

CABINET MEETING – 12 FEBRUARY 2014

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Revenue Budget and Proposed Council Tax for 2014/2015 and Medium Term Financial Strategy 2014/2015 to 2016/2017

Authors:

Chief Executive and Head of Financial Resources

Purpose of Report:

To report:

- the overall revenue budget position for 2014/2015;
- the projected balances position as at 31st March, 2014 and 31st March, 2015 and advise on their level;
- a risk analysis of the Revenue Budget 2014/2015;
- a summary of the emerging medium term financial position facing the Council from 2015/2016 to 2016/2017;
- 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 2014/2015 set out at Appendix K;
- note the Medium Term Financial Strategy 2014/2015 to 2016/2017 as set out in Appendix H
- recommend to Council the proposed Council Tax for 2014/2015 at Appendix G (paper to be tabled);
- note the views, if any, expressed by the North East Chamber of Commerce and Trade Unions.

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.

| | |
|--|--|
| Impacts analysed; | |
| Equality ✓ | Privacy ✓ Sustainability ✓ Crime and Disorder ✓ |
| Is this a “Key Decision” as defined in the Constitution? Yes | Scrutiny |
| Is it included in the 28 Day Notice of Decisions? Yes | |

Revenue Budget and Proposed Council Tax for 2014/2015 and Medium Term Financial Strategy 2014/2015 to 2016/2017

Report of the Chief Executive and Head of Financial Resources

1. Purpose of Report

- 1.1 To report:
- the overall revenue budget position for 2014/2015;
 - the projected balances position as at 31st March, 2014 and 31st March, 2015 and advise on their level;
 - a risk analysis of the Revenue Budget 2014/2015;
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 - 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 2014/2015 set out at Appendix K;
 - note the medium term financial strategy 2014/2015 to 2016/2017 as set out in Appendix H
 - recommend to Council the proposed Council Tax for 2014/2015 at Appendix G (paper to be tabled);
 - note the views, expressed by the North East Chamber of Commerce and Trade Unions.

3. Introduction

- 3.1 Cabinet will be aware that it approved budget proposals for the purposes of on-going budget consultation at its January 2014 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 2014/2015 and related grant announcements;
 - the forecast Income from Business Rates
 - the final Collection Fund position for both Council Tax and Business Rates.

3.2 In presenting the Revenue Budget 2014/2015 this report covers the following areas

- Current Overall Position 2014/2015 to 2016/2017;
- Adjustments/Final position February 2014;
- Spending Pressures and Commitments
- Overall Position / Meeting the Budget Gap;
- Proposals To Meet Funding Gap;
- Medium Term Financial Position;
- Outcome of Budget Consultation;
- Equality and the Budget Proposals;
- Balances and Reserves;
- 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 K, including the proposed use of balances and the position in relation to major reserves, for recommendation to Council.

4. Current Overall Position 2014/2015 to 2016/2017

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 £35.55 million in 2014/2015 and £35.37m in 2015/2016 were required. The report also referred to progress at that stage in relation to proposals to address the position.

The final settlement was not announced at the time writing this report, but it is not anticipated there will be any change to the position set out in the January Cabinet report, whereby reductions of circa £113m are estimated to be required over the three years 2014/2015 to 2016/2017 as shown below. This is in addition to the £135m required for the period 2010/2011 to 2013/2014.

| | 2014/15 | 2015/16 | 2016/17* | Total |
|---------------------------------------|-------------|-------------|-------------|--------------|
| | £m | £m | £m | £m |
| Government Funding Changes | 18.4 | 24.8 | 24.9 | 68.1 |
| Spending Pressures | 17.2 | 10.6 | 17.3 | 45.1 |
| Overall position / Funding Gap | 35.6 | 35.4 | 42.2 | 113.2 |

* high level assumptions at this stage

Paragraph 5 below sets out further information about the grant changes and explains where changes to grants reflect increased responsibilities. Paragraph 6 sets out the spending pressures and commitments.

5. Adjustments /Final Position February 2014

Collection Fund

- 5.1 The Collection Fund position is reported elsewhere on this agenda. The position is 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 its meeting on 29th January, 2014, approved the Council Tax Base for the area covered by Hetton Town Council (£3,230) and the City Council area (£64,559).

Retained Business Rates

- 5.3 The NNDR1 form sets out the Business Rate income forecast for 2014/2015 and was submitted to Government on 31st January 2014 in accordance with regulations. This is attached at Appendix A for information. The amount of Business Rates to be retained by the Council is forecast to be £40.057m.

Final Local Government Finance Settlement

- 5.4 The final position on the Local Government Finance Settlement for 2014/2015 was not announced at the time of writing this report but it is not anticipated there will be any change to the position set out in the January Cabinet report.
- 5.5 Details of the final settlement will be circulated separately as Appendix B following the Government announcement. Based on the Indicative Settlement the key issues affecting Sunderland are set out below:
- The Councils Settlement Funding Assessment (SFA) level is £170.421m ;
 - SFA includes Revenue Support Grant (RSG) of £93.946m in 2014/2015 representing a reduction of £19.789m (17.4%) compared to 2013/2014 ;
 - Sunderland's final baseline funding level is therefore £76.475m and within this the Government have assessed the level of Retained Business Rates income which the Council will collect and retain as £41.201m (however the Council must determine for itself the level of Business Rate income to take into account in setting its budget as set out at paragraph 5.3 above);
 - The Council will receive Government Top Up Grant of £35.274m representing an increase of £0.674m (1.95%) compared to 2013/2014;

- The Safety Net Threshold, set by Government at 92.5% of a Council's baseline funding level, equates to £70.739m for Sunderland;
- The 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'. Government have proposed that a referendum principle will apply to all principal local authorities, Police and Crime Commissioner and Fire and Rescue Authorities. Latest indications are that a limit of 1.5 % increase will apply, meaning 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 2013/2014

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 2013/2014 following the final settlement, which shows that latest notified reduction to available Spending Power of £13.905m (-4.7%) and within that Revenue Support Grant funding reduction of £19.789m (-17.4%).

