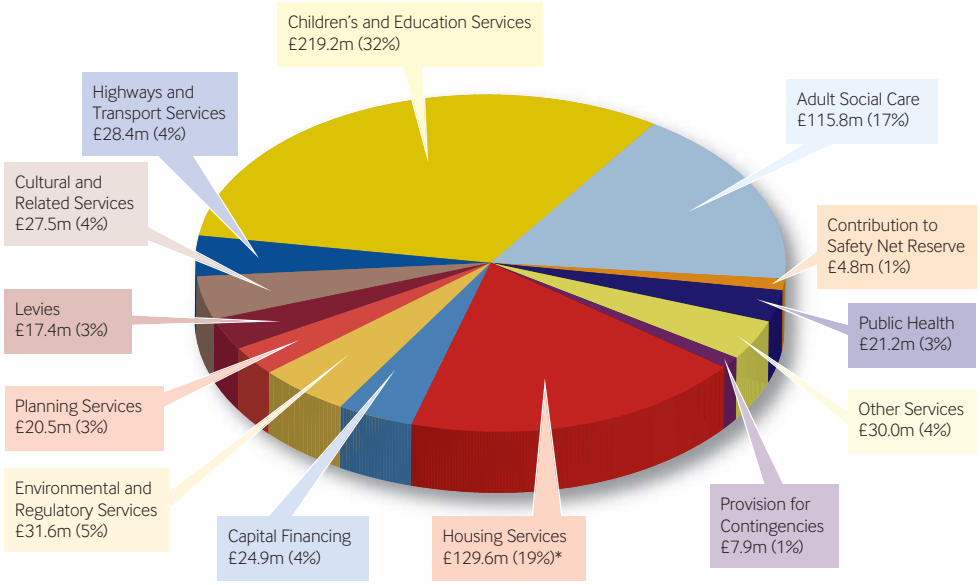
*Capital charges amounting to £34.3m are included in gross expenditure and income in accordance with the Service Reporting Code of Practice. This has no impact on the level of Council Tax.

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 is 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.

WHERE THE MONEY WILL BE SPENT ON SERVICES FOR 2014-2015

The chart below shows what the council plans to spend on its services in 2014-2015.



Total Revenue Expenditure £678.8m

* 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 2014-2015 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 £0.5m 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 Police and Crime Commissioner for Northumbria 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 2014-2015 and how the Council Tax for Band D is built up.

Last Year 2013-2014 £m	Summary net cost of services	This Year 2014-2015 £m	Band D Council Tax £ p
76.013	City Council (including Levies)	76.564	1,185.96
4.689	Tyne and Wear Fire and Rescue Authority	4.723	73.16
5.551	Police and Crime Commissioner for Northumbria	5.591	86.61
86.253		**86.878**	**1,345.73**

In addition Hetton Town Council will levy a precept of £54,190 in 2014-2015, equivalent to a Band D charge of £13.11 (£13.11 in 2013-2014) but this 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 Revenue Support Grant and Business Rates.

	Total Budget Requirement £	Government Funding* £	Local Share of Business Rates £	Collection Fund (Surplus)/ Deficit £	Council Tax Requirement £
City Council	893.45	(468.70)	(145.27)	(1.81)	277.67
Tyne and Wear Fire and Rescue Authority	46.80	(25.41)	(3.69)	(0.07)	17.63
Police and Crime Commissioner for Northumbria	190.42	(168.10)	0.00	(0.19)	22.13
Total	**1,130.67**	**(662.21)**	**(148.96)**	**(2.07)**	**317.43**

*Includes mainly Revenue Support Grant and Top Up Grant

BUDGET INFORMATION

Sunderland City Council budget information

Explanatory Notes

The change in the Council Tax Requirement of £0.5m between 2013-2014 and 2014-2015, reflects the net impact of a reduction in government funding and spending pressures that the council needs to meet, the cost of which has been offset by reductions in council budgets. Details of the variations are shown in the table opposite. In 2014-2015, Council Tax represents 11% of Gross Revenue Expenditure (2013-2014 11%).

