

CABINET MEETING – 13 FEBRUARY 2013

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Revenue Budget and Proposed Council Tax for 2013/2014 and Medium Term Financial Strategy 2013/2014 to 2015/2016

Authors:

Chief Executive and Executive Director of Commercial and Corporate Services

Purpose of Report:

To report:

- the overall revenue budget position for 2013/2014;
- the projected balances position as at 31st March, 2013 and 31st March, 2014 and advise on their level;
- a risk analysis of the Revenue Budget 2013/2014;
- a summary of the emerging medium term financial position facing the Council from 2014/2015 to 2015/2016;
- any views received from the North East Chamber of Commerce and Trade Unions.

Description of Decision:

Members are requested to:

- recommend to Council the proposed Revenue Budget for 2013/2014 set out at Appendix I;
- note the Medium Term Financial Strategy 2013/2014 to 2015/2016 as set out in Appendix E
- recommend to Council the proposed Council Tax for 2013/2014 at Appendix D (paper to be tabled);
- note the views, if any, expressed by the North East Chamber of Commerce and Trade Unions at Appendix C (paper to be tabled).

Is the decision consistent with the Budget/Policy Framework? No – this report is integral in reviewing and amending the Budget and Policy Framework.

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To comply with statutory requirements.

Alternative options to be considered and recommended to be rejected:

There are no alternative options recommended for approval as the budget has been developed on the basis of an agreed framework with consultation carried out throughout the process.

Is this a “Key Decision” as defined in the Constitution?

Yes

Is it included in the Forward Plan?

Yes

Scrutiny Committee:

Revenue Budget and Proposed Council Tax for 2013/2014 and Medium Term Financial Strategy 2013/2013 to 2015/2016

Report of the Chief Executive and Executive Director of Commercial and Corporate Services

1. Purpose of Report

- 1.1 To report:
- the overall revenue budget position for 2013/2014;
 - the projected balances position as at 31st March, 2013 and 31st March, 2014 and advise on their level;
 - a risk analysis of the Revenue Budget 2013/2014;
 - a summary of the emerging medium term financial position facing the Council from 2014/2015 to 2015/2016;
 - any views received from the North East Chamber of Commerce and Trade Unions.

2. Description of Decision

- 2.1 Members are requested to:
- recommend to Council the proposed Revenue Budget for 2013/2014 set out at Appendix I;
 - note the medium term financial strategy 2012/2013 to 2015/2016 as set out in Appendix E
 - recommend to Council the proposed Council Tax for 2013/2014 at Appendix D (paper to be tabled);
 - note the views, expressed by the North East Chamber of Commerce and Trade Unions at Appendix C (paper to be tabled).

3. Introduction

- 3.1 Cabinet will be aware that it approved budget proposals for the purposes of ongoing budget consultation at its January 2013 meeting. At that stage there were a number of uncertainties still to be resolved primarily;
- transitional costs in relation to the implementation of savings proposals;
 - the outcome of the final Local Government Revenue Support Grant Settlement for 2013/2014 and related grant announcements;
 - the forecast Income from Business Rates
 - the final Collection Fund position.

3.2 In presenting the Revenue Budget 2013/2014 this report covers the following areas

- Current Overall Position 2013/2014 to 2015/2016;
- Adjustments/Final position February 2013;
- Proposals To Meet Funding Reductions;
- Overall Position;
- Outcome of Budget Consultation;
- Summary Budget.
- Medium Term Financial Position;
- Balances and Reserves;
- Presentation of the Detailed Revenue Budget;

3.3 Taking account of the above, Cabinet is asked to consider the final budget proposals and detailed revenue budget as set out in Appendix I, including the proposed use of balances and the position in relation to major reserves, for recommendation to Council.

4. Current Overall Position 2013/2014 to 2015/2016

4.1 The January Cabinet report set out the provisional settlement for the Authority and confirmed that when cost pressures were taken into account reductions to budgets amounting to £37.0 million in 2013/2014 and 31.7m in 2014/15 were required. The report also referred to progress at that stage in relation to proposals to address the position.

4.2A detailed technical analysis of the data from the provisional settlement has now been undertaken and confirmed via receipt of the final Local Government Settlement on 4 February. The table below sets out variations in individual elements of funding compared to 2012/13 to reflect the actual changes in resource levels between the years:

Summary of Government Funding Changes from 2012/2013 to 2013/2014

	£m	£m
Government Grant Reductions		
Reduction in Start Up Funding notified by government	5.3	
Other Relevant Changes to Funding		
Impact of Council Tax Freeze Grant Transferred into start up funding -not included in 2012/13 government figures	2.7	8.0
Reduction in Early Intervention Grant transferred to DSG		3.0
Reduction in grant as a result of LACSEG Topslice		1.1
Reduction in Council Tax Benefit Support Grant		2.4
Council Tax Support Transitional Relief (one off)		-0.6
Adjusted Net Reduction in Grant		13.9
Cost Pressures		23.1
Total Impact of Funding Changes and Cost Pressures		37.0

When all relevant variations to funding are taken into account the funding gap remains at £37m for 2013/2014 with reductions of circa £98.1m estimated required over the three years to 2015/2016. Paragraph 5 below sets out further information about the grant changes and explains where changes to grants reflect increased responsibilities.

5. Adjustments /Final Position February 2013

Collection Fund

- 5.1 The Collection Fund position is reported elsewhere on this agenda. The Collection Fund position remains positive despite the challenging fiscal climate and the surplus available to the Council to be taken into account in the budget and council tax calculations has been estimated at £500,000.

Council Tax Base

- 5.2 The Council, at it's meeting on 30th January, 2013, approved the Council Tax Base for the area covered by Hetton Town Council (£3,122) and the City Council area (£64,094).

Retained Business Rates

- 5.3 The Council, at it's meeting on 30th January, 2013, approved the Business Rate income forecast for 2013/14 and the amount to be retained by the Council is forecast to be £40.886m.

Local Government Finance Settlement

- 5.4 The final position on the Local Government Finance Settlement for 2013/2014 was announced on 4th February 2013. The Government have made some presentational changes to the Revenue Spending Power calculation, and included an indicative additional amount for New Homes Bonus of £0.636m..

- 5.5 The key issues affecting Sunderland are set out below:

- The Councils final Start up Funding assessment level is £187.771m representing a reduction of £5.613m compared to 2012/13;
- The final settlement has confirmed Revenue Support Grant (RSG) of £112.757m in 2013/2014;
- Sunderland's final baseline funding level is therefore £75.014m and within this the Government have assessed the level of Retained Business Rates income which the Council will collect and retain as £40.414m;
- The Council will therefore receive Government Top Up Grant of £34.600m;

- The Safety Net Threshold, set by Government at 92.5% of a Council's baseline funding level, equates to £69.388m for Sunderland;
- An updated position in respect of changes to other Government funding is set out at section 5.7;
- The position in respect of schools funding is set out at section 5.10.

Council Tax

- 5.6 In accordance with the Localism Act the public have the right to approve or veto excessive council tax rises, thereby making this a local decision rather than being dealt with through 'capping'. As part of the settlement Government proposed that a 2% percent referendum principle will apply to all principal local authorities, Police and Crime Commissioner and Fire and Rescue Authorities. This means any increase above this level will require a referendum to give the local electorate the opportunity to approve or veto the increase.

Changes to Grants from 2012/2013

- 5.7 The table below sets out the impact of changes to Council Revenue Spending Power Calculation which includes Revenue Support Grant and Core Grants compared to 2012/2013 following the final settlement. This shows the final reduction to available spending power before Public Health Grant of £4.090m (-1.5%) and start up funding reduction of £5.613m (-2.9%).

	2012/13	2013/14		Change	Change
	Adjusted	Final		£m	%
	£m	£m	£m	£m	%
Council Tax excl Parish Precepts	96.302		96.302	0.000	0.0%
Less Council tax Support	-21.313		-20.981	0.332	-1.6%
Top Up Grant			34.600		
Assumed business rates based on proportionate shares			40.414		
Revenue Support Grant			112.757		
Start Up Funding Assessment	193.384	187.771	187.771	-5.613	-2.9%
Council Tax Freeze Grant 12/13	2.408		0.000	-2.408	-100.0%
Council Tax Freeze Grant 13/14	0.000		0.967	0.967	100.0%
Inshore Fisheries Conservation	0.014		0.014	0.000	0.0%
Lead Local Flood Authorities	0.037		0.037	0.000	0.0%
Social Fund Admin Grant	0.273		0.254	-0.019	-7.0%
Community Right To Challenge	0.009		0.009	0.000	0.0%
Community Right to Bid	0.005		0.008	0.003	60.0%
New Homes Bonus	1.152		1.704	0.552	47.9%
New Homes Bonus Adjustment (estimated)	0.000		0.636	0.636	100.0%
Local Reform and Community Voices DH	0.272		0.275	0.003	1.1%
NHS Funding to Support Social Care and Benefit Health	4.154		5.611	1.457	35.1%
Revenue Spending Power Excluding Public Health Grant	276.697	272.607	272.607	-4.090	-1.5%
Public Health Grant	20.093		20.656	0.563	2.8%
Revenue Spending Power Including Public Health Grant	296.790	293.263	293.263	-3.527	-1.2%

5.8 In addition to changes in grants included in the Revenue Spending Power set out above, notification has also been received in relation to the following Specific Grants outside of the Revenue Spending Power Calculation.

	2012/13	2013/14
	£'m	£'m
Housing and Council Tax Support Administration Grant	3.162	2.882
New Burdens - Council Tax Support Scheme	0.000	0.216
Community Safety	0.157	0.000
Extended Rights to Free Travel	0.191	TBC
Weekly Collection Support Grant	1.010	2.231
Education Services Grant	0.000	TBC
Social Fund Set Up grant	0.012	0.000
Social Fund - programme	0.000	1.202
	4.532	6.531

Notification is outstanding in relation to the Education Services Grant (replacing LACSEG) the PFI core grant and the Extended Rights to Free Travel Grant.

Impact of Changes to Specific and Core Grant

5.9 In accordance with the budget planning framework and as reported to Cabinet in January, changes in specific and core grants have been addressed as follows:

- The Council Tax Freeze grant for 2013/2014 has only been offered to compensate those Authorities who decide not to increase their Council tax in that year. As the funding is not of a permanent nature any use of the grant to support on going revenue expenditure will require alternative funding to be identified in the following years should the Council decide to access and accept the grant.
- Local Reform and Community Voices funding has been passported to Health Housing and Adult services to support responsibilities transferring from the NHS including Independent Mental Health Advocacy and Complaints Advocacy Services.
- New Homes Bonus Grant of £1.704m is being used to support the overall budget position in 2013/14 in accordance with the Budget Planning framework with appropriate housing related investment factored into both revenue budget and capital programme proposals. The additional indicative amount of £0.636m estimated by Government for 2013/14 as part of the final settlement will be used to meet transitional costs once the amount is confirmed.
- Additional NHS funding to support Social Care and Benefit Health Grant of £1.457m has been built into planning assumptions.
- Public Health Funding of £20.656m in 2013/14 and £21.234m in 2014/15 has been confirmed. Funding will be used to fund new Public Health responsibilities transferring from PCT's from April 2013 including commissioning services associated with anti-smoking campaigns, interventions to tackle obesity, NHS health check assessments, alcohol and drug misuse services and comprehensive sexual health services.
- A reduction in Housing and Council Tax Benefit Administration grant of £0.280m has been built into the planning assumptions.
- New Burdens funding for the Local Council Tax Support Scheme of £0.216m has been taken into account in assessing the impact of Welfare Reform.
- Weekly Collection Support grant to retain weekly refuse collection arrangements of £2.231m in 2013/2014 was taken into account in budget planning assumptions for waste collection.

- Social Fund Grant of £1.202m in respect of DWP Care and Crisis Loans activities (former Social Fund) and the related administration grant of £0.254m was taken into account in assessing the impact of the Governments Welfare Reform agenda as part of the budget planning assumptions.

Schools Funding

5.10 As a result of the additional resources through pupil premium, the continued operation of protection to the funding of schools with falling rolls and some additional funding in respect 15 hours free nursery education to a greater number of 2 year old children, the overall quantum of schools funding will increase in 2013/2014. Details are set out below:

5.10.1 Schools Funding Formula

The Government is to continue to apply a national protection arrangement for schools whereby no school will see a per pupil reduction compared to its 2012/2013 budget (excluding sixth form funding) of more than 1.5 per cent before the pupil premium is applied.

5.10.2 Dedicated Schools Grant

The October 2012 census data shows that pupil numbers have decreased by 330 and consequently school block funding has reduced by £1.495m.

In 2013/2014 the expansion of the offer of 15 hours free nursery education to a greater number of 2 year old children who meet criteria for deprivation will be implemented. Sunderland's Early Years DSG will be increased by £3.142m. Part of this funding is movement of funding from the Early Intervention Grant into the Dedicated Schools Grant.

5.10.3 Pupil Premium Funding

The Pupil Premium level of funding for 2013/2014 for Sunderland Schools and Academies is estimated to be £11.346m, based on January 2012 pupil numbers representing an increase of £3.488m compared to 2012/2013.

5.10.4 Education Services Grant

Following consultation during the summer, the Department for Education has announced that a new grant, the Education Services Grant is to replace the Local Authority Central Spend Equivalent Grant (LACSEG) from September 2013. This is not additional funding.

Provisional local authority Education Services Grant allocations are still to be announced. Current planning assumes funding of £3.0m will be received.

6. Spending Pressures and Commitments 2013/2016

The following table summarises the estimated position concerning spending pressures and commitments over the period:

	2013/14	2014/15	2015/16
	£m	£m	£m
Total Pay Price and other pressures	6.76	7.55	4.95
Welfare Reform	1.34	-0.27	0.02
Financing Charges	2.50	0.50	3.00
Replacement of prior year one off savings & end to end review savings	4.40	4.52	2.00
HHA demand pressures	5.37	1.59	2.69
Childrens demand pressures	1.68	0.23	-
Waste Disposal	1.05	0.99	-
Total Pressures	23.10	15.11	12.66

6.1 Cabinet Secretary

Pay ,Prices and Other Inflationary Cost Pressures

Pay and Prices

Beyond 2012/2013 the Government has indicated a limit on public sector pay of a 1.0% pay increase. For planning purposes a prudent provision has been built into the MTFS from 2013/2014.

Pensions

The results of the Actuarial review of the Local Government Pension Scheme 2010, was implemented in 2011/2012 covering three years to 2013/2014. There is an increase of 5.3% for 2013/2014.

Other Pressures

Other inflationary impacts have been provided for including those relating to payments to independent providers of adult and social care and utilities costs .

6.1.1 Welfare Reform

Provision of £1.34m is included for Welfare Reform changes, the majority of which impact in April and October 2013. These include the implementation of new responsibilities resulting from the transfer of former Social Fund responsibilities to Local Authorities, measures that seek to mitigate against the significant adverse impacts anticipated across the city and changes to internal administration and support arrangements.

6.1.2 Capital Financing

Provision of £2.5m has been included to enable potential borrowing under the prudential framework for known investments and to enable strategic priorities of the Council to be addressed.

6.1.3 Replacement of One off Resources and Planned savings

Provision is included for the replacement of £2.26m one off resources utilised in setting the 2012/2013 budget and the need to replace planned £2.14m savings from end to end service reviews with alternative savings in 2013/2014.

6.2 Adults Health and Housing

6.2.1 Adult Services Demand / Demographic Issues

The increasing longevity of the national and specifically, the city's, population continues to place significant pressure on Adult Social Services budgets. In addition, increasing demand to support clients with complex needs to enable clients to maintain independent living, is requiring reconfigured services and additional investment.

A sum of £5.37m for cost pressures have been factored into the 2013/2014 budget with contingencies being provided to reflect timing of the delivery of the three year improvement plan.

6.3 Children and Learning City

6.3.1 Safeguarding – External Placements

There continues to be increasing demand pressures in relation to safeguarding and specifically external placements and an additional £1.68m is included in 2013/2014 for this purpose.

6.4 City Services

6.4.1 Waste Disposal

The impact of cost variations in relation to waste disposal have been factored into the Medium Term Financial Strategy including landfill tax, volume of waste, recycling implications, and the impact of implementing the Waste Disposal Strategic Solution. A sum of £1.05m is included for 2013/2014.

7. Proposals to meet the funding gap 2013/2014

7.1 The overall estimated position is set out below taking into account Government funding changes and cost pressures ;

	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m
Government Funding Changes and Spending Pressures	28.1	37.0	31.7	29.4

7.2 As part of the Budget Planning Framework for 2013/2014 Cabinet agreed in October 2012 to progress the approach to meeting the funding gap by:

- Progressing the existing improvement programme of savings which aims to meet needs and achieve savings while protecting as far as possible frontline services and maximising non frontline savings. Throughout the programme Strategic and Shared Services are being refocused and reduced by an average 50%.
- Continuing to protect so far as possible front line services which are being reshaped and refocused to:
 - Ensure services are responsive to local needs
 - Protect core services particularly those most vulnerable
 - Target resources rather than universal service provision.