| | 2013/14 | | 2014/15 | | Change £m | Change % |
|---|---------|----------------|---------|----------------|----------------|--------------|
| | £m | Adjusted £m | £m | Final £m | | |
| Government Assumed Council Tax excl Parish Precepts | | 76.013 | | 76.592 | 0.579 | 0.8% |
| Top Up Grant | 34.600 | | 35.274 | | 0.674 | 1.9% |
| Assumed business rates based on proportionate shares | 40.415 | | 41.201 | | 0.786 | 1.9% |
| Revenue Support Grant | 113.735 | | 93.946 | | -19.789 | -17.4% |
| Start Up Funding Assessment | | 188.750 | | 170.421 | -18.329 | -9.7% |
| Section 31 Grant re Business Rates Cap | | 0.000 | | 0.812 | 0.812 | 100.0% |
| Council tax support Funding to Parishes | | -0.012 | | -0.012 | 0.000 | 0.0% |
| Inshore Fisheries Conservation | | 0.014 | | 0.014 | 0.000 | 0.0% |
| Lead Local Flood Authorities | | 0.037 | | 0.037 | 0.000 | 0.0% |
| Community Right To Challenge | | 0.009 | | 0.009 | 0.000 | 0.0% |
| Community Right to Bid | | 0.008 | | 0.008 | 0.000 | 0.0% |
| Local Welfare Grant (Admin and programme) | | 1.456 | | 1.435 | -0.021 | -1.4% |
| New Homes Bonus | | 1.704 | | 2.226 | 0.522 | 30.6% |
| New Homes Bonus redistributed Topslice | | 0.636 | | 0.263 | -0.373 | -58.6% |
| Council Tax Support & Housing Benefit Admin Subsidy | | 2.882 | | 2.675 | -0.207 | -7.2% |
| Council Tax New Burdens Funding | | 0.216 | | 0.180 | -0.036 | -16.7% |
| Local Reform and Community Voices DH | | 0.275 | | 0.283 | 0.008 | 2.9% |
| NHS Funding to Support Social Care and Benefit Health | | 5.611 | | 7.186 | 1.575 | 28.1% |
| Public Health Grant (Ring Fenced) | | 20.656 | | 21.234 | 0.578 | 2.8% |
| Revenue Spending Power exc. council tax freeze grant | | 298.255 | | 283.363 | -14.892 | -5.0% |
| Indicative Council Tax Freeze Grant 2014/15 | | 0.000 | | 0.987 | 0.987 | 100.0% |
| Revenue Spending Power | | 298.255 | | 284.350 | -13.905 | -4.7% |

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.

- Extended Rights to Free Travel has been confirmed as £0.120m for 2014/2015 representing a reduction of £0.043m compared to 2013/2014
- Weekly Collection Support Grant has been confirmed as £1.481m which is as anticipated.

Notification is outstanding in relation to the Education Services Grant however this is anticipated to decrease by £0.5m reflecting the transfer of maintained schools to academies.

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:

- As part of the Autumn Statement the Government capped the annual increase on Business Rates at 2% instead of RPI (3.2%). The Section 31 Grant estimated at £0.812m is to compensate Councils for the consequential shortfall in Business Rates Income.
- Local Welfare Provision (administration and programme) Grant of £1.435m has reduced by £0.021m. This level of funding was taken into account in assessing the impact of the Governments Welfare Reform agenda in 2014/2015.
- The New Homes Bonus Grant is being used to support the overall budget position in 2014/2015 in accordance with the Budget Planning framework with appropriate housing related investment factored into both revenue budget and capital programme proposals.
- A reduction in Council Tax Support and Housing Benefit Administration grant of £0.207m and Council Tax Support new Burdens Funding of £0.036m has been built into the planning assumptions.
- NHS funding to support Social Care and Benefit Health Grant has increased by £1.575m and Local Reform and Community Voices funding by £0.008m. The additional resource has been taken into account in addressing the overall savings requirement and to meet on-going pressures in this area in 2014/2015.

The indicative settlement for 2015/2016 incorporates the Pooled NHS and LA Better Care funding of £22.4m which incorporates a number of funding streams from which the council already benefits

including NHS support for social care. The Council needs to work with Clinical Commissioning Group (CCG) to develop a 2 year plan for 2014/2015 and 2015/2016 to show how the funding will be used across health and social care. Work is on-going to understand the detail and the share of the £22.4m which the Council will access.

- The Public Health Grant has been confirmed at £21.234m which is as anticipated.
- Council Tax Freeze Grant 2014/2015 - The funding is offered to compensate those Authorities who decide not to increase their Council tax in 2014/2015 and 2015/2016. As it is unclear whether the funding will be available beyond 2015/2016 any use of the grant to support on-going revenue expenditure may require alternative funding to be identified in the following years should the Council decide to access and accept the grant.

Schools Funding

5.10 Dedicated Schools Grant

The school funding settlement is now broken down into 3 funding blocks: early years, schools and high needs.

- **Early Years Block**
The Early Years Block is calculated based on the January 2014 census and indicative information received is subject to change as a result of both the January 2014 and 2015 census.

From 1st September 2013 early learning became a statutory entitlement for around 20% of two-year-olds across England. This will extend to 40% of two-year-olds from September 2014. Additional funding of £1.374m to support the increase in early learning places for two-year-olds from lower income households has been allocated.

A review is underway of the Early Years Single Funding Formula to ensure that the funding follows the child and is responsive to changes in pupil numbers.

- **Schools Block**
The October 2013 census data shows that pupil numbers have decreased by 311 in Schools and Academies and consequently funding has reduced by £1.220m. In the primary sector this is an increase of 371 pupils but in the secondary sector a decrease of 682 pupils.

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 2013/2014 budget (excluding sixth form

funding) of more than 1.5 per cent before the pupil premium is applied. However this does not protect schools with falling rolls.

- High Needs Block
At this stage funding is indicative and subject to confirmation by the Education Funding Agency by 31st March 2014.

Additional funding of £1.397m has been received that reflects the full year impact of responsibilities for post-16 pupils that were introduced from September 2013.

5.11 Pupil Premium Funding

The Pupil Premium level of funding for 2014/2015 for Sunderland Schools and Academies is based on January 2014 pupil numbers and funding allocations will not be confirmed until September by Education Funding Agency. Pupil Premium values are to increase as shown below:

| | 2013/14 | 2014/15 |
|-----------------------|---------|---------|
| | £ | £ |
| Primary | 900 | 1,300 |
| Secondary | 900 | 935 |
| Looked after Children | 900 | 1,900 |
| Service Children | 300 | 300 |

The Local Authority is awaiting receipt on the January 2014 census data to provide indicative allocations to Schools by end of February.

6. Spending Pressures and Commitments

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

| | 2014/15 | 2015/16 |
|---|--------------|--------------|
| | £'m | £'m |
| Spending Pressures | | |
| Pay, Prices and Other pressures | 8.72 | 5.24 |
| People - Adults Demand Pressures | 2.51 | 2.29 |
| People - Children's Demand - External Placements | 1.20 | 0.00 |
| People - Children's Special Guardianship and Residence Orders | 0.65 | 0.00 |
| Capital Financing | 0.50 | 2.50 |
| Replacement 2013/14 Use of One Off Resources | 3.55 | 0.00 |
| Replacement 2014/15 Use of One Off Resources | 0.00 | 0.50 |
| Total Estimated Pressures and Grant Reductions | 17.13 | 10.53 |

6.1 Cabinet Secretary

6.1.1 Pay, Prices and Other Inflationary Cost Pressures

Pay and Prices

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 2014/2015.