	£m
Government Funding Changes	18.4
Spending Pressures	17.2
Planned Budget Reductions	(35.6)
Decrease in levies/precepts	(0.4)
Decrease in Retained Business Rates	0.9
Total	**0.5**

Last Year 2013-2014				This Year 2014-2015		
Gross Expenditure £m	Gross Income £m	Net Expenditure £m		Gross Expenditure £m	Gross Income £m	Net Expenditure £m
114.8	38.5	76.3	Adult Social Care	115.8	41.9	73.9
224.5	160.0	64.5	Children's and Education Services	219.2	154.2	65.0
28.5	7.6	20.9	Cultural and Related Services	27.5	6.7	20.8
30.7	6.7	24.0	Environmental and Regulatory Services	31.6	8.2	23.4
27.8	9.8	18.0	Highways and Transport Services	28.4	10.4	18.0
132.0	123.8	8.2	Housing Services (non council housing costs)	129.6	123.3	6.3
16.8	9.9	6.9	Planning Services	20.5	10.4	10.1
20.7	20.7	0.0	Public Health	21.2	21.2	0.0
30.8	10.5	20.3	Other Services	30.0	12.6	17.4
0.0	2.7	(2.7)	Other Core Grants	0.0	4.3	(4.3)
27.7	0.0	27.7	Capital Financing Costs	24.9	0.0	24.9
654.3	**390.2**	**264.1**		**648.7**	**393.2**	**255.5**
16.5	0.0	16.5	Provision for contingencies and strategic priorities	7.9	0.0	7.9
0.0	1.6	(1.6)	Interest on Balances	0.0	1.3	(1.3)
0.0	2.6	(2.6)	Use of Balances	0.0	0.5	(0.5)
6.1	0.0	6.1	Movement on Safety Net Reserve	4.8	1.5	3.3
0.0	35.5	(35.5)	Capital Charges	0.0	35.8	(35.8)
676.9	**429.9**	**247.0**	**TOTAL EXPENDITURE**	**661.4**	**432.3**	**229.1**
			Levies and Precepts			
		17.5	Tyne and Wear Integrated Transport Authority			17.0
		0.2	Environment Agency - Flood Defence			0.2
		0.1	NE Inshore Fisheries Conservation Authority			0.1
		0.0	Hetton Town Council Precept			0.1
		264.8	**TOTAL BUDGET REQUIREMENT**			**246.5**
		(112.8)	Less Revenue Support Grant			(94.0)
		(40.9)	Retained Business Rates			(40.1)
		(34.5)	Top Up Grant			(35.3)
		(0.5)	Collection Fund Surplus			(0.5)
		76.1	**COUNCIL TAX REQUIREMENT**			**76.6**

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

	Last Year 2013-2014			This Year 2014-2015		
	Gross Expenditure £m	Gross Income £m	Net Expenditure £m	Gross Expenditure £m	Gross Income £m	Net Expenditure £m
Flood Defence	16.1	14.0	2.1	22.0	19.9	2.1
Levy			**2.1**			**2.1**

Change in levy (Total Budget Requirement) between years is attributable to:

	£m
Impact of Government Spending Review and national prioritisation of projects. 2014-2015 Includes Grant Aided Expenditure on all Risk Management Authority Programmes	0.0
	0.0

Sunderland's proportion of the Environment Agency levy is £0.204m in 2014-2015 (2013-2014 £0.197m)

Tyne and Wear Integrated Transport Authority

	Last Year 2013-2014			This Year 2014-2015		
	Gross Expenditure £m	Gross Income £m	Net Expenditure £m	Gross Expenditure £m	Gross Income £m	Net Expenditure £m
Tyne Tunnels	24.6	23.6	1.0	25.1	24.7	0.4
ITA	3.4	0.0	3.4	3.3	0.0	3.3
Grant to Nexus	104.1	0.0	104.1	103.7	0.0	103.7
	132.1	**23.6**	**108.5**	**132.1**	**24.7**	**107.4**
Transfer to Reserves			(6.6)			(5.8)
Total Budget Requirement			**101.9**			**101.6**
Less Rail Grants and Miscellaneous Grants			(31.7)			(33.4)
Levy			**70.2**			**68.2**

Change in levy (Total Budget Requirement) between years is attributable to:

	£m
Inflation and other cost pressures	2.6
Increased income	(1.1)
Budget reductions	(2.5)
Contribution from reserves	0.7
	(0.3)