7.3 The proposals to meet the funding gap reflect measures being implemented through the refreshed improvement framework focussing on the Community Leadership role of the Council which seeks to understand and meet most important community needs through:

- Demand Management - Developing the strategies and actions that enable the Council to manage demand and deliver services in a different and more agile way within communities;
- Cost of Supply and Customer Services Network (CSN) development - Increased focus on the CSN as the gateway and connector of demand and supply for services with the aim of targeting resources to areas of greatest need alongside continued delivery of efficiencies within Council services;
- Development of Alternative Service Delivery Models for services – continuing to look at the most effective and efficient models of provision for services over the short to medium term and increased collaboration with partners;
- Strategic Services and Fixed Assets – further and continual review to meet the future needs of the Council and its communities, maximise use of assets and deliver significant savings.

7.4 The settlement has confirmed the need to make ongoing reductions of £37.0m to meet the funding gap for 2013/2014. Proposed reductions are summarised in the following table together with an indication of plans for future years.

	2012/13 £'m	2013/14 £'m	2014/15 £'m
Corporate and Cross Cutting			
Strategic and Shared Services	7.49	7.19	0.53
People Based Commissioning Reviews		1.00	3.00
Voluntary and Community Sector Review		0.49	
Integration of Public Health		2.00	
Corporate Resources (ITA /NHB / corporate)	2.70	2.70	0.50
SWITCH Resource Repatriated		5.10	3.20
	10.19	18.48	7.23
Improvement Plans			
Place and Economy	4.78	5.12	0.41
People - Children's Services	2.14	3.76	1.25
People - Health Housing and Adult Services	8.68	5.12	2.45
	15.60	14.00	4.11
Use of One off savings			
Capitalisation of Highways and Repairs spend		1.00	1.00
Temporary Use of balances and potential grant	2.27	3.52	1.00
	2.27	4.52	2.00
Total Ongoing Programmed Savings	28.06	37.00	13.34

Further work is continuing to develop a full suite of proposals to meet the 2014/2015 Funding Gap as well as the further savings forecast to be required in 2015/16 and beyond.

Further updates will be provided to Cabinet in due course and the MTFs 2013-16 will be refined and updated in parallel as this work progresses.

7.5 Ongoing Programmed Savings

7.5.1 Corporate and Cross Cutting (£18.476m)

- **Strategic and Shared Services (£7.190m)**

A further reconfiguration of support services to meet the future requirements of the Council and deliver efficiencies involving continued refinement and implementation of new ways of delivering support services by redesigning processes and using ICT to maximise efficiencies.

- **People Based Commissioning Reviews (£1.0m)**
Efficiencies through re-commissioning and integrated working with children's, families adults and health services will deliver savings estimated at £1million in 2013/2014.
- **Review of Voluntary and Community Sector (£0.486m)**
Savings will be achieved through reviewing commissioning arrangements with the voluntary sector on a strategic basis.
- **Integration of Public Health (£2.0m)**
Efficiency savings will be achieved through integration of public health arrangements. The proposed savings are based on unallocated spending within the current budget and also forecast savings on overheads when the service transfers from the PCT to the Council.
- **Corporate Resources Savings (£2.7m)**
Given the Government have top sliced formula grant to support the New Homes Bonus it is proposed that the allocation for New Homes Bonus anticipated in 2013/2014 is used to support the budget. In addition savings arising from the ITA levy can also be taken into account to support the budget.
- **SWITCH Resource Repatriated (£5.1m)**
Following the implementation of the Severance Scheme and the cessation of SWITCH an updated approach to workforce planning will be implemented alongside the 2013/2014 budget proposals. Budget resources of £5.1m can therefore be released to support the budget for 2013/2014.

7.5.2 Place and Economy (£5.113m)

- **Smarter Working (Utilisation of premises) (£0.905m)**
The review of smarter working has already identified savings in premises costs (utilities, repairs and renewals etc.) through the planned closure of administrative buildings and this programme will continue as well as the review focussing on delivering savings from operational buildings as well as opportunities for collaborative service working and co-location.
- **Income Generation and Cost Reduction across Office of the Chief Executive (£0.467m)**
Planning and Property Services have identified a number of initiatives aimed at increasing income and reducing costs including in relation to additional income from nationally-set planning fees, income delivered by the Control Room, Cash in Transit and Property Services as well as through rent reviews of the Council's property portfolio.

- **Establish New Events Company (£0.115m)**
 Through establishing a new Events Company, appropriate partnership arrangements will be entered into which will generate additional commercial opportunities and income.
- **Review of Transport and Fleet (£0.866m)**
 Savings are being realised through better utilisation of vehicles, removing vehicles in line with changes in service in the council, more efficient hire and maintenance arrangements and alternative service delivery of the fleet stores function.
- **Waste Collection (weekly collection and demand management (£0.998m))**
 Savings will be achieved following the successful bid for Government funding to retain weekly waste collection arrangements. In addition, measures are proposed to better manage customer demand in two services currently provided free of charge in respect of bulky items collection and wheelie bin replacements. Savings will be achieved through reduced waste disposal costs, fee income and lower staff and vehicle costs.
- **Review of Highways and Network Management (including maintenance) (£0.409m)**
 Savings will be achieved by maximising income earning opportunities, better prioritisation of activity with a focus on fee earning activity, and the evaluation of alternative Service Delivery Models. Additional savings will be delivered from the highways maintenance programme through developing more streamlined processes to carry out repairs, and utilisation of more cost effective materials.
- **Income Generation (Bereavement Services and Car Parking) (£0.288m)**
 A review of Bereavement Services charges has identified efficiency savings in relation to the simplification of charges and a requirement to offset the cost of installing and operating mercury abatement technology required to meet new legislative requirements. Opportunities to increase car parking income through increasing usage will also be considered.
- **Responsive Local Services (RLS) and Parks Phase II (£0.468m)**
 Savings will be achieved following the further integration of the Parks function.
- **Management Restructure (£0.270m)**
 This saving arises from senior management restructuring.

- **Other Streetscene Reviews, including regulatory Services (£0.327m)**

A review of regulatory activities is ongoing and the shape of services is currently being re-examined in light of the new corporate structure. A number of other reviews are being delivered in Streetscene including in relation to a restructure of the Commissioning and Change Management function following the disestablishment of City Services, better procurement of Pathology and Laboratory Services for the Coroner's Service, a restructure of the Registrar's Service and the introduction of a permit system for vans and trailers using the household waste recycling site to reduce incidents of illegal use of the site by traders.

7.5.3 Children's Services Reviews (£3.764m)

- **Full Year Impact of previous year's decisions (£1.059m)**

This is the full year impact of previous year's agreed savings decisions, all of which have been implemented in the current financial year.

- **Review of Children's Services Structures (£0.756m)**

Review of management structures.

- **Children Looked after Strategy (Ongoing) (£0.817m)**

The Council has invested significantly over the past 3 years in foster care recruitment. This strategy is now paying dividends through the gradual reduction in the number of children in Independent Fostering Agency placements.

- **Safeguarding structures (Ongoing) (£0.494m)**

This is linked to the review of management structures that was implemented in 2012/2013 and the flexibilities afforded through the improved stability of the Social Work workforce.

- **Cessation of Childcare sufficiency funding (£0.120m)**

Nationally plans are in place to extend the offer of 15 hours free nursery education to a greater number of 2 year old children who meet criteria for deprivation. This will significantly increase demand for places in 2013/2014 and further in 2014/2015, providing £2m of additional funding in 2013/2014 to fund places in appropriate settings. This should allow all settings to be sustainable and therefore financial support is proposed to be withdrawn.

- **Review of Commissioning & Family, Adult and Community Learning Teams (£0.200m)**

The Family, Adult and Community Learning and Children's Services commissioning functions review will amalgamate teams and produce efficiencies.

- **Review of Home to School Transport (£0.318m)**
A careful and full review of Home to School Transport to include the consideration of non-statutory 'discretionary' transport costs and a detailed review of how the current statutory home to school transport policy is applied.

7.5.4 Health Housing and Adult Services Reviews (£5.122m)

- **Future Models of Care and Support (£0.374m)**
Continuing review of existing Care and Support services for Adult Social Care with the aim of developing alternative models of care to meet customer need. The review will look to provide more community based activity and will look to maximise the usage of existing building based facilities.
- **Expansion of Reablement Model on new customers (£0.115m)**
The on-going development of the Adult Social Care Re-ablement services to ensure more people maintain their independence within their own homes. Expansion of this service will reduce reliance upon, and the cost of on-going services such as home care and ultimately prevent admissions to residential and nursing care.
- **Further Implementation of Personalisation (£0.836m)**
The further implementation of personalisation will allow individuals to have choice and control in respect of the care and support they receive to meet their assessed need and prevent admissions to residential and nursing care.
- **Managing the Provider Market (£0.640m) and Demand Management in Social Care (£2.000m)**
This review will continue to work with the Adult Social Care provider market and partners to develop cost effective solutions to meet peoples care and support needs. This will include reaching agreements with the independent provider market and other partners for services for all client groups that incentivises quality but contains costs.
- **Culture, Sport and Leisure - review of Libraries, Heritage, Arts, Sport, Leisure and Wellness services (£1.052m)**
A commercial model is being developed for Sport and Leisure services to ensure that the current level of subsidisation for services is reduced through a combination of increasing income, shifting and maximising demand from peak times and through reducing costs. The model will also identify opportunities for alternative service delivery.

In relation to the Libraries service, the focus will be on re-provisioning services with a greater community focus for reading, learning and giving access to information. With regard to Heritage and Museums, new arrangements will involve the Council in leading the delivery of the museums service and include the opportunity for extended working with other partners.

- **Culture, Sport and Leisure – other savings proposals (£0.105m)**
This will include a focus on developing a relationship with schools and other organisations whereby they commission sports and wellness related services, reviewing operations at F Pit and Fulwell Mill and looking at the potential from invest to save initiatives to enhance income streams.

7.6 Use of One Off Resources

After taking account of total ongoing programmed savings for 2013/2014 of £32.5m, there remains a funding gap of £4.5m. It is proposed to utilise one off funding in terms of £1.0m through capitalisation of Highways expenditure and using £3.5m of transitional funding held in balances on a temporary basis pending achievement of additional savings in 2014/2015.

7.7 Projects Supporting Savings Plans 2013/2014 and 2015/2016

A range of cross cutting projects are being progressed through the Council's Improvement Programme to support the delivery of savings into the medium term including

- Community development - to work within communities and the voluntary sector to help build resilient and sustainable communities
- Customer Insight – to understand community views and needs to form the basis of service transformation
- Website and Intranet Development – to refresh content and on line facilities for advice, guidance and payment services
- Workforce Development – In order to ensure timely delivery of savings proposals a refreshed approach to workforce planning
- Integrated Commissioning – to enable a cross cutting approach to future commissioning of People and place based services

In addition an intensive Customer Service and Demand Management Programme is being developed to transform the customer experience displacing demand where appropriate and resolving demand at the earliest opportunity and at the lowest cost to the council to provide consistent responsive high quality services.

In conjunction with the above, all services are considering alternative delivery models in order to attempt to sustain as many services as possible through the most cost effective route.

8. Overall Position

8.1 The overall position after taking account of the issues set out in sections 5 to 7 above is set out in the table below which shows a balanced budget position for 2013/2014:

	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m
Government Funding Changes and Spending Pressures	28.1	37.0	31.7	29.4
Total Savings Proposals	-25.9	-32.5	-11.3	
Net Funding Gap	2.2	4.5	20.4	29.4
One off Capitalisation of Highways		-1.0	-1.0	
Temporary Use of Balances	-2.2	-3.5	-1.0	
NET POSITION	0.0	0.0	18.4	29.4

9.0 Outcome of Budget Consultation

9.1 The Budget and Policy Framework procedure rules contained within the Constitution of the Council requires consultation on budget proposals to take place. In October 2012 Cabinet approved proposals regarding the consultation strategy and framework for the budget for 2013/2014 and proposed briefings to the following stakeholders:

- Trade Unions;
- North East Chamber of Commerce / Representatives of Business Ratepayers;
- Voluntary Sector;
- Youth Parliament;
- Schools Forum, Head Teachers and Governors.

9.2 In addition to the above stakeholder consultation, a survey was undertaken to gain an understanding of views on the overall approaches to meeting the budget challenge.

9.3 To supplement the survey, workshops were held, with Community Spirit panel members and representatives from the voluntary and community sector, in different locations throughout the city.

9.4 Budget consultation with these groups has concentrated on the overall approaches to meeting the budget challenge to gain views. Further detailed consultation in relation to each of the proposals will be undertaken as each proposal is developed.

9.5 At each stage in the budget preparation process Scrutiny Committee is being consulted.

9.6 The findings from consultation undertaken indicate that the budget proposals in this report are consistent with the summary findings. More details of the findings of the consultation are included in Appendix B.

9.7 All of the feedback from the various consultations has been considered. The budget proposals in this report, including the necessary proposals for reductions in spending, fully recognise the identified need to prioritise resource allocation accordingly.

9.8 The Revenue Budget Report to January Cabinet formed the basis for second stage consultation. The notes of the meetings with the representatives of business ratepayers and trades unions to meet statutory obligations to consult on the proposed budget will be tabled at the meeting as Appendix C.

10. Equality and the Budget Proposals

10.1 In accordance with the approach followed in previous years the Council continues to fully consider the impact of its plans by following a robust approach to equalities analysis.

10.2 Actions arising from the equality analysis carried out to date will be taken forward by directorates.

11. Detailed Budget 2013/14

11.1 As set out above since the initial budget proposals were formulated, consideration has been given to the outcome of the budget consultation, the final settlement, the collection fund position, the council tax base, and government guidance in relation to council tax levels.

11.2 The Net Budget Requirement to be approved by the Council is funded through:

- Revenue Support Grant
- Retained Business Rates
- Top Up Grant
- any projected surplus on the Collection Fund and
- Council Tax.

11.3 The General Summary page of the Revenue Budget together with details of the proposed contingency and allocations proposed for investment in strategic priorities will be circulated separately at the meeting of Cabinet on the 13th February, 2013.

11.4 The formal decisions of the major precepting bodies are awaited regarding their precept proposals for 2013/2014. Consequently, the Proposed Council Tax for 2013/2014 will be tabled as Appendix D to this report at the Cabinet meeting on 13th February 2013.

12. Medium Term Financial Position

12.1 In considering the Revenue Budget for 2013/2014 the latest information regarding reductions to public spending, and estimated pressures over the medium term were taken into account and summarised in this report. This position is subject to ongoing update as information emerges. The latest updated Medium Term Financial Strategy 2013/2014 to 2015/2016 is set out at Appendix E. This will be refined in parallel with ongoing work regarding savings proposals for 2014/15 and future years.

13. General Fund Balances and Position in Relation to Major Reserves

13.1 In considering the level of general balances as part of budget preparation decisions, regard is given to:

- known commitments against balances in future years;
- financial risks faced by the Council and the measures in place to mitigate them or meet them financially.

13.2 The estimated level of general balances as at 31st March, 2013 and 31st March, 2014 is set out at Appendix F (to be tabled). This takes into account estimated savings arising in 2012/2013 in relation to Interest on Balances and Debt Charges and planned contingency savings previously reported.

13.3 As agreed previously these will be transferred to the Strategic Investment Reserve to fund the one off spending pressures in respect of transitional costs associated with the Improvement Programme. Any further savings arising from contingency underspendings and other measures will also be earmarked for this purpose and reported to Cabinet as part of revenue budget monitoring reporting as appropriate.

13.4 In accordance with best practice an analysis of the major financial risks has been undertaken in order to inform the level of balances deemed necessary. These are detailed at Appendix G.

13.5 In addition the Council has a range of earmarked reserves e.g. the Strategic Investment Reserve. The major earmarked reserves are also set out at Appendix H.

13.6 In accordance with Part 2 of the Local Government Act 2003 there is a requirement for the Chief Financial Officer (CFO) to report upon the robustness of the estimates and the level of reserves. In making the statement, the CFO places reliance on information provided to him by other officers of the Council as part of the budget setting process. This process involves reasonable checks and other verification, which is undertaken in accordance with the overall system of internal control to validate the information provided.

13.7 Based upon the information used in determining this Revenue Budget 2013/2014 report, including specifically:

- the Medium Term Financial Position;
- the outcome of budget consultation set out at Appendix B;
- the Statement of General Balances set out in Appendix F (to be tabled);
- the Risk Analysis set out in Appendix G;
- the Major Reserves set out in Appendix H;

The Revenue Budget is considered robust and the level of reserves considered to be adequate for 2013/2014 after an assessment of the financial risks and future plans of the Council have been taken into account. The underlying level of General Fund Balances at £7.570m to the end of 2013/2014 are in accordance with the existing policy and are considered prudent and robust given the overall level of reserves.

14. Presentation of the Revenue Budget

General

14.1 Appendix I sets out the detailed Revenue Budget 2013/2014 for each Portfolio. All changes with the exception of the adjustments relating to final considerations of council tax levels, have been incorporated into the Budget.

Service Reporting Code of Practice

14.2 The presentation of the budget reflects the requirements of the Service Reporting Code of Practice (SerCOP), published by CIPFA. The purpose of the Code is to standardise the way Local Authorities account for expenditure so that comparisons can be made with other Authorities and external providers. The Code defines 'best practice' for the purposes of financial reporting and therefore assumes the status of statutory guidance. Compliance with the requirements of the Code is therefore mandatory.