Pensions

The results of the Actuarial review of the Local Government Pension Scheme 2013, to be implemented in 2014/2015, covering three years to 2016/2017 have been built into the MTFS.

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.

6.1.2 Capital Financing

Provision of £0.5m 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 £3.55m one off resources utilised in setting the 2013/2014 budget.

6.1.4 Workforce Transformation and Workforce Planning

Financial implications of workforce transformation and workforce Planning will be kept under review and accommodated from transitional resources set aside for this purpose.

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, client expectations and increasing demand to support clients with complex cases to enable clients to maintain independent living, is requiring reconfigured services and additional investment.

A sum of £2.51m for cost pressures have been factored into the 2014/2015 budget.

6.3 Children Services

6.3.1 People - Children's Services Demand Pressures

There continues to be increasing demand pressures in relation to safeguarding and specifically external placements and an additional £1.20m is included in 2014/2015 for this purpose.

6.3.2 People - Children's Services Special Guardianship and Residence Orders

In October 2013, Cabinet approved the alignment of special guardianship and residence order allowances, and future adoption allowances to the age related core fostering allowance rate from 18th October 2013. A sum £0.650m has been taken into account within the 2014/2015 budget.

7. Overall Position / Meeting the Budget Gap

7.1 The overall estimated position is set out below taking into account government funding changes, cost pressures and proposals to meet the funding gap and shows a balanced budget position for 2014/2015.

| | 2014/15 | 2015/16 |
|---|-------------|--------------|
| | £m | £m |
| Government Funding Changes and Spending Pressures | 35.55 | 35.37 |
| Total Savings Proposals | -33.53 | -16.72 |
| Net Funding Gap | 2.02 | 18.65 |
| SIB Balances | -0.50 | 0.00 |
| Temporary Use of Balances/ Potential Grant | -1.52 | -5.72 |
| NET POSITION | 0.00 | 12.93 |

7.2 After taking account of total on-going programmed reductions and use of one off resources for 2014/2015 there remains a funding gap of £1.52m. At this stage it is proposed this gap be met from either council tax increase, acceptance of the council tax freeze grant or use of transitional funding held in balances on a temporary basis.

7.3 Further work is continuing to develop a full suite of proposals to meet the 2015/2016 Funding Gap of £12.93m as well as the further significant reductions forecast to be required in 2016/2017 and beyond.

8. Proposals to meet the funding gap 2014/2015

8.1 As part of the Budget Planning Framework for 2014/2015 Cabinet agreed in October 2013 to progress the approach to meeting the funding gap by progressing the existing savings programme and developing a further programme of activity based around the Councils Community Leadership approach including:

- understanding demand and prioritising service provision to protect core services and particularly those most vulnerable
- maximising non frontline savings
- ensuring services are responsive to local needs
- targeting resources rather than universal service provision
- developing alternative ways of providing services not necessarily by the Council
- greater collaboration and community involvement
- continued focus on progressing Regeneration, funding leverage and commercial opportunities.

8.2 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 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
- 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 meet changing needs whilst reducing the overall cost of the function
- Partnership Service Integration (Better Care) – to work in partnership with the Clinical Commissioning Group and health and social care sector to develop integrated health and social care 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.

Proposed Reductions 2014/2015

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

| | 2014/15 £'m | 2015/16 £'m |
|--|----------------|----------------|
| Ongoing Reduction Plans | | |
| Strategic and Cross Cutting - Appendix C Section 1 | 17.97 | 3.97 |
| Place and Economy - Appendix C Section 2 | 8.86 | 2.82 |
| People - Appendix C Section 3 | 6.70 | 9.93 |
| Total Ongoing Reductions Plans | 33.53 | 16.72 |
| Use of One off Reduction | | |
| SIB Balances - Appendix C Section 4 | 0.50 | |
| Temporary Use of balances and potential grant | 1.52 | 5.72 |
| | 2.02 | 5.72 |
| Total Proposals to meet the Gap | 35.55 | 22.44 |

Further updates will be provided to Cabinet in due course and the Medium Term Financial Strategy 2014-17 will be refined and updated in parallel as this work progresses.

Further detail of the proposals for reduction are set out at Appendix C.

9. Medium Term Financial Position

9.1 In considering the Revenue Budget for 2014/2015 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 on-going update as information emerges. The latest updated Medium Term Financial Strategy 2013/2014 to 2016/2017 is set out at Appendix H.

10. Outcome of Budget Consultation

10.1 The Budget and Policy Framework procedure rules contained within the Constitution of the Council requires consultation on budget proposals to take place. In October 2013 Cabinet approved proposals regarding the consultation strategy and framework for the budget for 2014/2015 and proposed briefings to the following stakeholders:

- Trade Unions;
- North East Chamber of Commerce / Representatives of Business Ratepayers;
- Voluntary Sector;
- Youth Parliament;

- 10.2 In addition to the above stakeholder consultation, a survey was undertaken to gain an understanding of views on the acceptability of approaches to meeting the budget challenge.
- 10.3 To supplement the survey, a workshop was held, with Community Spirit panel members and representatives from the voluntary and community sector.
- 10.4 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.
- 10.5 At each stage in the budget preparation process Scrutiny Committee is being consulted.
- 10.6 In general, the findings demonstrate continuing support for the Council's overall approach to meeting the budget challenge and indicate broad agreement with plans for further transformation of services. More details of the findings of the consultation are included in Appendix E.
- 10.7 All of the feedback from the various consultations has been considered in bringing together the budget proposals in this report.
- 10.8 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 F.

11. Equality and the Budget Proposals

- 11.1 The Equality Act 2010 places a specific duty on Local Authorities through the Public Sector Equality Duty. The Act requires Local Authorities to give 'due regard' to the three aims of the duty when making decisions. Understanding the effect of decisions on people with different protected characteristics is an important part of complying with the general equality duty.
- 11.2 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.
- 11.3 Each Directorate has considered the Equality Analysis of their budget proposals. Where it is timely and appropriate an Equality Analysis (EA) has been completed (this is the Council's adopted approach to analysing and recording Equality Analysis). The detail of the analysis is dependent on the nature of the proposal and its stage of development. For those proposals which are not sufficiently detailed to undertake a full Equality Analysis at the present time, an initial consideration of the impacts has been undertaken. In these cases full analysis will be carried out when the proposals are further developed.

11.4 Attached at Appendix C is a position statement in respect of the Equality Analysis for each proposal. The full Equality Analyses that have been undertaken can be found at

<http://www.sunderland.gov.uk/committees/cmis5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx>
[x](#)

Members must read these documents as having regard to them will assist members in complying with the public sector equality duty when considering the proposals. Copies have also been deposited in the members' group rooms.