Sunderland's proportion of the Tyne and Wear Integrated Transport Authority levy is £16.971m in 2014-2015 (2013-2014 £17.506m)

Precepting Authorities

Police and Crime Commissioner for Northumbria

	Last Year 2013-2014			This Year 2014-2015		
	Gross Expenditure £m	Gross Income £m	Net Expenditure £m	Gross Expenditure £m	Gross Income £m	Net Expenditure £m
Police General	300.6	22.5	278.1	288.6	17.4	271.2
Total Budget Requirement	**300.6**	**22.5**	**278.1**	**288.6**	**17.4**	**271.2**
Less: Formula Grant			(240.2)			(230.5)
Localised Council Tax Support Grant			(7.0)			0.0
Specific Grants			0.0			(0.7)
Legacy Council Tax Grant			0.0			(7.8)
Council Tax Freeze Grant			0.0			(0.4)
Collection Fund Surplus			(0.1)			(0.3)
Precept			**30.8**			**31.5**

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

	£m
Inflation and Budget pressures	6.4
Reduction in Government Funding	11.7
Council Tax Grants	(1.1)
Budget Savings	(19.1)
Reduction in use of Reserves	2.8
	0.7

Sunderland's proportion of the Police and Crime Commissioner for Northumbria's precept is £5.591m in 2014-2015 (2013-2014 £5.551m)

This represents £86.61 of the Band D Council Tax and equates to a council tax freeze.

Council Tax represents 10.9% of Gross Expenditure (2013-2014 10.3%) this increases the reliance on Council Tax as a funding stream.

Tyne and Wear Fire and Rescue Authority

	Last Year 2013-2014			This Year 2014-2015		
	Gross Expenditure £m	Gross Income £m	Net Expenditure £m	Gross Expenditure £m	Gross Income £m	Net Expenditure £m
Fire Service	59.7	7.1	52.6	56.2	5.2	51.0
	59.7	**7.1**	**52.6**	**56.2**	**5.2**	**51.0**
Contingencies			0.9			1.0
Interest on Balances			(0.2)			(0.2)
Total Budget Requirement			**53.3**			**51.8**
Less Revenue Support Grant			(20.4)			(17.8)
Collection Fund Surplus			0.0			(0.1)
Top up Grant			(9.6)			(9.8)
Business Rate Share			(4.0)			(4.1)
Transitional Relief Grant			(0.1)			0.0
Council Tax Freeze Grant			(0.2)			(0.2)
SFA Adjustment			0.0			(0.1)
Section 31 Grant			0.0			(0.2)
Precept			**19.0**			**19.5**

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

	£m
Cost pressures	1.1
Government funding	2.2
IRMP Savings	(0.6)
Contribution from earmarked reserves	(2.0)
Changes to Business Rates and Council Tax Scheme	(0.2)
	0.5

Sunderland's proportion of the Tyne and Wear Fire and Rescue Authority precept is £4.723m in 2014-2015 (2013-2014 £4.689m)

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

Council Tax represents 33.2% of Gross Expenditure (2013-2014 31.4%) this increases the reliance on Council Tax as a funding stream.

Sunderland City Council

Contact us...

Our lines are open from 8am to 6.30pm Monday to Friday
In the event of an emergency you can contact us 24/7 using the telephone numbers below

City & Neighbourhood 0191 520 5550

Here to help with enquiries such as; waste and recycling, parks, highways, parking, licensing, pest control, community safety, elections and visitor information

Home & Money 0191 520 5551

Here to help with enquiries such as; council tax, housing and housing advice, planning and building control and welfare rights

Health & Wellbeing 0191 520 5552

Here to help with enquiries such as; social care and concern for welfare, disabled parking badges, concessionary travel passes and sports and leisure

Life, Family & Learning 0191 520 5553

Here to help with enquiries such as; libraries, education, families information, fostering and adoption, youth services, births, deaths and marriages

Business Services 0191 520 5554

Here to help with enquiries such as; business rates and business investment and advice

Council Switchboard 0191 520 5555

Please use our Switchboard service if you know the name of the person you wish to speak to or visit us online at www.sunderland.gov.uk
You can also use our minicom on 0191 525 0075 or Typetalk

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