14.3 It should be noted that variations between the budget for 2012/2013 and 2013/2014 have arisen as a result of:

- the implementation of the budget reductions referred to in the report;
- the implementation of the new business operating model and the associated realignment of budgets to the new service providers;
- a review of charging for central support services, necessary as the new operating model has embedded to reflect the new ways of working and changes to services provided. While having no overall impact on the Council budget position, charges to individual services have been realigned;
- technical adjustments in relation to IAS19 pensions accounting and the impact of revaluation of assets.

Members will appreciate that these changes, where applied, do not enable a valid year on year comparison, and some significant variations between years may be apparent during this period of transition to the new Business Operating model.

Revised Estimates

14.4 Quarterly budget reports have been reported to Cabinet during the year. The revised estimates reflect changes notified within those reports. In addition the revised estimate reflects variations in asset charges arising from revaluation of assets, the revised approach to central support costs referred to above and a number of technical adjustments e.g. contingency transfers

15. Suggested Reason for Decision

15.1 To comply with statutory requirements.

16. Alternative options to be considered and recommended to be rejected

16.1 There are no alternative options recommended for approval as the budget has been developed on the basis of an agreed framework with consultation carried out throughout the process.

Background Papers

Cabinet Reports 16th January 2013

- Provisional Revenue Support Grant Settlement for 2013/2014 and Indicative Settlement 2014/2015
- Revenue Budget 2013/2014
- Council Tax Base 2013/2014
- Business Rate Income Forecast 2013/14

Final Settlement 2013/2014

Impact for Sunderland

The position for Sunderland is largely unchanged as a result of the final settlement:

- There are no changes to the key funding elements for 2013/14. The amounts previously notified set out below:
 - Start up Funding Assessment, £187.771m
 - Revenue Support Grant £112.757m
 - Baseline Funding Level £75.014m
 - Retained Business Rates Income £40.414m
 - Top up Grant £34.600m
 - Safety Net Threshold £69.388m

There are no changes to the indicative amounts previously notified for 2014/15 for the above key funding elements.

- Changes by Government to the methodology for calculating Revenue Spending Power have resulted in a net decrease in revenue spending power before Public Health Grant of £4.090m (-1.5%) compared to 2012/2013 or £3.527m (-1.2%) after Public Health Grant. (previously £4.757m or -1.6%).
- The final position for 2013/14 includes for an estimated additional allocation of New Homes Bonus for Sunderland of £0.636m. The indicative settlement for 2014/15 includes for a further additional estimated amount of £0.495m (total additional £1.131m).

Budget Consultation Results

1. Introduction

The Budget Consultation for 2013/2014 was undertaken within the context of the need to significantly reduce spending for a third year in light of the Government funding reductions. The Budget Consultation process has therefore had the following objectives:

- To improve people's knowledge and understanding of the budget position and council's approach to budget setting
- To gain peoples views on meeting the budget challenge overall
- To explore views on what we are doing/planning to do, what else we can do to meet the budget challenge and areas for improvement.

2. Background

The annual budget consultation commenced during October / November 2012 comprising a survey and workshops.

Presentations on the budget planning framework were made to a range of stakeholder groups in accordance with the approach to Budget Consultation agreed by Cabinet in October 2012, and feedback was noted.

The following stakeholder groups were consulted:

- Trade Unions;
- North East Chamber of Commerce;
- Youth Parliament;
- Schools Forum, Head Teachers and Governors;

In addition to the presentations, members of Sunderland's citizens' panel, and voluntary and community sector were invited to take part in a self completion survey to ascertain residents' views on the issues set out at 1 above. The survey was also available online for completion by the general public.

3. The survey

A total of 611 respondents completed the survey including 589 Community Spirit panellists. The remaining 22 respondents largely comprised residents, and representatives of VCS organisations.

4. Workshops

Workshops were held across Sunderland with Community Spirit panel members and representatives from the voluntary and community sector (VCS) during November 2012. The workshops comprised:

- A presentation about the budget context followed by an opportunity to ask questions.

- An opportunity for participants to discuss with council officers their views on what we are doing/planning to do, what else we can do to meet the budget challenge and areas for improvement in relation to:
 - Children's Services
 - Street Scene Services
 - Culture, Sport and Leisure
 - Adult Social Care

Four workshops were held with Community Spirit panellists and a total of 62 panellists attended. One workshop was held with representatives from the VCS. A total of 15 small groups participated in the group discussions across the five workshops.

With regard to the workshops, participant feedback was positive. Of the 54 respondents who expressed an opinion, 98% were very/fairly satisfied overall

5. The findings

Findings of the survey and discussions at the workshops are summarised in sections 6 to 11 below. In summary, the findings demonstrate general support amongst respondents for the councils overall approach to making savings.

6. The councils overall approach to meeting the budget challenge

The survey findings:

Overall Approach	Extent of agreement %		
	Agree	Disagree	Don't Know
Supporting Business and encouraging investment in Sunderland to support job creation and employment	96	3	1
Reorganising the way we deliver services so that we have local teams who are able to deliver a wider range of services	90	6	4
Placing services together in one location instead of having dedicated standalone buildings	87	10	3
Focussing Resources on those families and individuals who are most in need	79	19	3
Making further savings in all back office and support services	69	23	8
Encouraging customers to access services using the internet rather than by telephone or in person	56	42	2
Introducing and / or increasing charges for some free or subsidised council services	48	46	6

The table above shows the majority of respondents are in agreement with each of the overall approaches to meeting the budget challenge.

7. Further use of approaches to providing council services in the future

The survey findings:

Further use of Approaches	Extent of agreement %		
	Agree	Disagree	Don't Know
Encouraging communities to do more for themselves such as keeping their areas clean and tidy	83	13	4
The use of volunteers, where possible and appropriate, to help deliver services alongside trained staff	69	24	7
Charities, voluntary and community sector organisations and other providers delivering some services on behalf of the council	62	27	11

The table above shows the majority of respondents are in agreement with the three approaches

8. Importance of maintaining quality of services

The survey findings:

Mean score where 5 is critically important and 1 is not important at all

	Average score of importance
Social Care Services for Children and disabled and vulnerable adults	4.68
Refuse Collection	4.48
Maintenance of Roads, pavements and cycleways	4.39
Street Cleaning	4.32
Street Lighting	4.22
Recycling Services	4.18
Environmental Protection Services	4.02
Homelessness and Housing advice	4.02
Facilities and activities for Children	3.74
Parks and open spaces	3.66
Sport and Leisure Centres	3.66
Libraries	3.65
Facilities and activities for young people	3.52
Car Parks	3.51
Tourism and events across the city	3.47
Museums and Heritage	3.44

As can be noted, social care services for children and disabled and vulnerable adults is perceived to be the most important service to maintain quality followed by refuse collection and a number of street scene services.

9. Acceptability of options for meeting the budget challenge in service areas

Survey respondents were asked which, if any, of three different options might be acceptable to help meet the budget challenge for a range of services. The options are:

- Focus the service on those most in need/where most needed
- Provide the service less frequently
- Introduce/increase charges.

They were also asked for any additional comments or further suggestions to help meet the budget challenge. In addition participants at the workshops were asked for their views on what we are doing and suggestions as to what else we can do to meet the budget challenge. The sections below provide feedback in respect of these questions.

9.1 Services for adults, families and children

9.1.1 Children's services and Adult Social Care

The acceptability of different options in respect of children's and adult's services is shown below. The option of focusing the service on those most in need is the most commonly selected option for these services. The option to provide the service less frequently is acceptable to around one-fifth of respondents for all services except social care services (5%). Introducing/increasing charges is only acceptable to a minority in terms of social care services and homelessness and housing advice services but a greater proportion of respondents in terms facilities and activities for young people (26%) and children (16%).

	Focus on those most in need	Provide less frequently	Introduce / increase charges	None are acceptable
Social care services for children and disabled and vulnerable adults	79%	5%	9%	12%
Homelessness and housing advice services	65%	20%	5%	9%
Facilities and activities for children	48%	21%	16%	15%
Facilities and activities for young people	42%	20%	26%	14%

- In terms of feedback from the workshops and qualitative survey comments, in overall terms the importance of children's and adults social care and need to protect/focus on the young, old and vulnerable/most in need was recognised and there was support for the Council approach of affording children's and adults social care high priority.

How are we responding?

The feedback suggests we are on the right track in terms of early intervention as an approach, better targeting of services and extending the use of services where possible.

It was generally agreed that facilities should be used for wider community benefit and so we will progress this work.

9.1.2 Sport, leisure and cultural services

The acceptability of different options in respect of sport, leisure and cultural services is more evenly divided as shown below. Introducing / increasing charges tends to be more acceptable for these services than others and is most acceptable for sport and leisure centres. Whereas the option of providing services less frequently is less acceptable for sport/leisure centres.

	Focus on those most in need	Provide less frequently	Introduce / increase charges	None are acceptable
Sport and leisure centres	33%	14%	41%	13%
Libraries	35%	23%	24%	19%
Museums and heritage	27%	23%	33%	18%
Tourism and events across the city	28%	24%	35%	14%

In terms of feedback from the workshops and qualitative survey comments, the most popular aspects arising relate to:

- A range of suggestions about how best to provide sport and leisure services in a sustainable way including aspects such as making greater use of them, the need for accessible leisure activities, pricing and promotion, partnership working and private investment.
- A range of suggestions about how best to provide library services in a sustainable way including aspects such as co-location, making greater use of them, private investment, support from volunteers, opening hours and the importance of accessibility.
- Positive comments about tourism and events and support in the main for the need to do more to encourage visitors to the city and generate income
- The need for more/better information about activities, facilities and events.

How are we responding?

The feedback suggests that the Council is on the right track as far as looking at a range of options:

Sport, leisure and wellness services

With regard to the provision of more leisure activities within facilities the new Centre at Washington is being designed to provide a modern, fun, affordable, leisure destination. This will include leisure features within the swimming pool - including hydro slides. In addition to swimming and learner pools, a sports hall, sauna and steam facility, squash courts and soft play are included within the development brief along with external football pitches. The intention is that the new facility will provide an accessible leisure destination for the whole family.

Pricing, marketing and communications

In response to queries surrounding the price of activities and the programming of facilities, new arrangements are under development and will be introduced in 2013/14. These new arrangements will take account of the feedback in relation to charging and the view that services should be focused on those who would most benefit. As such we will continue to promote affordable access for all and have regard to the times of the day the different sectors of our community wish to participate. Having regard to the prevailing economic environment we will additionally be taking a more commercial approach to promoting the service and incentivising participation through marketing activity and special offers.

Provision for children and young people

We are updating our Play and Urban Games Strategy and will continue to develop and improve local play areas where there is evidence of need and we are able to secure investment.

Libraries

We are developing proposals for Sunderlands' Future Library Services. It is intended that the new service model will promote access for all to high quality reading materials and learning environments, that will embrace modern technological and e-based service developments and incorporate these within the overall service offer. We are also proposing to take services into local communities, to engender reading and learning. A variety of locations such as schools, children's centres, community centres, and other neighbourhood venues that local people have affinity with and that are accessible to them will be used to deliver these services. This approach has the potential to increase the overall number of locations where the Library services are accessible. Our residents and partners will be fully engaged in developing these proposals so that we can ensure that needs are met – in particular for those who would most benefit from the service.

Tourism and events

The planned establishment of a Local Authority Trading Company will help us to continue to increase the number of events within the city, attract more visitors and maximise opportunities to attract commercial partners.

The council has also recently introduced a Visitor Information Service (VIS) to expand the information provided throughout Sunderland and make it easier for visitors and residents across the city to obtain information about events and attractions in the city. The new VIS is available in the ten main Customer Service outlets. The new service reflects the growing trend for people to access information through digital media, such as websites and mobile applications. With this in mind Sunderland's on-line offer is being refreshed and improved for visitors, as are core materials. How Sunderland promotes itself to attract visitors is also being refreshed and the outcome of this work will be seen over the coming months.

9.2 Street scene services

The acceptability of different options in respect of street scene services is shown below. The option of focusing resources on those most in need is the most commonly selected option for all street scene services, and is most popular for maintenance of roads, pavements and cycleways (70%) and street lighting (61%). Introducing / increasing charges is virtually unacceptable for all services except car parks (27%) and environmental protection services (15%). The acceptability of providing the service less frequently is lowest for the maintenance of roads, pavements and cycleways (9%) and environmental protection services (12%) and highest for recycling services (30%) and refuse collection (26%). These two services are also the two to have the greatest proportion of respondents thinking that none of the options are acceptable (refuse collection - 32% and recycling services - 28%).

	Focus on those most in need	Provide less frequently	Introduce / increase charges	None are acceptable
Environmental protection services	58%	12%	15%	17%
Car parks	38%	17%	27%	17%
Maintenance of roads, pavements and cycleways	70%	9%	2%	20%
Street cleaning	58%	21%	2%	22%
Street lighting	61%	16%	1%	23%
Parks and open spaces	43%	24%	4%	24%
Recycling services	39%	30%	4%	28%
Refuse collection	40%	26%	2%	32%

In terms of feedback from the workshops and qualitative survey comments, the most popular aspects arising relate to:

- The opportunity for less frequent refuse collections although there were also some concerns about the potential impact on large families, and fly-tipping
- Positive comments about progress on recycling, suggestions about increasing recycling, minimising costs and maximising income
- The importance of/need for improvements to clean streets including aspects around dog fouling and litter and also some positive comments about services
- The potential to dim or switch off street lights to make savings whilst ensuring safety aspects are addressed
- The importance of road and footpath maintenance
- Suggestions around the need for cheaper or free parking to encourage visitors and also some parking issues

How are we responding?

Refuse collection arrangements

The Council was successful in securing £4.7m grant from DCLG to retain weekly refuse collection, which will continue for at least the next four financial years under the terms of the grant. The grant offsets the financial burden on the Council keeping weekly collections.

Recycling and handling waste

In respect of improving recycling - all residents will get an information pack on the increased range of items that can go in the blue bin included cartons and yogurt pots from December 2012.

Litter and dog fouling

In terms of dog bins / enforcement, these issues are discussed regularly at Place Boards and targeted actions undertaken where issues in localities are identified.

Road and footpath maintenance

In respect of maintaining roads and footpaths we will try and minimise the impact of inefficiencies by working smarter and getting better value from our procurement of supplies.

Customer service and communications

In respect of increasing public awareness and education around litter and other environmental issues, this is clearly in line with our "Love Where You Live" campaign engaging communities in taking greater responsibility for their local environment.

Street lighting

In respect of Street Lighting we are currently in discussion with our PFI provider on how the energy bill can be reduced through better controls and introducing new technology.

Positive comments about the service

Positive comments in the respect of general service provision is further vindication that the Responsive Local Service approach is working

Medium Term Financial Strategy 2012/2013 – 2015/2016

Report of the Executive Director of Commercial and Corporate Services

1. Purpose of the MTFS

1.1 The MTFS is a key part of the Council's Budget Policy framework which aims to ensure that significantly reduced resources are aligned to ensure that the residents of Sunderland are offered the best possible public services in future through the development of the Community Leadership approach which looks at opportunities to deliver services in new ways. The MTFS sets out the strategic financial position and financial direction of the Council over the next four years taking into account council policy objectives, government funding levels, other resources and service pressures. It is regularly updated to reflect the dynamic changes in local government finance. The key objectives of the strategy are:

- Continued strong financial resilience of the authority
- To identify and draw together strands of activity that will meet the savings requirement
- Continue to facilitate investment in alternative forms of service delivery and key priorities.

This summary draws out the current financial position and underpinning strategies and actions being followed to address the budget challenge.

2. National Funding Position

2.1 Deficit Reduction Plan

The Government confirmed in the December 2012 Autumn Statement that it intends to continue to address the deficit by following its deficit reduction plan. The latest position shows overall reductions of 3.9% in 2013/2014 and 10.7% in 2014/2015 with public sector funding reductions envisaged until at least 2017/2018.

2.2 Local Government Resource Review

As part of the 2011/2012 settlement, the government confirmed there were to be changes to the local government finance system from 2013/14 arising from its Local Government Resource Review (LGRR). The key funding elements to support the Council revenue budget from 2013/14 comprise:

2.2.1 Start Up Funding

- Retained Business Rates – the Business Rates Retention system replaces formula grant funding from 2013/14. Key features are:
 - 50% of Business rates will form part of the national 'central' share retained by Central Government to be redistributed; 50% will be retained locally.
 - A safety net arrangement is included with the intention of protecting Authorities from significant falls in their Business Rates income which has been set at 92.5% of their base line funding limit.

- Revenue Support Grant - From 2013/14 a number of Core revenue grant funding allocations have been incorporated into the new Business Rates Retention system including Formula Grant, Early Years Intervention, Learning Disabilities, Council Tax Support and Preventing Homelessness.
- Top up Grant - 'Top up' councils such as Sunderland will have their allocations fixed but will be index linked to RPI each year.

2.2.2 Other Core Grant and Revenue Funding

The significant core and revenue grants which remain separate to Revenue Support Grant include New Homes Bonus, Social Fund Grant, Public Health Grant; NHS funding to support Social Care and Benefit Health Grant; Education Support Services Grant.

2.2.3 Council Tax

- From 2013/14 the government has also implemented the Localisation of Council Tax support which means those who might have benefited from the previous Council tax benefit support scheme may need to pay towards Council tax from April 2013.
- As part of the settlement government proposed that a two percent referendum principle will apply to all principal local authorities. This means any increase above this level will require a referendum to give the local electorate the opportunity to approve or veto the increase.