11.5 Further detail on the approach to Equality Analysis and a breakdown of the judgements made against the reduction proposals are set out at Appendix D.

11.6 Individual proposals for additional savings are currently at different stages of equality analysis depending on the stage of the development of the proposal. The summary of impacts, by directorate, is outlined below:

| | Strategic and Cross Cutting Proposals Appendix C section 1 | Place and Economy Proposals Appendix C section 2 | People Proposals Appendix C section 3 |
|---|---|---|--|
| Positive impact identified or anticipated | 0 | 2 | 6 |
| Negative impact identified or anticipated Note 1 | 0 | 1 | 1 |
| Neutral impact identified or anticipated | 1 | 10 | 10 |
| Both positive and negative impacts identified or anticipated Note 1 | 1 | 1 | 4 |
| Employee implications | 4 | 4 | 2 |
| No Equality Analysis needed | 5 | 4 | 0 |

Note 1: Where the current draft of the Equality Analysis does identify potential negative impacts, the services will be considering how these impacts can be mitigated as far as possible during the development of detailed proposals.

Note 2: The number of impacts is greater than the number of proposals due to more than one implication within a proposal (e.g. a service review with staffing implications)

11.7 Across the three directorates the judgements against the budget proposals are encouraging, with:

- Eight considered positive
- Twenty-one considered neutral
- Two considered negative, and
- Six that have both positive and negative outcomes.

Ten proposals have a potential impact on employees. The Workforce Planning Project Board has agreed that equality considerations relating to changes in the workforce will be considered as a part of their project. Finally there are nine judgements that require no equality analysis.

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

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

12.1 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.

12.2 The estimated level of general balances as at 31st March, 2014 and 31st March, 2015 will be circulated separately at the Cabinet with the General Summary Page and proposed contingencies / strategic priorities. This takes into account estimated savings arising in 2013/2014 in relation to Interest on Balances and Debt Charges savings previously reported.

12.3 As agreed previously these will be used to support the overall 2013/2014 position and transitional costs arising from the 2014/2015 budget setting process. Any further savings arising from contingency under spending and other measures will also be earmarked for this purpose and reported to Cabinet as part of revenue budget monitoring reporting as appropriate.

12.4 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 I.

12.5 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 J.

12.6 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 her 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.

12.7 Based upon the information used in determining this Revenue Budget 2014/2015 report, including specifically:

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

The Revenue Budget is considered robust and the level of reserves considered to be adequate for 2014/2015 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 2014/2015 are in accordance with the existing policy and are considered prudent and robust given the overall level of reserves.

13. Detailed Budget 2014/2015

13.1 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, the Business Rates income and government guidance in relation to council tax levels.

13.2 The Total 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.

13.3 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 12th February, 2014.

13.4 The formal decisions of the major precepting bodies are awaited regarding their precept proposals for 2014/2015. Consequently, the Proposed Council Tax for 2014/2015 will be tabled as Appendix G to this report at the Cabinet meeting on 12th February 2014.

General

13.5 Appendix K sets out the detailed Revenue Budget 2014/2015 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

13.6 The presentation of the budget book shows the full cost of services, including an appropriate share of support service costs. As such support services are shown with a zero budget having been charged out to service users. This approach is consistent with the Service Reporting Code of Practice (SeRCoP) published by CIPFA which must be applied to all Local Government returns and external financial reporting.

13.7 It should be noted that variations between the budget for 2013/2014 and 2014/2015 have arisen as a result of:

- the implementation of the budget reductions referred to in the report;
- a review of charging for central support services - 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.

Revised Estimates

13.8 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 the revised position in respect of central support costs referred to above and a number of technical adjustments e.g. contingency transfers and adjustments required following the establishment of the Sunderland Care and Support LATC from December 2013.

14. Suggested Reason for Decision

14.1 To comply with statutory requirements.

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

15.1 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 15th January 2014

- Revenue Budget 2014/2015 Proposals and Revenue Support Settlement 2014/2015
- Council Tax Base 2014/2015
- Business Rate Income Forecast 2014/15 and Projected Business Rates Income Outturn 2013/2014

Appendix A

Business Rates Income Forecast 2014/2015 and Projected Business Rates Income Outturn 2013/2014 - Final NNDR Form 1

| NATIONAL NON-DOMESTIC RATES RETURN - NNDR1 2014-15 Please e-mail to: ndr.statistics@communities.gsi.gov.uk by no later than 31 January 2014. In addition, a certified copy of the form should be returned by no later than 31 January 2014 to Dennis Herbert, Department for Communities and Local Government, Zone 5/J6 Eland House, Bressenden Place, London SW1E 5DU All figures should be shown in whole £ Please check the Validation tab to see if there are any validation queries that need to be answered | | | | | | | | | | | |
|---|---|------------------------------------|---------------|--|-------------------------------|------------|-------|--|--|--|--|
| Select your local authority/s name from this list: | | | | | | | | | | | |
| | <input style="width: 100%; height: 20px;" type="text"/> | | | | | | | | | | |
| Authority Name E-code Local authority contact name Local authority contact number Local authority fax number Local authority e-mail address | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 100%;">Sunderland</td></tr> <tr><td>E4505</td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table> | | | | | Sunderland | E4505 | | | | |
| Sunderland | | | | | | | | | | | |
| E4505 | | | | | | | | | | | |
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| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Ver 1.2 | | | | | | | | | | | |
| PART 1B: PAYMENTS The payments to be made, during the course of 2014-15 to: i) the Secretary of State in accordance with Regulation 4 of the Non-Domestic Rating (Rates Retention) Regulations 2013; ii) major precepting authorities in accordance with Regulations 5, 6 and 7; and to be iii) transferred by the billing authority from its Collection Fund to its General Fund, are set out below | | | | | | | | | | | |
| | Column 1 Central Government £ | Column 2 Sunderland £ | Column 3 £ | Column 4 Tyne and Wear Fire £ | Column 5 Total £ | | | | | | |
| Non-Domestic Rating Income for 2014-15 | | | | | | | | | | | |
| 14. Non-domestic rating income from rates retention scheme | 41,375,718 | 40,548,203 | 0 | 827,514 | 82,751,435 | | | | | | |
| 15. (less) qualifying relief in Enterprise Zones | 16,870 | | | | 16,870 | | | | | | |
| 16 | TOTAL: 41,358,848 | | | | 82,734,565 | | | | | | |
| Other Income for 2014-15 | | | | | | | | | | | |
| 17. add: cost of collection allowance | | 333,613 | | | 333,613 | | | | | | |
| 18. add: amounts retained in respect of Enterprise Zones | | 705,287 | | | 705,287 | | | | | | |
| 19. add: amounts retained in respect of NDD Area | | 0 | | | 0 | | | | | | |
| 20. add: amounts retained in respect of renewable energy schemes | | 0 | 0 | | 0 | | | | | | |
| 21. add: qualifying relief in Enterprise Zones | | 16,533 | 0 | 337 | 16,870 | | | | | | |
| 22. add: City of London Offset | | 0 | | | 0 | | | | | | |
| Estimated Surplus/Deficit on Collection Fund | £ | £ | £ | £ | £ | | | | | | |
| 23. Estimated Surplus/Deficit at end of 2013-14 | -1,578,239 | -1,546,674 | 0 | -31,565 | -3,156,477 | | | | | | |
| TOTAL FOR THE YEAR | £ | £ | £ | £ | £ | | | | | | |
| 24. Total amount due to authorities | 39,780,610 | 40,056,962 | 0 | 796,286 | 80,633,858 | | | | | | |
| Certificate of Chief Financial Officer / Section 151 Officer I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates. Name of Chief Financial Officer or Section 151 Officer : _____ Signature : _____ Date : _____ | | | | | | | | | | | |