3.0 Local Funding Position

Government Funding

3.1 The overall position in terms of grant income changes for Sunderland are set out below

	2013/14	2014/15	2015/16	Total
	£m	£m	£m	£m
Government Funding Changes	13.9	16.6	16.7	47.2

Spending Pressures and Commitments

3.2 A summary of the financial implications of spending pressures and commitments is set out below

	2013/14	2014/15	2015/16
	£m	£m	£m
Total Pay Price and other pressures	6.76	7.55	4.95
Welfare Reform	1.34	-0.27	0.02
Financing Charges	2.50	0.50	3.00
Replacement of prior year one off savings & end to end review savings	4.40	4.52	2.00
HHA demand pressures	5.37	1.59	2.69
Children's demand pressures	1.68	0.23	-
Waste Disposal	1.05	0.99	-
Total Pressures	23.10	15.11	12.66

The detail relating to spending pressures for 2013/14 are included in the Cabinet Report attached

3.3 Overall Local Position 2013/2014 to 2015/2016

The final Local Government Finance settlement for 2013/2014 confirmed a savings requirement of £37m for 2013/2014 and £29.4m for 2014/2015 and three year savings requirement for 2013/14 to 2015/16 is likely to be in the region of £98million. However, this position may change as the government provide further updated information as part of the next spending review.

The settlement covered the two year period 2013/14 and 2014/15 and estimates have been made for 2015/2016 based on high level data provided.

	2013/14	2014/15	2015/16	Total
	£m	£m	£m	£m
Government Funding Changes	13.9	16.6	16.7	47.2
Spending Pressures	23.1	15.1	12.7	50.9
Overall position / Funding Gap	37.0	31.7	29.4	98.1

4.0 Strategy for meeting the Funding Gap

4.1 As part of the Budget Planning Framework for 2013/2014 reported in October 2012, Cabinet agreed to progress the approach to meeting the funding gap for 2013/14 and the medium term by:

- Progressing the existing improvement programme of savings which aims to meet needs and achieve savings while protecting as far as possible frontline services and maximising non frontline savings. Throughout the programme Strategic and Shared Services are being refocused and reduced by an average 50%.
- Continuing to protect so far as possible front line services which are being reshaped and refocused to:
 - Ensure services are responsive to local needs
 - Protect core services particularly those most vulnerable
 - Target resources rather than universal service provision.

4.2 Proposed reductions are summarised in the following table together with an indication of plans for future years.

	2012/13 £'m	2013/14 £'m	2014/15 £'m
Corporate and Cross Cutting			
Strategic and Shared Services	7.49	7.19	0.53
People Based Commissioning Reviews		1.00	3.00
Voluntary and Community Sector Review		0.49	
Integration of Public Health		2.00	
Corporate Resources (ITA /NHB / corporate)	2.70	2.70	0.50
SWITCH Resource Repatriated		5.10	3.20
	10.19	18.48	7.23
Improvement Plans			
Place and Economy	4.78	5.12	0.41
People - Children's Services	2.14	3.76	1.25
People - Health Housing and Adult Services	8.68	5.12	2.45
	15.60	14.00	4.11
Use of One off savings			
Capitalisation of Highways and Repairs spend		1.00	1.00
Temporary Use of balances and/ or grant	2.27	3.52	1.00
	2.27	4.52	2.00
Total Ongoing Programmed Savings	28.06	37.00	13.34

4.3 The proposals reflect measures being implemented through the new improvement programme framework including through:

- CSN development and Demand Management - The objective of the programme is to manage demand and cut the cost of the supply chain and in doing so deliver high quality and consistent customer service, gathering valuable

customer intelligence to shape future delivery arrangement, meet need and improve outcomes. The programme will look for opportunities to:

- Migrate or deepen customer contact and assess and decide activity split between services that are currently delivered within the Customer Service Network and those which are, at present delivered within the host directorate – This involves enabling decision making at the earliest point in the customer interaction. It relies on all channels of access being managed consistently and via generic processes such as; making an appointment, assessing need / eligibility etc.
- Cut the cost of the supply chain – This involves removing all non-value adding activity from the customer journey by ensuring as much contact is resolved at the first contact with any interactions that require specialist support being issued directly to the service delivery agent without the need for re-work, re-checking, re-assessing etc. This involves removing where possible, any administrative layers and leveraging the use of mobile technologies. It also includes enhancing community and alternative provision so customers can be signposted away from the Council as appropriate.
- Enhancing e-enablement / automation – This includes improving web content, developing 'request it', 'report it', 'apply for it' type services and where appropriate, enabling customers to access personal data and transact via service systems directly i.e. Libraries system, Planning portal. This area of work will also include pursuing automated telephony options.
- Development of Alternative Service Delivery Models for services – continuing to look at the most effective and efficient models of provision for services over the short to medium term as the Council is clear that to ensure the residents of Sunderland are offered the best possible public services in future that the development of ASDMs draws together our public sector ethos with opportunities to deliver services in new ways, whilst putting elected members and customers (and their insight) at the centre of decision-making. All this has to be done within the continuing budget reductions which in the period 2009-15 will be in the region of £200m. To support the development of ASDM, a dedicated team of staff that are working with and supporting Directors and Heads of Service on the development of a programme pipeline including individual project areas to focus over the next 36 months. The team will bring excellence in transformation activity, project management and business planning together with the experience and expertise in other parts of the council to ensure all ASDM are supported to deliver sustainable, high quality services in the future.
- Strategic Services and Fixed Assets – further and continual review to meet the future needs of the Council and its communities, maximise use of assets and deliver significant savings.

The framework has led to a range of cross cutting projects which are being progressed through the Council's Improvement Programme to support the delivery of savings into the medium term including:

- Community development - to work within communities and the voluntary sector to help build resilient and sustainable communities that can also support the delivery of services in the future
- Customer Insight and Intelligence – to support greater understanding of demand and trend analysis alongside understanding community views and needs to form the basis of service transformation
- Website and Intranet Development – to refresh content and grow the demand for low cost, on-line facilities for advice, guidance and a range of transactional services such as making a payment
- Workforce Development – In order to ensure timely delivery of savings proposals a refreshed approach to workforce planning
- Integrated Commissioning – to enable a cross cutting approach to future commissioning of People and Place based services to ensure the council commission services that meets changing needs whilst reducing the overall cost of the function

5.0 Strategy for Maximising Income Levels

In addition to pursuing strategies to meet the budget requirement focus needs to be made on maximising income levels given the significant risks inherent in the new system of funding for local government.

5.1 Retained Business Rates

Business Rates and Local Council Tax Support Scheme

- 5.1.1 Under the new local government funding arrangements, the Government makes assumptions about the level of Business Rates which will be achieved and retained by a Local Authority in determining its Start Up Funding Assessment. However the Council must determine for itself the anticipated level of Business Rate Income collection. The Council, at its meeting on 30th January, 2013, approved the Business Rate income forecast for 2013/14 and the amount to be retained by the Council is forecast to be £40.886m. This compares to a £40.414m government assessed level .
- 5.1.2 The Government will only fund losses on business rate collection after a certain level of loss has been incurred through the Safety Net mechanism. Based on our assumptions on business rate income collection, income retained by the Council could fall by up to £6.1m before the Government will provide 100% safety net funding. This means that business rates collected would have to fall by £12.4m circa 15% before the threshold is triggered and the Council receives any safety net funding.
- 5.1.3 An increased focus on monitoring and management of the various strands that impact on levels of income collection will require strong performance management in order to ensure that income levels are maximised . This will involve collaboration across the Council to gain intelligence about potential growth or reduction in the

business rate base, performance and trends in terms of collection as well as gaining external intelligence from the Valuation office and Genui. New processes and procedures are being introduced to ensure that the position can be understood and action taken as appropriate. A reserve will be established in 2013/2014 to reflect the uncertainty of income levels in this first year of the new system.

5.2 Other Core Grant and Revenue Funding

Grant funding will be considered in the context of overall funding position and additional responsibilities.

5.3 Council Tax Levels

The Council Tax Freeze grant for 2013/14 (and 2014/15) has only been offered to compensate those Authorities who decide not to increase their Council tax in 2013/14. As the funding is not of a permanent nature any use of the grant to support on going revenue expenditure will require alternative funding to be identified in the following years should the Council decide to access and accept the grant.

5.4 Fees and Charges

In 2013/14, the Council is budgeting for in excess of £54m from sales, fees and charges. Benchmarking studies have identified the Council to be in the highest quartile compared to single tier local authorities outside of London. In addition compared to other ANEC authorities, the Council generated the second highest level of sales, fees and charges income. A review of all fees and charges takes place on an annual basis to ensure that opportunities to maximise resources are followed through. Areas where comparative data suggests lower charges compared to others will continue to be reviewed to consider potential opportunities for increased or additional charges.

Opportunities for new charges continue to be actively pursued by Directors as part of the improvement planning process.

5.5 Other External Funding

The availability of external funding for public authorities to undertake economic regeneration has reduced significantly within the government's public expenditure framework. The government's emphasis is to involve the private sector directly in stimulating economic recovery, through mechanisms such as the Regional Growth Fund and the creation of Local Enterprise Partnership's which are being allocated additional resources such as through the Growing Places Fund. These avenues will continue to be pursued and factored into medium term planning assumptions.

5.6 Other Options for Future Funding

The reduction in both revenue and capital funding requires the Council to focus on new and existing opportunities for funding for example:

- Capital Funding - Bonds, TIF, asset backed partnerships, European support
- Trading opportunities
- Alternatives to revenue funding

This will be used as a checklist for the Council and services to maximise opportunities for funding priority spending.

Some avenues are already being explored and will be proactively developed as part of improvement planning activity.

6.0 Community Budgets

6.1 Community Budgets were announced as part of the Spending Review 2010 and the first 16 Community Budgets were launched in April 2011. On 21st December 2011 14 Community Budget areas were announced, 4 Whole-Place and 10 Neighbourhood-Level Community Budget Pilots.

6.2 In December 2012 the LGA reported that in their view 'the work of the pilots indicates that community budgets offer a way of living within smaller budgets that will not only make savings and protect public services but make outcomes better'.

6.3 The Secretary of State for Communities and Local Government, the Minister for Health, and the Head of the Civil Service have stated publicly that they are persuaded that the pilots' proposals were worth pursuing and committed themselves to support a move to implement community budgets. In addition the Autumn Statement identified community budgets as an important factor in enabling the local public sector to live within its available funding.

6.4 The impact of Community budgets will be factored into plans as the initiative develops.

7.0 Capital and Prudential Borrowing

7.1 The revenue implications of the Council's Capital Programme are considered as part of the process for setting the Capital Programme. The revenue impact of the Capital Programme is reflected in the MTFs, in particular the costs associated with the level of prudential borrowing required to deliver the Capital Programme.

7.2 The four year Capital Programme for 2013/14 to 2016/17 was set to take account of the reductions in available external funding and the increased pressure on the Council's resources.

- 7.3 A number of proposed capital schemes are currently being considered to ensure that the Council continues to achieve and promote economic regeneration and other key priorities. The borrowing strategy sets out parameters to ensure VFM considerations are safeguarded.

8.0 Reserves and Balances

The Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

In establishing reserves, the Council must comply with the Code of Practice on Local Authority Accounting in the United Kingdom. The Executive Director of Commercial and Corporate Services is required, as part of the budget setting process, to provide a statement on the adequacy of reserves.

8.1 Reserves Policy

The Council's policy on reserves is as follows:

- The Council will maintain its general reserve at a minimum of £7m to cover any major unforeseen expenditure. The Council will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the general reserve.
- The Council will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities. The use of earmarked reserves will be in line with the principles set out in the MTFS and reviewed annually.

All reserves are earmarked for specific purposes.

A general reserve of £7.6m is held to provide a level of contingency and meet any unforeseen expenditure and support the budget as planned as set out in Annex 1. A full analysis of reserves is included annually in the Statement of Accounts.

9.0 Budget Consultation and Equalities Impact

- 9.1 The annual budget consultation commenced during October / November 2012 comprising a survey and workshops. In summary, the findings demonstrate general support amongst respondents for the councils overall approach to making savings.

- 9.2 In accordance with the approach followed in previous years the Council continues to fully consider the impact of its plans by following a robust approach to equalities analysis. The Council continues to seek to meet its obligations in relation to equality and diversity and has procedures in place at both a general and budget specific level to incorporate equality and diversity issues into decision making processes and the assessment of proposals.

10.0 Risk Assessment

A comprehensive financial risk assessment is undertaken for the Revenue and Capital Budget setting process to ensure that all risks and uncertainties affecting the Council's financial position are identified. These are reviewed each year as part of the refresh of the MTFS. The key strategic financial risks to be considered in developing the MTFS are as set out at Annex 1.

11.0 Conclusion

- 11.1 The Government has announced funding levels for 2013/2014. Indicative funding levels for 2014/15 are £6m worse than previously anticipated. However if the reductions demonstrated in the 2014/15 indicative settlement feed through into 2015/2016 then at this stage the three year savings requirement for 2013/14 to 2015/16 is likely to be in the region of £98million. This is in addition to the £100m savings already achieved in the period 2010/11 to 2012/13.
- 11.2 The Government's intention to eliminate the public sector spending deficit by 2017/18 results in extremely challenging funding cuts for the Council.
- 11.3 The new local government funding arrangements from April 2013 under the Business Rates Retention Scheme and the Local Council Tax Support scheme also have the effect of transferring significant risk to the Council. The combined effect presents a real challenge to ensure delivery of priorities as set out in the Sunderland Strategy and to protect frontline services.
- 11.4 Government and regional support for capital investment will also be much tighter over the life of the MTFS. If the Council wants to continue to invest in capital projects to deliver priorities it will need to be even more self sufficient and raise income or reduce service costs to support borrowing. There will be an increased focus on use of alternative funding models to support priorities and future service provision.
- 11.5 A combination of spending pressures, funding cuts, increased risk transfer and the need to support capital investment means that difficult choices will need to be made to ensure that the Council's current sound financial position is sustainable.
- 11.6 In the short term, all funding options, including budget savings and council tax levels, will be considered to allow a balanced and sustainable budget to be considered by Council on 6 March 2013.

MTFS 2012/2013 to 2015/2016 Risk Assessment

Risk	Likelihood	Impact	Risk Management
1. Future available resources less than notified. For 2014/15 the settlement is indicative and no form information is available for 2015/16. This is likely to be impacted upon by the SR13	Likely	High	Annual review of reserves and reserves policy to identify future resources. Settlement confirms funding for 2013/14 and indicative information for 2014/15. Assumptions beyond 2014/15 based on best information available and will be updated regularly for government announcements.
2. Pay Awards and price inflation higher than assumed.	Possible	Low	Central contingency budget for pay and price increases set on the basis of the best available evidence.
3. Future spending plans underestimated.	Possible	Medium	Service planning process identifies future budget pressures. Operational Reviews modelling delivery linked to Council priorities.
4. Anticipated savings/efficiencies not achieved.	Possible	High	Regular monitoring and reporting take place but the size of the funding cuts increase the likelihood of this risk into the future. None achievement of savings would require compensating reductions in planned spending within services. Enhanced monitoring arrangements using project management and assurance resources will tighten further accountability and early intervention to mitigate the position. Principles to maintain General Reserve at £7.5m. Availability of Transitional Funding enables phasing of savings if appropriate.

Risk	Likelihood	Impact	Risk Management
5. Revenue implications of capital programmes not fully anticipated.	Unlikely	Low	Capital bid approval identifies revenue implications and links to Council priorities. Full analysis of revenue implications assessed and considered in scenario planning.
6. Income Targets for Business Rates and Council Tax not achieved	Possible	High	A prudent approach has been taken in setting the forecast income levels. The establishment of enhanced monitoring processes to identify any shortfall and remedial action will be taken. Provision exists to meet any shortfall in business rates business rate income above the safety net threshold.
7. Other Miscellaneous Income targets not achieved	Possible	Medium	Current economic climate likely to impact, mitigated by planned short term use of reserves. Regular monitoring and reporting and full review of fees and charges undertaken.
8. Budget monitoring not effective	Unlikely	High	Regular monitoring and reporting in line with corporate framework. Action plans developed to address problem areas.
9. Exit strategies for external funding ceasing/tapering not met.	Possible	Medium	Regular monitoring and reporting. Government policy to remove ring fencing provides greater flexibility. External Funding Strategy in place.
10. Loss of principal deposit.	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which focus on security of deposit rather than returns. Impact limited due to the strategy of a diverse portfolio and top rated institutions and greater use of low risk, government Debt Management Office.

Risk	Likelihood	Impact	Risk Management
11. Interest rates lower than expected.	Unlikely	Low	Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2012/13 onwards have been incorporated into the MTFS.
12. Changes to Government and/or policy.	Likely	High	Source alternative funding options including short term use of reserves. Pressures factored into MTFS.
13. All MTFS risks not adequately identified.	Unlikely	Low	Council's Risk Management Profile ensures all operational and strategic risks are identified as part of the annual service planning process.

General Balances – Financial Risk Analysis

Inflation

Risk is that pay and price increases may exceed the levels provided for within the budget.

This is very unlikely to occur due to the realistic prudent provisions made:

- the Government has indicated a limit on public sector pay of a 1.0% pay increase from 2013/2014 onwards;
- The CPI at December 2012 was 2.7% and the inflation outlook (CPI) for 2013 is the government target of 2.0% will be reached in early 2013;
- Appropriate provision for price increases has been included in the budget including a prudent provision for increases in contract prices and additional provision for fees for independent providers of care services;
- expenditure in respect of most of the budget heads can be either influenced or controlled;
- separate provision has been made for fuel and utility costs, which have been subject to significant price variations over the last year. Council procurement officers are continuously monitoring price changes in order to take advantage of any purchasing opportunities that may arise.

Debt Charges

Risk is that Debt Charges will be greater than budgeted.

This is very unlikely to arise due to:

- a prudent provision has been made to enable potential borrowing under the prudential framework with some limited headroom for unplanned borrowing;
- the market consensus regarding the economic outlook for the year ahead is that base rates will remain at 0.5% throughout 2013/2014;
- a contingency exists for any additional new borrowing costing more than forecast.

Investment Interest

Risk is that income generated will not match budget provision.

This is unlikely to arise as the base budget has been adjusted and a prudent rate of return has been estimated and included in the budget, which reflects the investments made to date, the prevailing market conditions and the economic forecasts for the year ahead.

Contingencies

Risk is that the contingency provision will be insufficient to meet the needs identified.

This is unlikely to occur due to:

- prudent estimates being included in respect of each category of contingency provision and specific contingencies have been created for all known spending pressures in 2013/2014;
- the total contingency provision is deemed sufficient in the context of the net revenue budget;

Risk Management

Risk is that all risks have not been identified and that major financial consequences may result.

This is very unlikely to occur due to:

- existence of Bellwin Scheme;
- the Council has a corporate risk profile in place, which is regularly and formally reviewed, and action is taken to mitigate and manage risks;
- corporate and directorate risk management action plans are maintained;
- comprehensive self and external insurance arrangements are in place;
- adequate self insurance funds including both provisions and reserves;
- risk management practices have been subject to external assessment and found to be robust and highly rated.

Financial Planning

Risk is that a major liability or commitment is currently known but has not been taken into account in the financial planning of the Council.

This is unlikely to arise due to:

- the existence of a comprehensive Medium Term Financial Strategy process with regular updates during the year;
- benchmarking and networking with other senior finance staff in other authorities who are likely to identify similar liabilities;

Revenue Budget - Budgetary Control

Risk is that the budget will be overspent in the year.

Whilst the scale of changes in the budget and levels of savings are significant compared to previous years, enhanced monitoring arrangements were established for 2011/2012 to deal with the increased risks associated with this to support the normal arrangements in place for financial management set out below including;

- monthly budget monitoring is in place in all Directorates;
- 6 weekly exception reporting to the Executive Management Team and corrective action agreed or set in train;
- quarterly Council-wide Revenue Budget Budgetary Control reviews are undertaken, reported to Cabinet and corrective action agreed or set in train;
- Financial Procedure Rules relating to delegated budgets provide for virement and carry forward of under / over spending to be used / met the following financial year;
- clear budget management responsibilities are in place and recorded within the Revenue Budget and Capital Programme.

- Arrangements are being further enhanced through integrated working with the Transformation Projects and Programme Support team and the Integrated Assurance Team.

Capital Programme Implications

Risk is that funding will not be available as planned or that over spending may occur.

This is unlikely to happen due to:

- project sponsors are identified for each capital programme project and recorded within the Capital Programme;
- quarterly Council-wide Capital Programme Budgetary Control reviews are undertaken, reported to Cabinet and corrective action agreed or set in train;
- budgeted revenue contributions to fund capital expenditure and the Prudential Borrowing regime gives added flexibility in terms of financing the Capital Programme.

Reductions to the Revenue Budget

Risk is that planned reductions to the Revenue Budget will not occur or are unachievable.

This is unlikely to occur due to:

- the budgetary control processes that are in place will identify any shortfall and remedial action will be taken;
- contingencies exist to safeguard against the non - realisation of some of the efficiency reductions.

Income from Business Rates and Council Tax

Risk is that forecast levels of income from Business Rates and Council Tax are not achieved

This is unlikely to occur due to:

- a prudent approach taken in setting the forecast income levels;
- the establishment of enhanced monitoring processes to identify any shortfall and remedial action will be taken;
- provision exists to meet any shortfall in business rates business rate income above the safety net threshold.

Availability of Other Funds

Risk is that the Council could not call on any other funds to meet unforeseen liabilities.

This is very unlikely as the Council has a range of other funds which whilst earmarked are not wholly committed in 2013/2014.

Appendix H

Major Earmarked Reserves - Position Statement

Title and Purpose of Earmarked Reserve	Opening Balance 1/4/2012 £'000	Movement during 2012/2013 £'000	Closing Balance 31/3/2013 £'000
<p>Strategic Investment Reserve A reserve established to address some of the Council's key developments, strategic priorities and address other major liabilities</p>	68,578	(26,980)	41,598
<p>Council Directorates - Delegated Budget Surpluses The Council has approved the operation of a delegated budget scheme in accordance with Financial Procedure Rules which provides specific flexibility in the management of Directorate Budgets, for instance by allowing the carry forward of delegated budget under spend from one financial year to the next. There is a balance held by Directorates at the end of each financial year.</p>	5,410	(3,923)	1,487
<p>Schools Delegated Budget Surpluses These are the financial reserves held by schools under the Local Management of Schools/Fair Funding arrangements.</p>	10,641	(2,641)	8,000
<p>Insurance Reserve This reserve has been established to provide for potential claims associated with the housing stock transfer, future claims increases, the Port and risk management funds. The Reserve is also intended to cover the excess element of any significant claims in relation to Fire Insurance and Official and Professional Indemnity liability claims should they arise in future</p>	3,685	0	3,685
<p>Street Lighting PFI Smoothing Reserve The reserve was established in order to smooth the financial impact of the Street Lighting PFI contract across the 25 years of the contract life. In the early years of the contract surpluses were achieved as the full level of unitary charge is not incurred until the core investment programme for the installation of the new street lighting and highways signs is completed.</p>	6,682	(390)	6,292
<p>Unutilised RCCO Reserve This reserve consists of unutilised direct revenue financing and is fully earmarked to fund capital projects previously approved.</p>	3,176	(1,299)	1,877
<p>Strategic Investment Plan Reserve A reserve to fund the Council's contribution to its Strategic Investment Plan approved by Council in April, 2008.</p>	8,049	(1,073)	6,976



REVENUE BUDGET 2013/2014

**REVENUE BUDGET 2013/2014
LEADER**

ROLES AND RESPONSIBILITIES

The Leader Portfolio provides Executive Leadership to the council on all matters and particularly all major strategic, corporate and cross-cutting, reputational and commercially sensitive issues, and the Budget and Capital Programme. The Portfolio also provides community leadership for partners, residents and other interests in order to improve the quality of life and satisfaction in the city. The Portfolio is responsible in ensuring that the council's approach to economic, social and physical regeneration of the city is integrated, enabling and effective.

The Portfolio has specific responsibility for the following activities and functions:

- Strategic and policy overview
- Communications, Reputation and Influencing
- Strategic economic development and Inward Investment
- Strategic partnerships
- Sunderland Way of Working and strategic improvement programmes
- International Strategy and Programmes
- Regional and sub-regional governance
- Housing Strategy
- Environmental Policy
- Carbon Management
- Seafront Strategy

Theme: Place
Corporate Outcome: An attractive, modern city where people choose to invest, live, work and spend their leisure time.
Activity:
We will continue to adopt an ambitious, developer/investor friendly Core Strategy (Land Use Plan) that will guide high quality future physical development that is synonymous with a modern, vibrant, aspirational city.
We will work with partners to enable new housing developments and improvements to existing properties.
We will continue to pursue the regeneration of the Roker and Seaburn seafront. Key activity will include the commencement of the second phase of works to the promenade with a view to their completion during the summer. These works will improve the environment of the promenade and support new and existing businesses. In addition we will commence the phased restoration of Roker Pier and Lighthouse. This funding will support key infrastructure works, which will facilitate comprehensive redevelopment of Seaburn Ocean Park by a private sector developer. The project will include: <ul style="list-style-type: none"> ▪ Realignment of Lowry Road to improve access and increase capacity for development; and narrowing of the carriageway at Whitburn Road to the east of Ocean Park to deliver improved pedestrian public realm and a permanent new area of open space capable of hosting outdoor events ▪ Improvements to green infrastructure around Cut Throat Dene and feasibility work towards the implementation of a comprehensive approach to sustainable drainage of the site.
Through the Government's City Deal programme, we will seek to establish a new financial mechanism that will connect Sunderland's successful and growing manufacturing base to its city centre. This will involve an expansion of manufacturing in Sunderland, by bringing more land into productive use and will further incentivise development on the Vaux site, bringing jobs and prosperity to the city centre.
Theme: Economy
Corporate Outcome: A new kind of university city.
Activity
We will continue to market the Software Centre as an innovation and technology hub for the city, attracting inward investment and encouraging business start-ups. We will use the Software Centre to promote the technology sector, with its range of different career opportunities (including non-technical jobs such as marketing, finance, administration) to young people.
We will continue to work with the University of Sunderland to support its leadership role in developing the local economy. In particular we will place a focus on business growth in those sectors that present the greatest opportunity for growth including: automotive and advanced manufacturing, offshore renewables, sub-sea engineering and software. We will also continue to develop international links that promote the greatest economic, educational and cultural benefit.
We will work with the University of Sunderland and other business support organisations to implement the City Enterprise and Innovation Strategy. This promotes practical ways for businesses to collaborate and develop in the city. It also contributes to a wider skills strategy through a focus on the low carbon sector and its higher-level skills needs.

**REVENUE BUDGET 2013/2014
LEADER**

Corporate Outcome: A national hub of the low carbon economy.
Activity:
We will support the low carbon sector and the automotive/electric vehicle supply chain by delivering the North Eastern Local Enterprise Partnership's (NELEP) Low Carbon Enterprise Zone on the A19 corridor. This will support ultra low carbon vehicle development, the automotive supply chain and advanced engineering. We will also contribute to the NELEP aim of becoming Europe's premier location for low carbon, sustainable, knowledge based private sector growth and jobs.
We will deliver the Washington business incubator as part of your commitment to developing a 'Low Carbon Technopole Hub' where research and development facilities, education and knowledge development come together in single place.
We will focus activity on completing a feasibility and master plan study in relation to Council-owned land within the Enterprise Zone Site 3 to determine infrastructure requirements, costs and delivery timescales. Work will also be undertaken to identify potential off-site highway improvements required to deliver the objectives of the overall Sunderland Enterprise Zone. The results of these work streams will inform future funding strategies and the level of Council resources potentially required.
Corporate Outcome: A prosperous and well connected waterfront city centre.
Activity:
We will continue to develop our plans for a modern, vibrant city centre by focusing on key 'investment corridors' within which we will promote developments of appropriate scale with high quality building design and associated public realm works.
We will commence the delivery of advanced infrastructure and public realm improvements associated with the redevelopment of the Vaux site. Works to be undertaken will include improvements to St. Mary's Way/Livingstone Road designed to: accommodate additional traffic arising from the future redevelopment of Vaux; improve the connections between Vaux and the rest of the city; and create a new pedestrian link from the city centre to the site. These infrastructure works are necessary to meet the needs and aspirations of both potential developers and the city as whole.
We will continue to invest in the city centre and will be reviewing how the city centre's different physical assets, new and existing, can be best organised and connected. This will ensure the university's city campus is fully integrated into the city centre. We will develop innovative approaches which drive private sector investment and support fast-track regeneration and investment in city centre projects.
We will promote the city nationally and internationally as a place to invest through a new inward investment campaign. We will provide a seamless service for investors and developers through our integrated approach to regeneration and business investment.
Corporate Outcome: An inclusive city economy for all ages.
Activity:
We will provide governance and support to the Economic Leadership Board and Economic Masterplan Aim Groups.
We will build on our success of getting people into work by implementing the Employment Strategy for the city. The strategy sets the direction for our efforts to attract employment opportunities to the city, across a wide range of employment sectors and for all skills levels. Having more employment opportunities and at all levels will help address poverty and worklessness in the city and make our communities more resilient.
We will complete and commence implementation of a skills strategy to ensure that we have people with the right type of skills in the city to meet the requirements of the city's economy and the regional labour market in the future. The skills strategy will establish processes and interventions that, when delivered, will:
<ol style="list-style-type: none"> 1. Provide residents with the skills required to support growth and development of our industries 2. Include a focus on science, technology, engineering and maths (STEM) subjects in the city's learning institutions 3. Develop a curriculum that gives people the skills to make themselves employable, then supports them as they move on to higher-paid work 4. Promote career opportunities through introductions to the world of work and greater employer involvement in learning courses 5. Support all young people to be able to access further or higher education, employment or training.
Organisational Transformation
Through Sunderland Partnership Arrangements we will continue to co-ordinate services to meet the objectives of the Sunderland Strategy by bringing together local plans, partnerships and initiatives to allow effective joint working to meet local need.
We will support the completion of the Sunderland Strategy Refresh to provide a planning and performance management framework for the Sunderland Partnership.
We will ensure the delivery of efficiency savings through an effective and efficient Transformation Agenda, Performance Management and service delivery including strong relationships with key stakeholders.
We will continue the delivery and expansion of the Community Leadership Programme, including the increased use

**REVENUE BUDGET 2013/2014
LEADER**

of customer insight and intelligence to ensure elected members are at the centre of decision making.
We will change the nature of core services and the role of the council in a city where there will be a range of delivery models with a public service ethos and values.
We will continue the development and refinement of the Strategy, Policy and Performance Management service to meet future requirements and redesign processes using ICT to deliver efficiencies.
We will ensure that the Communications and Corporate Affairs efficiency targets are delivered in line with the planned reductions arising through the review of Strategic and Support Services, including developing further opportunities to reduce print costs following the successful implementation of the Design and Print review.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2012/2013 £	Revised Estimate 2012/2013 £		Estimate 2013/2014 £
Office of the Chief Executive					
1	ACE	0	0	Corporate and Strategic Management	0
2	ACE	0	0	Local Strategic Partnership	0
3	BID	2,229,588	2,187,759	Business and Investment	2,347,080
4	BID	18,810	42,060	Employment Training Centres	16,267
5	DoCA&C	0	0	Corporate Affairs and Communications	0
6	DoCA&C	0	0	Communications - Design and Print	0
7	HoC&CM	0	0	Business Development	0
8	HoCLP	0	0	Community Leadership Programme	0
9	HoS&AA	1,004,259	962,181	Scrutiny and Area Arrangements	974,584
10	HoS&P	0	0	Strategy, Policy and Performance Management	0
		3,252,657	3,192,000	Total Office of the Chief Executive	3,337,931
Executive Director of Commercial and Corporate Services					
11	HoLG	4,049,141	4,264,185	Democratic Core	4,094,295
12	HoT	0	0	Transformation, Programmes and Project Service	0
		4,049,141	4,264,185	Total Executive Director of Commercial and Corporate Services	4,094,295
		7,301,798	7,456,185	TOTAL BUDGET	7,432,226

IMPROVEMENT AND EFFICIENCY

The Portfolio continues to build on the efficiencies generated in recent years in the area of support services reviews as part of the Review of Strategic and Support Services.

In 2013/2014 £0.930m savings are anticipated with plans being implemented in respect of Support and Shared Services. Further reconfiguration of support services continues to be carried out to meet the future requirements of the council. This includes continuing to refine and implement standardised ways of delivering support services by redesigning processes and using ICT to maximise efficiencies in areas such as Corporate Affairs and Communications, Strategy Policy and Performance Management and Transformation Programmes. Savings are masked by the impact of recharging the net costs of these support services to service areas.

A key focus of the Portfolio is the delivery of the priorities set out in the Sunderland Economic Master Plan (launched October 2010) which establishes the vision of creating "an entrepreneurial university city at the heart of a low-carbon economy".

REVENUE BUDGET 2013/2014 LEADER

The Portfolio plays an important role on the board of the North Eastern Local Enterprise Partnership (NELEP) covering Durham County, Northumberland and the five Tyne and Wear authority districts. Local Enterprise Partnerships (LEPs) are intended to bring together businesses and local authorities in order to set the strategy and vision of economic growth in an area. The NELEP has set out a vision for the LEP area to become Europe's premier location for low carbon, sustainable, knowledge-based private sector growth and jobs.

The NELEP, supported by Sunderland Council as host Authority is currently developing and delivering a number of major programmes which include; Enterprise Zone to develop low carbon industries and covers a number of sites close to the A19/A1231 within Sunderland, Growing Places Fund (£25m) which aims to provide loan support to assist with stalled capital projects in the region and a Strategic Infrastructure Fund financed by the Government's Regional Growth Fund (£30m).

PORTFOLIO GLOSSARY

ACE	Assistant Chief Executive
BID	Business Investment Director
DoCA&C	Director of Corporate Affairs and Communications
HoC&CM	Head of Commissioning and Change Management
HoCLP	Head of Community Leadership Programmes
HoLG	Head of Law and Governance
HoS&AA	Head of Scrutiny and Area Arrangements
HoS&P	Head of Strategy and Performance
HoT	Head of Transformation

**REVENUE BUDGET 2013/2014
DEPUTY LEADER**

ROLES AND RESPONSIBILITIES

The Deputy Leader deputises for the Leader and has lead responsibility for matters relating to the 'Place' theme within the council's outcome framework with specific strategic leadership responsibility for the following Portfolios:

- City Services
- Responsive Services and Customer Care

The Deputy Leader Portfolio has overall responsibility for the efficient, coordinated management and use of the council's human and ICT resources.