Final Settlement 2014/2015

To be circulated following Government announcement

Appendix C

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

1. Strategic and Cross Cutting (Saving - £17.975m 2014/15 and £3.970m)

1.1 Strategic and Shared Services (Saving - £1.025m in 2014/15 and £1.000m in 2015/16)

It is proposed to continue the review and reconfiguration of strategic and support services to ensure those services meet the future requirements of the council. All strategic and support service areas will deliver a proportionate share of the savings requirement over the two years.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | ✓ |
| No Equality Analysis Required | |
| Additional Comment: It is likely that a significant proportion of this saving will be achieved through natural turnover during this period. However, where proposals require developing suitable consideration will be given as part of the workforce planning project and relevant consultation will take place. | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/16 including position in respect of Equality Analysis

1.2 Integrated Commissioning Services (Saving - £0.600m in 2014/15)

Through the bringing together of commissioning functions across the council and developing a joint approach to commissioning with health partners in the Clinical Commissioning Group it is envisaged that reductions in cost will be made. In addition reductions to cost will be made through a review programme of services that the council currently commissions

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | ✓ |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | ✓ |
| No Equality Analysis Required | |
| <p>Additional Comment:</p> <p>The review programme covers a wide range of services commissioned and each individual review will include an Equality Analysis. Because of the range of reviews, both positive and negative impacts could be anticipated, but it is impossible to understand what these will be at this point, because changes as yet are unknown. It will be identified through the individual review programmes whether further consultation will be required linked to Equality Analysis, to help understand the impact of the proposed changes.</p> <p>The reductions in costs linked to staffing changes will be considered as part of the Workforce Planning Project.</p> | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

1.3 ICT rationalisation and income opportunities (Saving - £0.250m in 2014/15 and £0.750m in 2015/16)

The ICT Unit will continue consolidating applications into a smaller number of core systems, reducing external spend on application support and improve data quality and the availability of information. In addition, all contracts will continue to be reviewed and renegotiated delivering further reductions in cost.

Whilst reducing external costs the ICT Unit will be looking at increasing income through the sharing of ICT services and resources.

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | ✓ |
| Additional Comment: It is considered that no equality analysis is required since this efficiency will be achieved through rationalisation of systems and better contract management which will not have an impact on service provision or on internal employees. | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

1.4 Various Corporate Allocations (Saving - £9.200m in 2014/15 and £1.570m 2015/2016)

A review of all central resources and reserves has been undertaken which has identified capacity to release some corporate contingencies, primarily in respect of the waste strategic solution. The proposals also take into account additional income on a prudent basis in respect of council tax collection and the New Homes Bonus grant allocation.

In recent years opportunities to capitalise revenue expenditure in respect of highways and building maintenance costs have been maximised and it is proposed to continue with this approach going forward.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | ✓ |
| Additional Comment: This efficiency has no service or internal impact and as such no equality analysis is deemed necessary. | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

1.5 Release of Revenue Contribution to Capital Outlay (RCCO) - (£2.000m in 2014/15)

Previous budgets have included provision for a revenue contribution to help support the capital programme. In light of the financial position facing the council it is proposed that this provision be removed from the budget.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | ✓ |
| Additional Comment: This efficiency has no service or internal impact and as such no equality analysis is deemed necessary. | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/16 including position in respect of Equality Analysis

1.6 SWITCH Budget Repatriated (Saving - £3.200m in 2014/15)

Following the successful implementation of the severance scheme over the last two financial years and the previously agreed cessation of the SWITCH programme, the balance of the SWITCH budget can be released to support the 2014/2015 budget position.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | ✓ |
| No Equality Analysis Required | |
| Additional Comment: Any staffing implications as a result of the cessation of SWITCH will be dealt with through the Workforce Planning Project with consultation undertaken as necessary. | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/16 including position in respect of Equality Analysis

1.7 Maximisation of Income: (£1.100m in 2014/15 and £0.400m in 2015/16)

As a result of the Airport refinancing arrangements agreed last year, the council is to receive interest on long term loan notes issued for a period of 20 years subject to performance of the Airport. It is proposed the annual income receivable be brought into account in the budget from 2014/2015.

In addition, the City's Port has improved both turnover and trading profitability over recent years. Capital investment in the Port has provided the necessary infrastructure to allow increased tonnages and new cargos to be handled. Given this positive trend it is proposed the Port be set increased profit targets for 2014/2015 and 2015/2016 financial years.

Finally two reviews are being undertaken with a view to raising additional revenue from fees and charges (where appropriate) and advertising including outdoor advertising.

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | ✓ |
| Additional Comment: The income generated through this proposal is achieved via a re-financing arrangement and commercial business opportunities as opposed to residents of the city. As such there is no Equality Analysis deemed necessary. | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

1.8 Procurement Saving - £0.200m in 2014/15 and £0.200m in 2015/16)

In addition to all Directorates reviewing their third party spend and securing savings from other projects and reviews, a review of all corporate contracts is being undertaken with a view to reducing prices further.

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | ✓ |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | ✓ |
| Additional Comment: The savings generated through this proposal is achieved via reviewing third party corporate spend and establishing new contracts. An Equality Risk Assessment will be undertaken for new procurement activity at the preparation stage to determine the relevance of equality to the contract. If necessary, Equality Analysis will be completed to ensure no negative impact. | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

1.9 CSN programme (Saving - £0.400m in 2014/15 and £0.050m in 2015/16)

With virtually all service areas now migrated to the Customer Service Network the focus has shifted to deepening the customer offering to enable decision making at the earliest point in the interaction and automating services via the web. This will enable costs to be reduced whilst maintaining and improving services.