The Portfolio has specific responsibility for the following activities and functions:

- Corporate human resource matters
- Corporate apprenticeships
- Corporate ICT matters
- E-government Champion, Digital Challenge and e-inclusion
- Law and Governance services
- Transactional shared services
- Elections
- Equality and diversity
- Scrutiny liaison

Theme: Place
Corporate Outcome: A well connected city.
Activity:
We will continue to boost the economy and introduce innovative new technologies through a partnership with IBM to create the 'Sunderland Cloud' computing environment to provide a low cost, accessible and secure city network, with pay-as-you-go access to business software and processes. This will benefit homes and businesses and also enable the council to communicate more effectively with customers.
We will continue to develop our understanding of the views, needs and priorities of service users in order to achieve the successful channel shift of customer contacts to digital channels and service transformation – particularly for transactional services.
Ensure delivery of efficiencies in ICT, including the delivery of a cloud computing environment and maximising the development of the Moorside data centre facility. Also, ensure the roll out of the virtual Corporate Desktop, initiatives such as Bring Your Own Device computing models and the availability of super-fast broadband across the city.
Corporate Outcome: A prosperous and well connected waterfront city.
Activity:
We will review arrangements to maximise Council Tax and Business rates collection, through monitoring fraud and taking appropriate recovery action. Recovery procedures will be adopted to mitigate any negative impact of welfare reform and the localised Council Tax Support Scheme.
We will develop arrangements for forecasting and monitoring income from Business rates and Council Tax in the light of the new Business Rates Retention Scheme and Local Council Tax benefit changes.
We will put in place arrangements for the localisation of the social fund to deliver a fair and equitable scheme to residents of Sunderland.
Organisational Transformation
We will continue implementation of the council's strategic direction in respect of equalities and diversity and further embed equalities considerations in the council's corporate planning and decision making processes.
We will ensure delivery of efficiencies in Human Resource and Organisation Development.
We will ensure efficient and effective management of the Corporate Complaints System.
We will ensure efficient and effective delivery of Legal Services.
We will ensure that efficiency targets are delivered in respect of the Shared Service Centre, Administration and PA Support and Transactional Services.
We will explore the commercial potential of the Human Resources and Organisational Development Service (including Occupational Health and Health and Safety) by offering services to a wider range of customer and adopting different delivery approaches in parallel with the implementation of Manager Self Service within the council.

**REVENUE BUDGET 2013/2014
DEPUTY LEADER**

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2012/2013 £	Revised Estimate 2012/2013 £		Estimate 2013/2014 £
Office of the Chief Executive					
1	ACE	317,446	282,758	Equalities and Integration	236,808
2	DoHR&OD	0	0	Strategic and Operational HR	0
3	HoES	656,214	849,590	Electoral Services	662,219
		973,660	1,132,348	Total Office of the Chief Executive	899,027
Executive Director of Commercial and Corporate Services					
4	HoICT	0	0	ICT	0
5	HoLG	0	0	Governance Services	0
6	HoLG	70,325	63,162	Information Governance	59,581
7	HoLG	0	0	Legal Services	0
8	HoTS	0	0	Administration and PA Support	0
9	HoTS	678,355	358,944	Benefits Administration	276,644
10	HoTS	1,303,765	1,294,061	Benefits Payments	1,358,511
11	HoTS	2,402,609	2,167,152	Council Tax and Business Rates	1,840,333
12	HoTS	0	0	Shared Service Centre	0
13	HoTS	0	0	Transactional Finance	0
14	HoTS	0	0	Welfare Reform - Social Fund	0
		4,455,054	3,883,319	Total Executive Director of Commercial and Corporate Services	3,535,069
		5,428,714	5,015,667	TOTAL BUDGET	4,434,096

IMPROVEMENT AND EFFICIENCY

The Portfolio continues to build on the efficiencies generated in recent years in the area of support services reviews as part of the Transformation Agenda.

In 2013/2014 £3.806m savings are anticipated with plans being implemented in respect of Support and Shared Services. Further reconfiguration of support services continues to be carried out to meet the future requirements of the council. This also includes continuing to refine and implement standardised ways of delivering support services by redesigning processes and using ICT to maximise efficiencies in areas such as Strategic and Operational HR, Legal and Governance Services, Administration and PA Support and Transactional Services. Savings are masked by the impact of recharging the net costs of these support services to service areas.

The Portfolio will continue to build on the work already carried out to deliver a cloud computing environment and maximise the development of the Moorside data centre facility. The roll out of the virtual Corporate Desktop, initiatives such as Bring Your Own Device computing models and the availability of super-fast broadband across the city will deliver greater flexibility to employees, providing increased support for the delivery of front line services and smarter working. The Portfolio will also focus on improving the transactional capabilities of the council's Internet site supporting both efficiencies in service delivery and improved access to services for citizens.

The Portfolio will continue to put in place arrangements to reflect changes arising from Welfare reform, including the new Business Rates retention scheme and administration of the social fund. Measures that seek to mitigate against the significant adverse impacts anticipated across the city and changes to internal administration and support arrangements will also be progressed.

**REVENUE BUDGET 2013/2014
DEPUTY LEADER**

PORTFOLIO GLOSSARY

ACE	Assistant Chief Executive
DoHR&OD	Director of HR and OD
HoES	Head of Electoral Services
HoICT	Head of ICT
HoLG	Head of Law and Governance
HoTS	Head of Transactional Services

**REVENUE BUDGET 2013/2014
CABINET SECRETARY**

ROLES AND RESPONSIBILITIES

The Cabinet Secretary provides support and assistance to the Leader with responsibility for all matters relating to the 'People' theme within the council's outcomes framework and has specific strategic leadership responsibility for the following Portfolios:

- Children's Services
- Health, Housing and Adult Services
- Public Health, Wellness and Culture

The Cabinet Secretary Portfolio has overall responsibility for the efficient, coordinated management and use of all of the council's financial resources and assets.

The Portfolio has specific responsibility for the following activities and functions:

- Budgetary and financial affairs
- Strategic management of council land, buildings
- Port of Sunderland
- Strategic Procurement Champion
- Efficiency Champion
- Risk Management Champion
- Performance management
- Emergency Planning
- Strategic cultural developments

Theme: Economy
Corporate Outcome: A national hub of the low carbon economy.
Activity:
We will promote the Port as a key North Sea base to support the offshore renewable energy generation and sub-sea engineering support sectors.
Corporate Outcome: A prosperous and well connected waterfront city centre.
Activity:
We will continue to pursue the redevelopment of the Sunnyside Eastern Sector. Key activities will include the demolition of Liverpool House (subject to Conservation Area consent), landscaping of the cleared site and the creation of a temporary parking area. The Homes and Communities Agency's proposed property acquisitions programme (subject to funding) will seek to assemble a package of sites for housing led regeneration of this area (including some commercial/retail development).
We will progress the development of two retail/commercial sites on High Street West overlooking the proposed new public square, with a view to the first retail scheme being completed in early 2015/2016. Key activities will include disposal of the plots to the developer, securing planning permission and undertaking utility diversions. Works will also start to re-align St Mary's Way/Livingstone Road, upon which one of the development schemes depends.
We will continue to explore wider commercial opportunities for the council, including progressing with the procurement of a strategic investment partner to form a joint venture with the council for a local asset backed vehicle. The Portfolio will also continue to assist in developing opportunities for alternative service delivery across council services.
We will continue to review and seek further improvements to the arrangements for local business to complete for Council contracts.
We will provide financial advice to all major regeneration and development projects
We will maximise access to external and innovative funding opportunities for the City
We will continue to ensure the financial position of the council through proactive response to the implications of the Comprehensive Spending Review 2013, Welfare Reform, Schools and Academies funding changes
Theme: People
Corporate Outcome: A well connected city
Activity:
We will continue to pursue the re-development of the above ground element of Sunderland Railway Station to enhance its appearance as a main gateway into the city. This will be undertaken in partnership with Nexus and Network Rail, with a view to works commencing during 2015/2016. Key activity during 2013/2014 will include site investigation works and the procurement of the construction work.
Organisational Transformation
We will continue to review the council's operational property portfolio (both administrative and front-line) and rationalise the number of properties required to support strategic development opportunities and efficient service delivery.

**REVENUE BUDGET 2013/2014
CABINET SECRETARY**

We will deliver a number of planned improvements and efficiencies resulting in either additional income or reduction to budgets, including increased income arising from the Government driven increase in planning application fees, restructure of Planning and Property Services arising from take up of the severance offer, a review of rental income received from the property portfolio, and improved income arrangements in relation to Cash in Transit and Control Room.
We will secure the most appropriate provider to deliver goods and services whilst securing value for money and maximising local social and economic outcomes.
We will support the organisation / managers in identifying, assessing and managing risks through an integrated assurance framework whilst also identifying opportunities to deliver further efficiencies.
We will continue to provide efficient and effective financial advise to the Council, its improvement programme and commercial activities. We will support the development and implementation of improvement framework plans to assist the council in achieving its savings targets over the medium term
We will continue the review of Financial Management services to ensure the service meets the future needs of the Council and deliver savings through continued process review and reengineering including maximising the use of ICT, and identification of income earning opportunities to reduce the cost of service
We will continue the development and implementation of Alternative Service Delivery Models in line with the improvement framework principles
We will implement appropriate financial frameworks to manage the newly transferred Public Health funding, and the increased risks to Council Business Rate and Council Tax income arising from the implementation of the Business Rates Retention Scheme, and Local Council Tax Support Scheme.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2012/2013 £	Revised Estimate 2012/2013 £		Estimate 2013/2014 £
Office of the Chief Executive					
1	HoS&P	891,440	569,099	Strategy, Policy and Performance Management – Planning Policy	528,398
2	HP&P	0	0	Asset Management	0
3	HP&P	277,558	243,563	Building Control	258,697
4	HP&P	253,521	283,084	Civil Contingencies	214,400
5	HP&P	613,998	432,323	Development Control	350,423
6	HP&P	(626,979)	(485,027)	Industrial Estates	(392,701)
7	HP&P	(201,881)	(323,742)	Miscellaneous Land and Property	(316,550)
8	HP&P	2,368,104	2,379,748	Planning Implementation	2,342,648
9	HP&P	0	0	Repairs and Renewals	0
10	HP&P	(195,088)	(197,567)	Retail Market	(195,462)
11	HP&P	178,518	197,209	Security Services	175,489
12	PD	0	0	Port of Sunderland	(250,000)
		3,559,191	3,098,690	Total Office of the Chief Executive	2,715,342
Executive Director of Commercial and Corporate Services					
13	HCAP	0	0	Audit, Risk and Assurance	0
14	HCAP	0	0	Procurement	0
15	HoFR	0	0	Financial Resources	0
16	HoFR	318,687	213,856	Strategic External Funding Unit	179,376
17	DoC&CS	4,249,998	4,542,796	Corporate Management	4,399,008
18	DoC&CS	448,993	417,533	Non Distributable Costs	583,867
		5,017,678	5,174,185	Total Executive Director of Commercial and Corporate Services	5,162,251
		8,576,869	8,272,875	TOTAL BUDGET	7,877,593

**REVENUE BUDGET 2013/2014
CABINET SECRETARY**

IMPROVEMENT AND EFFICIENCY

The Portfolio continues to build on the efficiencies generated in recent years in the area of support services reviews as part of the Business Improvement Programme.

In 2013/2014 £1.328m savings are anticipated with plans being implemented in respect of the following key strands of business;

Strategic and Shared Services

Further reconfiguration of support services to meet the future requirements of the council. This also involves continuing to refine and implement new standardised ways of delivering support services by redesigning processes and using ICT to maximise efficiencies in areas such as Financial Management, Strategy, Policy and Performance Management, Audit, Risk and Assurance and Procurement. Savings are masked by the impact of recharging the net costs of these support services to service users.

Property Rationalisation and Smarter Working

The review of smarter working has already identified savings in premises costs (utilities, repairs and renewals etc.) through the planned closure of administrative buildings. This programme will continue as well as the review focussing on delivering savings from operational buildings together with opportunities for collaborative service working and co-location.

Planning and Property Services have identified a number of initiatives aimed at increasing income and reducing costs including in relation to additional income from nationally-set planning fees, income delivered by the Control Room, Cash in Transit and Property Services as well as through rent reviews of the council's property portfolio.

In addition to the specific efficiencies being progressed, a key plan for the Portfolio is the further commercial development of the Port of Sunderland. The improvement in financial performance in 2011/2012 and 2012/13 is anticipated to continue in 2013/2014. In doing so the Port will develop and invest in its estate as necessary to meet the needs of its business and to take advantage of future commercial opportunities and, therefore, contribute to the economic prosperity of the city through job creation.

The Portfolio continues to explore wider commercial opportunities for the council that will assist with the economic regeneration and prosperity of the city including progressing with the procurement of a strategic investment partner to form a joint venture with the council for a local asset backed vehicle. This will leverage additional private sector finance and expertise to accelerate regeneration in the city. The Portfolio will also continue to assist in developing opportunities for alternative service delivery across council services.

The Government have implemented a number of significant changes to Local Government funding which are effective from April 2013. This includes

- Implementation of the Business Rate Retention scheme
- Implementation of a Local Council Tax Support Scheme
- Schools and Academy funding reform
- Welfare Reform including transfer of former Social Fund responsibilities from Department of Work and Pensions to Local Authorities
- Transfer of funding in relation to Public Health responsibilities.

These changes bring within them significant additional risks for local authorities from a budgeting and medium term planning perspective either in terms of ensuring income levels are sustained and improved upon, or as potential demand pressures which need to be managed.

While the Local Government Finance Settlement provides indicative funding levels to 2014/2015, funding into the medium term remains very uncertain. The Council is proactively seeking to understand, influence and plan for the impacts of the Governments Comprehensive Spending Review 2013, and further Welfare Reform changes. In addition the impact of Global and national economies are continually being monitored. The medium term financial strategy will be continually updated as detailed implications emerge and plans are developed.

**REVENUE BUDGET 2013/2014
CABINET SECRETARY**

PORTFOLIO GLOSSARY

DoC&CS	Executive Director of Commercial and Corporate Services
HCAP	Head of Corporate Assurance and Procurement
HoFR	Head of Financial Resources
HoS&P	Head of Strategy and Performance
HP&P	Head of Planning and Property
PD	Port Director

**REVENUE BUDGET 2013/2014
CHILDREN'S SERVICES**

ROLES AND RESPONSIBILITIES

The Children's Services Portfolio provides leadership to improve the life chances of children and young people in the city. The Portfolio is responsible for leading the city's response to education, skills and training issues and opportunities in order to promote economic and social regeneration.

The Portfolio has specific responsibility for the following activities and functions:

- Children's Trust
- Corporate Parenting
- Protecting children, young people and families from harm
- Safeguarding and securing the well being of children, young people and families
- Promoting good health and health awareness in children and young people
- Reduction of child and family poverty
- School renewal and improvement programmes
- Developing the potential of children and young people through education, training, personal development and preparation for working life
- Promoting the development of skills and capacity which will enable children, young people and families to support and benefit from the city's continuing economic development.

Theme: People
Corporate Outcome: A city where everyone is as healthy as they can be and enjoys a good standard of wellbeing.
Activity:
We will continue the ongoing programme of training delivery for C-Card, Sexual Health / Risk and Resilience and You're Welcome to support the reduction of teenage conception rates on a yearly basis.
We will review arrangements for childhood obesity intervention programmes to support the reduction of childhood obesity rates.
Corporate Outcome: A city with high levels of skills, educational attainment and participation.
Activity:
We will secure education or training for 16-18 year olds in the city and support them to take this up.
We will continue to provide up to date and relevant lifelong learning opportunities in the city that reflect the local economy and how it is developing so that local people can keep their skills and knowledge current and remain highly employable.
We will implement in 2013/2014 and 2014/2015 the extension of the 2 year old offer of 15 hours free nursery education to a greater number of 2 year old children who meet criteria for deprivation.
We will continue to assist the Education Leadership Board to develop an education strategy for the city and will promote school to school partnerships to ensure robust school improvement strategies.
Corporate Outcome: A city which is, and feels, even more safe and secure.
Activity:
We will re-commission youth contracts and in addition to embed 8-12 years olds youth provision and extended holiday activities provision through revised commissioning arrangements.
We will re-negotiate contract extensions for children's centres.
Corporate Outcome: A city that ensures people are able to look after themselves wherever possible.
Activity:
We will implement the Children Looked after Strategy including: <ol style="list-style-type: none"> 1. Ongoing Investment to increase foster care recruitment 2. Reduction in use of Independent Foster Agency Placements due to increased in-house provision through the ongoing investment in foster care 3. Development of four Leaving Care Flats attached to two Children's Homes to extend range of after care provision and free up Children's Homes' beds to reduce reliance on external residential placements 4. Development of alternative specialised children's home to reduce number of distant placements 5. Review of Children's Home provision, including relocation of one home, to better meet the needs of Sunderland's looked after population.
We will review commissioning arrangements for Safeguarding and Services for Looked after Children to improve the effectiveness and efficiency of Sunderland's provision for looked after children by implementing the Looked After Children Placement/Commissioning Strategy.
We will undertake a review of the Safeguarding service including a further review of structures and revised management arrangements following previous restructure and workforce planning changes which were implemented during 2012. Flexibilities to be achieved through the improved stability of the Social Care workforce. Targeting intervention at an early stage leading to improved outcomes for children and families and a reduction in some levels of demand. However, this will be kept under close review particularly in terms of possible impact on welfare reform.

REVENUE BUDGET 2013/2014
CHILDREN'S SERVICES

Organisational Transformation

We will review Home to School Transport which will focus on reviewing the current policies for providing both statutory and non statutory home to school transport.

**REVENUE BUDGET 2013/2014
CHILDREN'S SERVICES**

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2012/2013 £	Revised Estimate 2012/2013 £		Estimate 2013/2014 £
Office of the Chief Executive					
1	ACE	0	0	Strengthening Families	0
		0	0	Total Office of the Chief Executive	0
Executive Director of Children's Services					
Schools and Learning					
2	HoSL	178,699,663	206,406,570	Individual Schools and Academies Budgets	204,697,590
3	HoSL	5,346,187	6,452,925	Retained Activity - Schools and Other	5,526,697
4	HoSL	(171,787,811)	(200,203,330)	School Grants - Education Funding Agency	(203,030,483)
5	HoSL	2,723,226	2,561,654	Special Educational Needs and Resource Provision	2,577,486
6	HoSL	2,423,868	2,411,640	Pupil Referral Unit	1,856,276
7	HoSL	865,414	1,527,197	School Support and Intervention	1,106,236
8	HoSL	220,744	295,036	Virtual School	273,299
9	HoSL	465,554	514,453	Derwent Hill Trading Operations	395,583
10	HoSL	173,654	191,568	Safeguarding Advisory Team	36,324
		19,130,499	20,157,713	Total Schools and Learning	13,439,008
Safeguarding					
11	HoS	9,675,892	8,980,938	Children's Social Work	8,038,331
12	HoS	13,665,829	14,627,245	Looked After and Disabled Children	14,964,898
13	HoS	618,398	586,439	Independent Reviews	574,003
14	HoS	2,171,161	2,633,269	External Placements	3,928,442
15	HoS	262,354	261,586	Material and Financial Assistance	259,322
16	HoS	168,805	165,716	Sunderland Safeguarding Children's Board	160,580
17	HoS	1,769,039	1,577,017	Youth Offending Service	1,666,752
		28,331,478	28,832,210	Total Safeguarding	29,592,328
18	HIL	(363,200)	(396,938)	Health and Wellbeing	(153,722)
Early Intervention and Locality Services					
19	HoEI&LS	2,082,915	1,135,282	Locality Based Working	17,220,424
20	HoEI&LS	82,220	86,180	Parent Partnership	84,023
		2,165,135	1,221,462	Total Early Intervention and Locality Services	17,304,447
Commissioning and Change					
21	HoC&C	704,688	902,305	Strategic Management	863,916
22	HoC&C	549,024	499,867	Commissioning	557,311
23	HoC&C	1,889,948	1,946,165	Special Education Needs Transport	1,832,035
24	HoC&C	1,312,141	1,310,211	Business Relationship and Governance	1,374,028
25	HoC&C	241,893	250,135	Hub Connexions - Trading Operations	223,487
		4,697,694	4,908,683	Total Commissioning and Change	4,850,777
		53,961,606	54,723,130	Total Executive Director of Children's Services	65,032,838
		53,961,606	54,723,130	TOTAL BUDGET	65,032,838

REVENUE BUDGET 2013/2014 CHILDREN'S SERVICES

IMPROVEMENT AND EFFICIENCY

Children's Services have developed a four year programme to respond to reductions in funding and deliver significant efficiencies. In previous years savings were front loaded to reflect the significant reduction to grant funding and establish the new structures required to support the directorate in future years. This has been achieved by a combination of service reviews, directorate budget reductions and specific grant reduction efficiencies. In 2013/2014 a further £4.042m efficiencies are planned as part of the third year of the four year programme.

The proposals for 2013/2014 are consistent with Children's Services three year priorities around; development of a new relationship with schools, further development of early intervention and locality based services, Strengthening Families and a whole community responsive local services approach; and an improving safeguarding story. Plans continue to be implemented in respect of the following key strands of business;

Safeguarding

A significant challenge is to ensure that all of the council's Looked after Children are provided for in placements which are right for the individual child and which are cost effective. The council has invested significantly over the past three years in foster care recruitment. This is now paying dividends through the gradual reduction in the number of children in Independent Fostering Agency placements. In addition, we continue to review our Children's Home provision to develop appropriate places in Sunderland to meet the needs of most young people, whilst acknowledging that some children will always need to be placed out of the area.

The Looked after Children Strategy is to develop four Leaving Care Flats attached to two Children's Homes to provide support to help move towards independent living, freeing up Children's Home places to reduce reliance on external residential placements. This means that a 17 year old in a children's home can move to an onsite supported flat, gaining the life skills required for independent living when they turn 18. In addition, the strategy is seeking to improve Children's Home options to better meet the needs of some of our more challenging looked after young people who are currently placed in out of authority placements.

The review of Safeguarding structures is linked to the review of management arrangements that was implemented in 2012 and flexibilities afforded through the improved stability of the Social Care Work workforce.

Review of Children's Services Structures

The review which achieved significant savings in the previous two years will also deliver further savings in 2013/2014 and is part of our strategy to minimise the impact of reductions on frontline services.

Review of Home to School Transport

A number of options are being considered in respect of both statutory and non statutory provision of home to school transport which will be subject to appropriate consultation.

Variations between 2012/2013 and 2013/2014 reflect the transfer of some specific grant funding streams into Revenue Support Grant e.g. Early Years Intervention grant

PORTFOLIO GLOSSARY

ACE	Assistant Chief Executive
HoC&C	Head of Commissioning and Change Management
HIL	Health Improvement Lead
HoEI&LS	Head of Early Intervention and Locality Services
HoS	Head of Safeguarding
HoSL	Head of Schools and Learning

**REVENUE BUDGET 2013/2014
HEALTH, HOUSING AND ADULT SERVICES**

ROLES AND RESPONSIBILITIES

The Health, Housing and Adult Services Portfolio provides leadership and support for the council and its partners in securing the social and health care of all adults. The Portfolio also provides leadership in ensuring that the council's strategic and statutory roles in relation to housing are met and deliver the homes that meet the current and future needs of the city.

The Portfolio has specific responsibility for the following activities and functions:

- Adult social care services
- Strategic partnership with the health community of Sunderland
- Mental health commissioning
- Supporting people including people with disabilities
- Supporting carers
- Promotion of Decent Homes and good housing standards in private sector housing
- Specialist housing support services and provision
- Housing renewal
- Strategic relationships with Registered Social Landlords and private sector housing providers
- Homelessness and Housing Advice.

Theme: People
Corporate Outcome: A city where everyone is as healthy as they can be and enjoys a good standard of wellbeing.
Activity:
We will implement the Council's contribution to the Clinical Commissioning Group's (CCG) main priorities, ensuring that they improve the health outcomes we want for Sunderland residents and that the city benefits from an effective, integrated approach to health and social care.
We will further develop Telehealth as an option for the management of long term condition in conjunction with our health partners.
We will expand the Reablement at Home Service and develop the single point of access to provide a greater focus on prevention, reablement, recovery and supporting people to live at home.
Engagement in the City Strategic Needs Assessment and the development of a Health and Wellbeing Strategy that drives intelligent commissioning, community resilience and partnership working.
Improved joint working between community health and social care services encouraging innovative delivery models.
Engagement via current and emerging programmes to develop seamless health and social care pathways.
Work to improve health outcomes for excluded groups such as Travellers and the settled community – including improving access to primary care and appropriate accommodation options.
Corporate Outcome: A city that ensures people are able to look after themselves wherever possible.
Activity:
Improve care support and daily living solutions to support people at home or in supported accommodation through the development of personalised services including, smarter working landlords, commissioned care providers, better support for carers and tailored accommodation solutions such as extra care.
We will safeguard our vulnerable adult residents, applying the principles of personalisation (empowerment, autonomy and independence). We will also work with our partners through the Sunderland Safeguarding Adults Board and Sunderland Safeguarding Children's Board to promote excellent practice in safeguarding and ensure learning is shared and prevention is maximised at the same time as developing our approach for an alternative service delivery models.
We will work with local communities, voluntary groups and partners, such as GPs, to make sure people know about the support outside the Council that's available to them and their families, and improve information, advice and signposting about this support.
We will work with private and voluntary sector providers to make sure a greater range of more flexible solutions to better meet people's needs is available across the city. This includes a greater number of Personal Assistants but also people benefiting from day and training opportunities.
Consider the transformation of Care and Support Services into an alternative delivery model in line with the Sunderland Way Of Working.
Ensure that all people have the information and advice needed to make care and support decisions which work for them, regardless of who is paying for that care.
Further develop Telehealth as an option for the management of long term conditions in conjunction with health partners.

**REVENUE BUDGET 2013/2014
HEALTH, HOUSING AND ADULT SERVICES**

Theme: Place
Corporate Outcome: An attractive, modern city where people choose to invest, live, work and spend their leisure time.
Activity:
We will continue our extra care housing programme for people over 55 with care and support needs, with a further five schemes progressing on site. The largest extra care scheme in the city is already being developed over three phases at Ford Estate. Further schemes due to start on site include the Old Orphanage in Hendon; Roker; Southwick and Doxford Park. Key activity will include site clearance; construction work and full completion of a number of schemes within this timeframe. These schemes will provide an additional 440 extra care properties offering a choice of accommodation to rent or buy.
We will continue the Empty Homes Cluster project in partnership with the Homes and Communities Agency to ultimately refurbish and bring back into use 65 vacant residential properties in the Hendon, Millfield, Sunderland North and Sulgrave areas. Key activity will include the identification of potential properties, liaison with property owners and the identification of necessary works for each property and the undertaking of those works. 65 families/tenants will also be identified mainly through the Access to Housing Team or the University and re-housed in the newly refurbished properties.
We will develop the Access to Housing service to provide better access to the advice, guidance and support people need to reduce their risk of homelessness in the short- and long-term and to help identify accommodation solutions where this is needed.
Organisational Transformation
Develop a 'workforce' that is strategically commissioned, skilled and trained to deliver new roles and responsibilities for the whole sector supported by a network of "champions", including volunteers and professionals.
Develop universal services and social care services so that all people have the information and advice needed to make decisions which work for them.
Develop comprehensive outcome based commissioning intentions through robust needs assessment, market development and management including new models of service to meet outcomes such as social enterprises.
Develop the skills and experience of our workforce to promote person centred outcome focused approaches.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2012/2013 £	Revised Estimate 2012/2013 £		Estimate 2013/2014 £
Office of the Chief Executive					
1	HP&P	930,463	754,675	Housing Renewal	582,020
		930,463	754,675	Total Office of the Chief Executive	582,020
Executive Director of Health, Housing and Adults					
2	HOC&S	18,814,015	24,523,650	Care and Support	25,229,255
3	HOP	39,639,560	39,575,463	Personalisation	51,354,397
4	HOSC	486,519	486,519	Strategic Commissioning	486,519
5	HOSH	954,897	1,182,898	Access to Housing	1,116,858
6	HOSH	8,432,422	3,830,299	Housing Related Support	3,680,306
7	HOSH	110,960	87,726	Housing Strategy	88,978
		68,438,373	69,686,555	Total Executive Director of Health, Housing and Adults	81,956,313
		69,368,836	70,441,230	TOTAL BUDGET	82,538,333

REVENUE BUDGET 2013/2014 HEALTH, HOUSING AND ADULT SERVICES

IMPROVEMENT AND EFFICIENCY

2013/2014 will see a continuation of modernisation and improvement plans previously identified with an emphasis on increasing choice and control, supporting independent living, ensuring equal access to services, delivering overall improvement to people's health and well being and the development of alternative service delivery options. Continued investment within these plans will help deliver value for money and ensure efficiency savings are realised.

The need to ensure appropriate care and support across a range of care needs in addition to demographic changes continues to place pressure on Adult Social Services budgets. In addition, client expectations and increasing demand to support clients with complex needs, to maintain independence and to invest in reconfigured services all require additional investment, with additional provision included within the 2013/2014 budget.

Savings were achieved in 2012/2013 through following the portfolio's efficiency strategy with further efficiencies of £3.636m anticipated in 2013/2014. Plans are being implemented in respect of the following key strands of business;

Future Models of Care and Support

Review of existing Care and Support services for Adult Social Care with a view to developing alternative models of care to meet customer need. The review will look to provide more community based activity and will look to maximise the usage of existing building based facilities.

Expansion of Reablement on new customers

The on-going development of the Adult Social Care Re-ablement services to ensure more people maintain their independence within their own homes. Expansion of this service will reduce reliance upon, and cost of on-going services such as home care and ultimately prevent admissions to residential and nursing care. This will be achieved through the provision of initial intensive support and rehabilitation services for people.

Further Implementation of Personalisation

The implementation of personalisation will allow individuals to have choice and control in respect of the care and support they receive to meet their assessed need and prevent admissions to residential and nursing care. The council's strategy centres around this principle.

Managing the Provider Market and Demand Management in Social Care.

This review will continue to work with the Adult Social Care provider market and partners to develop cost effective solutions to meet people's care and support needs. This will include reaching agreements with the independent provider market and other partners for services for all client groups that incentivises quality but contain costs.

Voluntary Community Sector

Savings will be achieved through reviewing commissioning arrangements with the voluntary sector on a strategic basis.

Variations between 2012/2013 and 2013/2014 reflect the transfer of some specific grant funding streams into Revenue Support Grant e.g. Learning Disabilities grant (£14m)

PORTFOLIO GLOSSARY

HOC&S	Head of Care and Support
HOSC	Head of Strategic Commissioning
HOP	Head of Personalisation
HOSH	Head of Strategic Housing
HP&P	Head of Planning and Property

**REVENUE BUDGET 2013/2014
PUBLIC HEALTH, WELLNESS AND CULTURE**

ROLES AND RESPONSIBILITIES

The Public Health, Wellness and Culture Portfolio leads partners to achieve improvements in public health, health awareness and wellness in the city. The Portfolio has responsibility to develop and promote the cultural strategy and initiatives.

The Portfolio has specific responsibility for the following activities and functions:

- Promotion of Public Health and Wellness
- Effective transition of public health responsibilities to the City Council
- Transformational approach to the achievement of improved health and wellbeing outcomes
- WHO EuroHealthy City Network
- Health awareness
- Healthy lifestyles
- Healthy environment
- Sports and Wellness initiatives and facilities
- Tourism, Resorts and Events

Theme: People
Corporate Outcome: A city where everyone is as healthy as they can be and enjoys a good standard of wellbeing.
Activity:
We will assess current service provision aligned to customer need and use the findings to develop proposals that facilitate, support and enable other potential providers to get involved in improved service delivery in 2013/2014 and beyond.
We will integrate Public Health arrangements as part of their transference to the council.
We will pursue the development of a sport and leisure facility to be constructed on council land adjacent the existing Washington Leisure Centre, including procuring a contractor to design and build the centre with a view to construction being completed during 2015/2016.
We will improve our understanding of sports development, play and wellness provision in the city in order to fully understand what is available, where any gaps in provision exist and work with partners to address these gaps.
We will further engage with partners (including the voluntary and community sectors) to continue to deliver a legacy programme which builds upon the 2012 Olympic and Paralympic games to engage and inspire all residents to increase their participation levels in sport and physical activity.
Theme: Place
Corporate Outcome: A city where cultural identity and vibrancy act as a significant attraction.
Activity:
We will encourage partner/developer led investment at Stadium Village in line with the Stadium Village Development Framework.
We will continue to develop cultural and heritage activities in the city and to celebrate the city's unique heritage, to maximise the benefits for the city and its residents. This will include the 2012 Legacy, the development of a new leisure facility in Washington, and community and local heritage activity.
We will provide easier access to the library services people want and need, where they are.
Our new Events Company will use Sunderland's unique offer to develop the city as an events destination. Using our resources (people, physical assets, marketing resources and experience) we will keep visitor numbers to the city growing and support high quality events.
Organisational Transformation
We will continue the on-going integrated review of Libraries, Heritage (including museums), Arts, Sport, Leisure and Wellness services to respond to a changing environment
We will establish a new Events company which will operate on a more commercial basis and deliver a reduction in council support.