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | ✓ |
| No Equality Analysis Required | |
| <p>Additional Comment: The majority of the savings will arise through staffing changes which will be taken into account in the Workforce Planning Project.</p> <p>Any minor savings from the wider CSN work are linked to the Customer Access Strategy, which recognises the importance of retaining choice for customers who cannot or do not want to use a particular method of contacting the Council to avoid disadvantage. Actions have been identified to help those who cannot or do not have access to the internet.</p> | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

2. Place and Economy (Saving - £8.858m 2014/2015 and £2.823m 2015/2016)

2.1 Smarter Working - review of premises and Repairs and Renewals (Saving - £0.702m in 2014/15 and £0.100m in 2015/16)

This saving is a continuation of the Smarter Working project which has already delivered significant savings in premises costs through the planned closure of administrative buildings. The review is now focussing on delivering savings in operational buildings through collaborative working and co-location. Reductions to the Repairs and Renewals budget will be delivered by prioritisation. Optimising council properties will minimise the rates liability.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | ✓ |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | ✓ |
| <p>Additional Comment:</p> <p>Savings related to the above fall into 2 categories:</p> <ol style="list-style-type: none"> 1. A reduction in the repairs and renewals budget by taking a more focussed approach to prioritisation of work. <p>The reduction in the Repairs and Renewals budget will not have any impact on service delivery or on council employees and therefore an Equality Analysis is not required.</p> <ol style="list-style-type: none"> 2. Rationalisation of the properties that the Council owns and operates services from. <p>The options for rationalisation of properties over the next 2 years is still being developed. Equality Analysis will be undertaken as part of the evaluation of properties to be considered for disposal. The analysis will identify the services delivered from buildings being considered for disposal in order to understand the potential impact on service users and employees. Actions to mitigate any potential "negative" impacts on service users and employees will be implemented as far as possible to ensure an overall neutral impact.</p> | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

2.2 Land and Property - Review of operational costs and income generation (Saving - £0.703m in 2014/15 and £0.385m in 2015/16)

A number of initiatives have been identified to increase income, including from Cash in Transit, Control Room and through rent reviews of the council's property portfolio, and through reducing costs, including in relation to Design Services where greater flexibility will be built into service provision.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | ✓ |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | ✓ |
| No Equality Analysis Required | ✓ |
| <p>Additional Comment:</p> <p>A significant element of the above savings relates to staffing changes which will be considered as part of the Workforce Planning Project.</p> <p>Rent and lease reviews for council properties will be completed where the tenant's rental \ lease period is due for review. This relates to ensuring business properties are being rented at an appropriate market value. The proposal has been subjected to an Equality Analysis which has indicated a neutral impact in relation to the protected characteristics.</p> <p>The completed EA in respect of this proposal can be found at http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx</p> <p>Proposals are also in place to increase the income generated by the Cash in Transit and Alarms Monitoring functions by providing an opportunity for more public and private sector customers to benefit from the service that the Council can provide. As these will not impact on the public or Council employees an Equalities Assessment is not required.</p> | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

2.3 Economic Development Grants Review (Saving - £0.250m in 2014/15)

A reduction in the Economic Development grant budget will be delivered through the reprioritisation of external grants provided by the Team, focussing on those grants where clear outcomes are demonstrable.

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | ✓ |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| <p>Additional Comment: The proposed change in the Financial Assistance policy has had an Equality Analysis and does not have an impact on any protected characteristic as the Financial Incentives Scheme will still be open to any of the above characteristics as long as their proposal satisfies the generic criteria. The completed EA in respect of this proposal can be found at http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx</p> | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

2.4 Review of Citywide Services (Saving - £1.519m in 2014/15 and £0.789m in 2015/16)

- Review of operational arrangements for Waste Collection – (£0.863m in 2014/2015 and £0.189m in 2015/2016): Having committed to retain weekly refuse collections through to 2016/2017, this proposal has identified cost reductions through the implementation of a 4-day working week to coincide with the opening of the new waste transfer station at Jack Crawford House.
- Transport and Fleet review – (£0.600m in 2014/2015 and £0.600m in 2015/2016): The on-going Transport and Fleet review, will further rationalise and reduce the scale of the council's fleet, ensure better utilisation based on new management and monitoring systems and ensure more efficient hire and maintenance arrangements.
- Review of operational arrangements for Regulatory Services – saving of £0.056m (2014/15): Review to include the Registrar and Coroner services

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | ✓ |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | ✓ |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | ✓ |
| No Equality Analysis Required | ✓ |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

Review of Operational Arrangements for Waste Collection - An Equality Analysis has been completed in relation to the implementation of a 4 day working week. A neutral impact was identified. Although a majority of households will have their existing day of refuse collections changed, the level of service will remain the same in terms of refuse being collected on a weekly basis.

The completed EA in respect of this proposal can be found at

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx>

The Transport and Fleet Review proposes a continuation of the rationalisation of the number of vehicles the Council operates, by ensuring that excess vehicle capacity is eradicated. Equality Analysis has taken place in relation to this and indicates a neutral equality impact. Discussions with Executive directors identified significant cross over with the Personalisation agenda which has resulted in those budgets relating to Personal care being retained in the appropriate directorate to ensure that personal transport remains part of the move towards personalisation. Where directorates come up with specific proposals which could impact on service users or staff, these will be subject to a further Equality Analysis at the appropriate time. The completed EA in respect of this proposal can be found at

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx>

A proposal to procure services around Household Waste Re-Cycling has been Equality Analysed and has revealed a neutral impact. The contract with any external provider will ensure that the same levels of service currently offered by the Council will continue into the future. The completed EA in respect of this proposal can be found at

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx>

Registration Fees linked to births, deaths and marriages have been Equality Analysed and although any cost increases will impact on everyone who uses the service, it has been deemed that there is a neutral impact as it does not have a disproportionate impact on any of the protected characteristic groups.

The completed EA in respect of this proposal can be found at

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx>

An element of the above savings relate to staffing changes which will be considered as part of the Workforce Planning Project.

Potential savings to be generated through reduced waste disposal costs will be delivered through a marketing campaign to encourage a greater focus on maximising the amount of waste put in recycling bins by residents, therefore no Equality Analysis is required for this initiative.

Savings will also be generated through capitalised financing arrangements for wheelie bins therefore there will be no impact of this proposal on the public. Similarly a saving will be delivered through the rationalisation of waste transfer arrangements arising out of the SITA PFI contract which purely involve the contractors back office arrangements and therefore have no impact on the public. The lack of any impact on the public negates the need for an Equality Assessment to be undertaken.

The Government is proposing to bring in a statutory requirement to be administered by the Council regarding the need for all deaths to be independently reviewed. The requirement will mean that the Council would have to appoint a Medical Examiner on a cost neutral basis which would therefore require the levying of a fee on those people registering a death. The Medical Examiner will carry out a review on all "normal" deaths which would not be undertaken by the Coroner. This service will remove the need for the Council to procure the services of a Medical Referee once introduced. It is proposed that Equality Analysis will be undertaken once the timescale and application criteria has been clarified by the Government.

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

2.5 Car Parking – review of operational costs and income (Saving - £0.336m in 2014/15 and £0.433m in 2015/16)

Delivery of the new Parking Strategy will achieve savings through the implementation of a Local Parking Permit Scheme in the City Centre to improve parking utilisation and support local businesses, introducing seafront and on-street charges, taking advantage of commercial opportunities to generate new income streams, improving enforcement arrangements and reviewing parking charges.

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | ✓ |
| Equality analysis is planned and a positive impact is anticipated | ✓ |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| <p>Additional Comment:</p> <p>The Parking Strategy 2014 to 2020 identifies the approach that the Council will take to parking provision and management during the course of the next 12 years. It identifies guiding principles and policies that inform the approach to parking management arising from the changing need brought about by the City's economic development and regeneration plans. An Equality Analysis which evaluates the draft Parking Strategy as regards its potential impact on future parking provision and management in the City has been undertaken and has identified the following positive impacts:</p> <ol style="list-style-type: none"> 3. All age groups will benefit from delivery of priorities that support improvements in road safety arising from effective enforcement activity. 4. Disabled persons are likely to benefit from effective enforcement that reduces obstructions caused by parked vehicles to pavements. <p>The completed EA in respect of this proposal can be found at http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx</p> <p>Further more specific Equality Analysis will be undertaken where necessary as options for implementation are firmed up.</p> | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

2.6 Bereavement Services – review of operational costs and income (Saving - £0.105m in 2014/15 and £0.150m in 2015/16)

Following the review last year to simplify burial charges, further savings will be delivered through an increase in charges for burial and cremation.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | ✓ |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| <p>Additional Comment: Bereavement Fees have been Equality Analysed and although any cost increases will impact on everyone who uses the service, it has been deemed that there is a neutral impact as it does not have a disproportionate impact on any of the protected characteristic groups. Bereavement Services will continue to provide for Contract Funerals, with dedicated times established daily in the cremation and burial diaries to accommodate such requests. In order to alleviate the financial pressures of funerals, the Dignity group currently hold the Contract Funeral contract, and DWP will continue to make provision in the form of a bereavement payment to families who are deemed to be in hardship and qualify for the allowance. The completed EA in respect of this proposal can be found at http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx</p> | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

2.7 Review of Highways and Network Management including maintenance (Saving - £1.431m in 2014/15 and £0.200m in 2015/16)

A reduction in the Highways maintenance budget will be achieved through the prioritisation of the budget, multi-skilling of highways inspectors to carry out on-the-spot repairs. In addition through a review of operations to more flexibly meet the design requirements of revenue and capital schemes, by maximising income earning opportunities and focussing on statutory functions.

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | ✓ |
| No Equality Analysis Required | ✓ |
| Additional Comment: Savings related to the above fall into 2 categories: 1. A reduction in the highways maintenance budget by taking a more focussed approach to the prioritisation of work. The reduction in the highways maintenance budget will not have any impact on service delivery or on council employees and therefore an Equality Analysis is not required. 2. A significant element of the above savings relate to staffing changes which will be considered as part of the Workforce Planning Project. | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

2.8 Review of Pest Control Charges (Saving - £0.051m in 2014/15 and £0.050m in 2015/16)

It is proposed that pest control charges be introduced (excluding a charge for rat control) in line with other local authorities.

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | ✓ |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| Additional Comment: The proposal to levy a charge for the treatment of all pests except rats has been Equality Analysed and although any cost increases will impact on everyone who uses the service, it has been deemed that there is a neutral impact as it does not have a disproportionate impact on any of the protected characteristic groups. The completed EA in respect of this proposal can be found at http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

2.9 Review of operational arrangements for Responsive Local Services (Saving - £0.761m in 2014/15 and £0.216m in 2015/16)

A reduction in the responsive local services operational budget can be achieved through focussing on rationalising and re-engineering operational supervision. Taking into account opportunities arising from workforce planning measures, the review will enable Area Response Manager and Officer arrangements to be maintained, the assimilation of existing fixed term and apprentice staff into the service and the creation of a further 30 new apprentice positions.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | ✓ |
| No Equality Analysis Required | |
| Additional Comment: The above savings relates to staffing changes which will be considered as part of the Workforce Planning Project. | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

2.10 Energy - Invest to Save Initiatives (Saving - £0.500m in 2015/16)

Officers are working alongside the council's PFI contractor to develop opportunities to reduce the cost of energy, primarily in relation to Street Lighting and premises-related energy. Capital investment, to take account of improvements in technology, will be considered on an invest to save basis.

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | ✓ |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| Additional Comment: Options are currently being explored in relation to opportunities to reduce street lighting energy costs. Initial consideration has been given to the likely impact of the emerging options and it is felt that savings can be made without having an impact on the public. Equality Analysis will be undertaken in the near future once the range of options for further investigation has been agreed. | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

2.11 People Based Commissioning Reviews (Public Health) (Saving - £3.000m in 2014/15)

This reduction in budget reflects the development of the council's approach, locally, to move away from commissioning separate, unconnected services to supporting the delivery of an integrated wellness model. Services influenced through this approach include NHS health-checks, adult obesity programmes, substance misuse, infection control and public health strategic resources.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | ✓ |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| <p>Additional Comment:</p> <p>This work area comprises a broad reaching range of reviews spanning a number of areas of provision. Once complete these will require accompanying Equality Analysis for each area. Equality Analyses are currently being mapped as an integral part of the commissioning process.</p> <p>To date, extensive consultation on the areas that will affect the public has been carried out via commissioned public engagement work as well as events such as the Integrated Wellness session at the Stadium of Light in November and will be further supplemented by work in the coming weeks (please see below). In addition engagement with IAGs is currently underway and proposals have been discussed at the Disability IAG and LGBT Equality Forum to date.</p> <p>Overall, it is anticipated that the changes to delivery will enable more holistic, effective and responsive services for Sunderland residents. Therefore, positive impacts for those using Public Health services and universal healthy living opportunities in Sunderland are anticipated via this work stream.</p> <p>However, it has been identified via review work that some directly provided services – for example in relation to obesity and weight management – have not been effective on the scale required to improve Public Health. Therefore, where any of these services will come to an end as a result of these reviews, a negative impact may be perceived/experienced by some residents.</p> <p>Models for revised service provision and approaches to healthy living opportunities are currently in development and further consultation is now being undertaken. This aims to build on earlier work which used active engagement of the public across Sunderland to establish the principles that should be incorporated into improved models of provision. It will target members of the same communities that took part in earlier work to enable testing of the potential design of the service and receive further input to it.</p> <p>This work is currently being advertised via Buy Sunderland First and aims to be completed at the end of March.</p> | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

3. People (Saving - £6.699m 2014/2015 and £9.934m 2015/2016)

3.1 Full Year Impact of previous year's decisions (Saving - £1.744m in 2014/15 and £0.100m in 2015/16)

This is the full year impact of previous year's agreed savings decisions, all of which have been implemented in the current financial year in respect of Children Looked after Strategy, Review of structures, YOS, Services to Schools and School Improvement service.