**REVENUE BUDGET 2013/2014
PUBLIC HEALTH, WELLNESS AND CULTURE**

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2012/2013 £	Revised Estimate 2012/2013 £		Estimate 2013/2014 £
Office of the Chief Executive					
1	HCLP	756,969	824,500	Events	732,618
2	DoCA&C	354,289	205,480	Tourism	148,198
		1,111,258	1,029,980	Total Office of the Chief Executive	880,816
Executive Director of Health, Housing and Adults					
3	HCS	817,568	790,076	Arts and Creative Development	699,589
4	HCS	1,019,324	1,259,431	Community Sports and Physical Activity Development	1,089,435
5	HCS	0	0	Culture and Tourism Support	0
6	HCS	87,018	87,003	Grants to Community Projects and Miscellaneous Contributions	68,115
7	HCS	226,917	208,971	Heritage (including Fulwell Mill)	185,705
8	HCS	4,692,477	4,645,057	Libraries	3,982,473
9	HCS	1,402,536	1,684,607	Museums and Archives Service	1,566,547
10	HCS	602,726	615,406	Resorts	493,525
11	HCS	6,620,280	7,712,518	Sport and Leisure Facilities	6,677,091
12	HCS	1,245,269	1,246,019	Theatre	1,254,855
13	HOPH	0	0	Public Health	0
		16,714,115	18,249,088	Total Executive Director of Health, Housing and Adults	16,017,335
		17,825,373	19,279,068	TOTAL BUDGET	16,898,151

IMPROVEMENT AND EFFICIENCY

The Portfolio continues to review services in order to deliver savings and also to provide services in the most effective way possible. In 2013/2014 £4.353m savings are anticipated with plans being implemented in respect of the following key strands of business;

Libraries, Heritage, Arts, Sport, Leisure and Wellness services

The review of libraries will support education and learning in the city, enhance resources within communities for reading, learning and giving access to information, target underachieving young people and families to encourage reading and learning, reduce the focus on lending books and focus on outcomes to be achieved, and contribute to community resilience.

Sport and Leisure

A commercial model is being developed to ensure the level of subsidisation for services reduces, through a combination of increasing income, reducing costs and maximising demand.

Heritage and Museums

New arrangements will have a much greater involvement for the Council in leading the delivery of the museums service. These arrangements will include the opportunity for extended working with other partners, so that they can contribute their expertise to what will be a more effective, integrated service.

Events

Through establishing a new Events Company, appropriate partnership arrangements will be entered into which will generate additional income by attracting sponsorship for key events, extend opportunities for hospitality at key events and potentially introducing new events where charges will be levied and a commercial return realised.

**REVENUE BUDGET 2013/2014
PUBLIC HEALTH, WELLNESS AND CULTURE**

Public Health

Efficiency savings will be achieved through the integration of public health arrangements. The proposed savings are based on unallocated spending within the current budget and also the saving on overheads when the service transfers from the Primary Care Trust to the council.

Other savings proposals

This will include a focus on developing a relationship with schools and other organisations whereby they commission sports and wellness related services, reviewing operations at F Pit and Fulwell Mill and looking at the potential from invest to save funds to enhance income streams.

PORTFOLIO GLOSSARY

DoCA&C	Director of Corporate Affairs and Communications
HCS	Head of Community Services
HCLP	Head of Community Leadership Programmes
HOPH	Head of Public Health

**REVENUE BUDGET 2013/2014
CITY SERVICES**

ROLES AND RESPONSIBILITIES

The City Services Portfolio has responsibility for ensuring that the council and its partners succeed in making the city attractive and accessible for all. The Portfolio provides leadership for the council and its partners to ensure that the local environment is well managed and meets customer expectations.

The Portfolio has specific responsibility for the following activities and functions:

- Management of place
- Neighbourhood environmental services and street scene
- Highways, traffic and transportation
- Highways maintenance
- Strategic transport
- Parking and road safety
- Facilities management
- Registrars, cemeteries and crematoria
- Play Provision and urban games
- Grounds and building maintenance
- Waste Management including strategy, refuse collection and recycling
- Coastal Protection
- Seafront management
- Licensing, licensing regulation and Controlled Drinking Zones
- Trading Standards
- Public and environmental health

Theme: Place
Corporate Outcome: A responsible, well looked after city that is adaptable to change.
Activity:
We will implement the Responsive Local Services delivery model across a wider scope of services.
We will implement our phase II Responsive Local Services (RLS) project resulting in new combined RLS and Parks management and operational structures.
The council has successfully bid for £4.722m of government support to retain weekly refuse collection arrangements and, as well as delivering planned reductions, over the next five years the council will ensure sustainability by procuring 10 low emission refuse collection vehicles to replace half of the current aged fleet, deliver a replacement programme for 25,000 refuse wheelie bins, enhance community engagement and incentives to increase participation in recycling collections and the development of an interactive site for residents to 'self serve' information and advice.
We will review refuse and recycling collection services to make the workload more sustainable and reduce costs through new ways of flexible working which will result in less disruption to service following bank holidays.
We will review, develop and deliver a resident communications and education programme to encourage more recycling, reduce landfill and improve the local environment through reducing surplus rubbish presentation and fly tipping.
We will commence the new strategic waste contract in early 2014, delivered by SITA, which will comprise a new waste transfer station at Jack Crawford House for household residual waste to be transferred to a new Energy From Waste plant at Teesside which will recover energy and divert 95% of waste previously sent to landfill.
Corporate Outcome: A well connected city.
Activity:
We will review our highways maintenance arrangements and reprioritise our highways maintenance budget accordingly.
We will support the delivery of the Economic Masterplan by designing and securing funding for critical transportation infrastructure through greater influence with the Integrated Transport Authority, Local Enterprise Partnership and central government.
We will continue work on the New Wear Crossing to: <ol style="list-style-type: none"> 1. Improve links between the A19, Sunderland City Centre and Port, and the city's Southern Radial Route 2. Help reduce traffic congestion 3. Connect major development sites to generate new investment and jobs.
We will continue to develop our approach to get people and goods in, out and around Sunderland more efficiently, safely and sustainably (focusing on the city's road network); maximising all modes of transport to contribute to improved economic prosperity.

**REVENUE BUDGET 2013/2014
CITY SERVICES**

Organisational Transformation
We will develop and where possible deliver a Streetscene Transformation Programme focused on service improvement and cost reduction.
Through the review of Transport and Fleet Management, we will continue with the delivery of savings through better utilisation of vehicles, removing vehicles in line with changes in service in the council, more efficient hire and maintenance arrangements and alternative service delivery of the fleet stores function.
We will ensure delivery of savings following the successful bid to retain weekly waste collection arrangements.
We will manage demand for bulky item collections and wheelie bin replacement in line with neighbouring authorities in order to reduce the cost of waste disposal, staff and vehicles and to generate income.
We will re-examine requirements for Regulatory Services and deliver associated savings targets.
We will deliver a review of operating arrangements in Highways and Transportation and Network Management to maximise income earning opportunities, better prioritise activity and evaluate alternative service delivery models.
We will undertake a review of the Car Parking service to ensure a minimum breakeven operating budget.
We will deliver other planned reductions in the Streetscene service, including in relation to Registrars, Coroner service, Commissioning and Change and Household Waste recycling.
We will implement a revised charging structure within Bereavement services in relation to internment and cost recovery in respect of mercury abatement to comply with new legislation.

**REVENUE BUDGET 2013/2014
CITY SERVICES**

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2012/2013 £	Revised Estimate 2012/2013 £		Estimate 2013/2014 £
Office of the Chief Executive					
1	HCCM	0	0	Commissioning and Change Management	0
2	HP&P	(51,732)	(92,106)	Building Services	(220,176)
3	HSS	(384,465)	(383,486)	Bereavement	(646,746)
4	HSS	0	0	Contract and Compliance	0
5	HSS	699,976	698,589	Coroner's Court	667,039
6	HSS	0	0	Depots	0
7	HSS	0	0	Fleet	0
8	HSS	8,330,741	8,169,506	Highways and Transportation	7,252,626
9	HSS	5,112,809	6,232,301	Street Lighting	6,000,914
10	HSS	3,298,663	3,287,707	Network and Traffic Management	3,377,250
11	HSS	646,344	832,659	Parking Services	700,305
12	HSS	1,415,252	1,596,185	Public Protection and Regulatory Services	1,528,160
13	HSS	273,024	325,084	Registrars	278,534
14	HSS	11,516,764	11,620,327	Responsive Local Services	11,243,563
15	HSS	6,684,040	7,361,830	Waste Collection and Recycling	6,955,314
16	HSS	7,467,442	8,278,865	Waste Disposal	8,246,559
		45,008,858	47,927,461	Total Office of the Chief Executive	45,383,342
Executive Director of Commercial and Corporate Services					
17	HCAP	0	0	Building Cleaning	0
18	HCAP	57,195	98,452	Civic Catering	49,609
19	HCAP	0	0	Civic Centre Management	0
20	HCAP	0	0	Facilities Management	0
21	HCAP	282,638	280,723	Public Conveniences	270,803
22	HCAP	(428,754)	(217,926)	School Meals	(270,237)
		(88,921)	161,249	Total Executive Director of Commercial and Corporate Services	50,175
		44,919,937	48,088,710	TOTAL BUDGET	45,433,517

IMPROVEMENT AND EFFICIENCY

2013/2014 will see a continuation of modernisation and improvement plans previously developed, with further savings of £3.678m planned. Plans are being implemented in respect of the following key strands of business;

Under the overarching banner of the Streetscene Transformation Programme develop and where possible deliver a range of service improvement and cost reduction initiatives including:

Transport and Fleet Management Review

Savings are being realised through better utilisation of vehicles, removing vehicles in line with changes in service in the council, more efficient hire and maintenance arrangements and alternative service delivery of the fleet stores function.

REVENUE BUDGET 2013/2014 CITY SERVICES

Waste Collection (weekly collection and demand management)

Savings will be achieved following the successful bid for government funding to retain weekly waste collection arrangements. In addition, measures are proposed to manage customer demand in respect of bulky items collection and wheelie bin replacements. Savings will be achieved through reduced waste disposal costs, fee income and lower staff and vehicle costs.

Review of Highways and Network Management (including maintenance)

Savings will be achieved by maximising income earning opportunities, better prioritising activity with a focus on fee earning activity, and the evaluation of Alternative Service Delivery models. Additional savings will be delivered from the highways maintenance programme through developing more streamlined processes to carry out repairs, and utilisation of more cost effective materials and techniques.

Cost Recovery from Bereavement Services

A review of Bereavement Services charges has identified efficiency savings in relation to the simplification of burial charges and an increase in crematorium charges to offset the cost of installing and operating mercury abatement technology installed to meet new legislative requirements. This is in line with all regional councils.

Improve Car Parking Income

Consideration of opportunities to increase car parking income through, for example, the introduction of car park permit schemes for business in the city centre and increasing patronage of car parks.

Responsive Local Services (RLS) and Parks Phase II

Savings will be achieved following the integration of the Parks and Play Maintenance functions into Responsive Local Services and a further reduction in overtime.

Other Streetscene Reviews, including Regulatory Services

A review of regulatory activities is ongoing and the shape of services is currently being re-examined in light of the new corporate structure. A number of other reviews are being delivered in Street Scene including in relation to a restructure of the Commissioning and Change Management function, better procurement of Pathology and Laboratory Services for the Coroners Service, a restructure of the Registrars Service and the introduction of a permit system for vans and trailers using the household waste recycling site to reduce incidents of illegal use of the site by traders.

Building Cleaning, Civic Catering, Facilities Management, Public Conveniences

Significant savings have been secured in these areas over the past two years, and further reviews are ongoing in relation to securing further efficiencies including exploring alternative models of delivery.

School Meals

The successful consortium arrangements between primary, special and nursery schools continues to ensure a high quality school meals service is provided at low cost. The Council will work closely with the Consortium to address issues arising from changes to school funding and potential implications of the introduction of the Universal Credit on free school meals and meal uptake.

PORTFOLIO GLOSSARY

HCAP	Head of Corporate Assurance and Procurement
HCCM	Head of Commissioning and Change Management
HP&P	Head of Planning and Property
HSS	Head of Street Scene

**REVENUE BUDGET 2013/2014
RESPONSIVE SERVICES AND CUSTOMER CARE**

ROLES AND RESPONSIBILITIES

The Responsive Services and Customer Care Portfolio champions improvement in the responsiveness of services to local needs and customer feedback. The Portfolio provides leadership for the continuing development of area arrangements as a principal means of improving the relevance of services to local communities and circumstances. The Portfolio has responsibility for championing the continuing improvement of customer care policy and practice. The Portfolio is also responsible for developing the community's capacity to engage in the shaping, delivery and review of services and provides leadership for the council and its partners in order to make a safer city.

The Portfolio has specific responsibility for the following activities and functions:

- Responsive Local Service Area Committees
- Area Committees, Partnerships and Area Boards
- Local Area Plans
- Area Budgets including the Community Chest
- Customer care policy and practice
- Contact Centre and Customer Services Network including Customer Services Centres
- Community development
- Adult and community learning
- Section 17 responsibilities
- Safer Sunderland Partnership
- Anti-social behaviour
- Drugs awareness, prevention and treatment
- Local multi-Agency Problem Solving Groups (LMAPS)
- Community Resilience

Theme: People
Corporate Outcome: A city where everyone is as healthy as they can be and enjoys a good standard of wellbeing.
Activity:
Introduction of newly commissioned youth contracts signposting of organisations to alternative funding sources.
As part of the Public Health responsibilities transferring to the council on 1 April 2013 we will ensure that commissioned drug and alcohol services for adults continue to reduce drug and alcohol use, improve physical and psychological health, improve social functioning and reduce offending and criminal activity; as part of recovery pathways which help people achieve sustained recovery and community integration.
Corporate Outcome: A city which is, and feels, even more safe and secure.
Activity:
We will continue to implement the Safer Sunderland Partnership's delivery plan: tackling alcohol, drugs, domestic violence, violent crime, anti-social behaviour, safety and feelings of safety and re-offending.
Building on the strengths of our communities and developing our Strengthening Families approach we will support people out of offending through a focus on accommodation, employment and training and substance misuse.
Theme: Place
Corporate Outcome: A responsible, well looked after city that is adaptable to change.
Activity:
We will extend our Responsive Local Services by establishing Family Services local delivery teams before extending across an even wider range of services in 2014/2015.
We will further engage with partners to enable increased opportunities for all residents to take part in community development activities.
Organisational Transformation
We will become more customer centric, manage the customer relationship and reduce costs through the customer journey.
We will review and amalgamate the Children's Services Commissioning & Family, Adult and Community Learning (FACL) Teams to produce efficiencies. This will involve a restructuring and downsizing of the service.

**REVENUE BUDGET 2013/2014
RESPONSIVE SERVICES AND CUSTOMER CARE**

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2012/2013 £	Revised Estimate 2012/2013 £		Estimate 2013/2014 £
Office of the Chief Executive					
1	HoCSD	0	0	Customer Service Network	0
2	HoS&AA	1,587,781	1,454,762	Area Arrangements (includes Community Development)	1,340,789
3	HoS&AA	1,676,666	1,676,666	Strategic Initiative Budget / Community Chest Grant	1,676,666
4	HoS&P	404,393	373,200	Safer Communities	347,411
		3,668,840	3,504,628	Total Office of the Chief Executive	3,364,866
Executive Director of Commercial and Corporate Services					
5	HCAP	139,123	195,019	Area Facilities	196,841
		139,123	195,019	Total Executive Director of Commercial and Corporate Services	196,841
Executive Director of Children's Services					
6	HoSL	39,247	22,675	Family Adult and Community Learning	8,449
		39,247	22,675	Total Executive Director of Children's Services	8,449
Executive Director of Health, Housing and Adults					
7	HOP	201,045	170,946	Drug Awareness, Prevention and Treatment	161,133
8	HOSH	330,723	367,101	Anti Social Behaviour	414,857
		531,768	538,047	Total Executive Director of Health, Housing and Adults	575,990
		4,378,978	4,260,369	TOTAL BUDGET	4,146,146

IMPROVEMENT AND EFFICIENCY

The Portfolio continues to review its services with efficiencies anticipated through a review of voluntary community sector funding.

The Portfolio continues to build upon the customer service improvements and efficiencies generated in recent years in the area of end to end service reviews as part of the Transformation Agenda.

The future operating model for customer service consists of the radical and systematic transformation of the customer experience, displacing demand wherever appropriate and resolving the remaining demand at the earliest opportunity and the lowest cost to the Council to provide truly consistent, responsive and high quality services.

A detailed work programme has been developed for 2013/2014, consisting of all customer-facing services where opportunities exist for migrating contact to the Customer Service Network or deepening the customer offering to enable decision making at the earliest point in the interaction. This will involve cutting the cost of the supply chain by removing all non-value adding activity from the customer journey. The portfolio will continue to focus upon developing greater e-enablement and automation supporting both improved access to services and efficiencies in service delivery. The portfolio will also concentrate on gathering valuable customer intelligence to inform future delivery arrangements and to ensure need is being met and outcomes are being improved.

A review of the Children's Services Commissioning and Family, Adult and Community Learning (FACL) functions will involve restructuring of the amalgamated service and downsizing but with no impact on front line service delivery.

The Portfolio continues to embed as a way of working the Area Committees and Boards roles in influencing the design, delivery, review and commissioning of public services at a local level. Critical to this is the ongoing development of the communities' capacity to engage in the shaping, delivery, review and provision of public services through these newly introduced area arrangements.

**REVENUE BUDGET 2013/2014
RESPONSIVE SERVICES AND CUSTOMER CARE**

PORTFOLIO GLOSSARY

HCAP	Head of Corporate Assurance and Procurement
HoCSD	Head of Customer Service Development
HoS&AA	Head of Scrutiny and Area Arrangements
HoS&P	Head of Strategy and Performance
HOSH	Head of Strategic Housing
HoSL	Head of Schools and Learning
HOP	Head of Personalisation