Equality Analysis

| Equality Statement | Status |
|--|-----------|
| Equality analysis is complete and a positive impact has been identified | ✓ (1, ,4) |
| Equality analysis is planned and a positive impact is anticipated | ✓ (2,3,) |
| Equality analysis is complete and neutral impact has been identified | ✓ (5,6) |
| Equality analysis is planned and a neutral impact is anticipated | ✓ (7) |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| <p>Additional Comment:</p> <p>(1) Children Looked after Strategy (CLAS) - Analysis completed to assess why there has been an increase of LAC. Findings are being used to support service decisions to support the reductions of LAC. From current usage a decision was made to close a children's home particularly in light of range of alternatives including out of authority placements and support for children leaving care. However, it is recognised that future demand may lead to a further review of this strategy.</p> <p>The completed EA in respect of this proposal can be found at http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx</p> <p>(2) Children's Safeguarding - Reviews of services are underway to assess the impact of services and consider changes to improve success rates. Equality considerations will be part of the review.</p> <p>(3) Review of Safeguarding Service – Children's Safeguarding - A more targeted approach to pooling resources will avoid duplication, improve the service offer and ultimately improve outcomes. An equality analysis will be completed in order to verify the impacts and outcomes.</p> <p>(4) YOS: The Legal Aid Sentencing and Punishment of Offenders Act has introduced changes that will keep young offenders out of the Criminal Justice System. Consequently the YOS has reduced its resources in order to reflect the principles of the Act.</p> <p>The completed EA in respect of this proposal can be found at http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx</p> | |

Services to schools

(5) Admissions - No negative impact anticipated because although there will be encouragement to use electronic means, the council will retain paper copies for those who request them, in line with statutory duties

The completed EA in respect of this proposal can be found at

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx>

(6) School Improvement service -No impact on statutory provision. A similar service will be delivered to schools and schools will have the discretion over what they will allocate their budgets to. No immediate impacts are anticipated however there could be potential impacts in the longer term, if schools decide to opt out. Equality Analysis has been completed.

Overall there should be no major impact because resources remain available to all schools.

The completed EA in respect of this proposal can be found at

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx>

(7) Healthy schools-There should be no major impact on schools as they still have access to resources and there is a requirement for health lifestyles within Ofsted. In special schools there is an increase of resources creating some positive impact. There should not be a negative impact unless schools decide not to focus health issues however it is very unlikely. An equality analysis will be completed in order to verify the impacts and outcomes.

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

3.2 Reconfiguration of Family Home Care and Community Support Services (Saving - £0.100m in 2014/15 and £0.035m in 2015/16)

Reconfiguration of staffing arrangements for some support services (e.g. Family Home Care and Community Support Services) provided to children and young people.

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | ✓ |
| No Equality Analysis Required | |
| Additional Comment: Reduction of staff any potential impact on service delivery will be potentially mitigated through use of volunteers, particularly related to transport | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

3.3 Review of Commissioning Arrangements (Saving - £0.827m in 2014/15 and £1.265m in 2015/16)

A review of commissioning arrangements will lead to reductions in the following areas;

- The removal of subsidy at the Castleview Centre, review of partner contributions Sunderland Safeguarding Children's Board, and review of Housing related support.
- A Review of Home to School Transport is underway including how statutory transport is provided. This will require appropriate consultation and will include a review of commissioning arrangements, a review of eligibility criteria and an offer to parents of personalised budgets where appropriate.
- Alternative delivery models for internally delivered services are being considered including XL and Mobile Youth Provision. This will include working with partners to determine how the desired outcomes from delivery can be met. In line with all other commissioned services, commissioned contracts will be reviewed to reduce costs by approximately 30% when these are due for renewal in April 2015.

Equality Analysis

| Equality Statement | Status |
|--|----------------|
| Equality analysis is complete and a positive impact has been identified | ✓ (7) |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | ✓ (4) |
| Equality analysis is planned and a neutral impact is anticipated | ✓ (2, 3, 6) |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | ✓ (1) |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | ✓ (5) & (5a) |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| Additional Comment: | |
| (1) Potentially less community access to Castleview Centre however restrictions were already in place relating to issues in relation to safeguarding. Options for increasing access will be considered with the school e.g. ensuring the school have the opportunity to tender for future services for young people. An equality analysis will be completed in order to verify the impacts and outcomes. | |
| (2) The SSCB is considering new and innovative ways of working over the forth coming year; accessing funding reserves for this financial year. An equality analysis will be completed in order to verify the impacts and outcomes. | |

(3) Youth Service: Alternative delivery models for internally delivered services are being considered including XL and Mobile Youth Provision. Looking at the review that was completed for the external provision in 2012/13 will also be taken into consideration. Working closely with partner organisations e.g. public health will maximise outputs and potential outcomes and avoid duplication the work is on-going and an equality analysis will be completed. The existing 2013 equality analysis will be updated to reflect these changes.

(4) Services for Disabled People: Less money may be available in 2014/15 for the delivery of commissioned services as personal budgets are introduced. The impact of change has been considered as part of the process and by commissioning alternative services the service offer was increased not decreased, - therefore a positive impact. Building on the work to date a further review of services for disabled children is about to begin and will take into account internal and external provision.

The completed EA in respect of this proposal can be found at

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx>

(5) & (5a) Review of Home to School Transport (Transport (personalisation) and Transport (post 16 changes)), is likely to have a positive impact for some families who may prefer personal travel budgets, however personal budgets may not suit everyone. A highly complex consultation process has been undertaken and work in this area is on-going in preparation for September 2014 and the introduction of personalised budgets.

(6) Youth Provision: Duke of Edinburgh, XL and mobile provision is currently being reviewed. The Impact of XL provision is well documented in relation to the reduction of ASB with police reported reductions in excess of 30% when XL is operating. It is anticipated that ASB will increase if no alternative provision is put in place. Alternative more cost effective models are being explored. The existing 2013 equality analysis will be updated to reflect these changes.

(7) Housing Related Support: Whilst the reduction in the funding could impact on the provision in a negative way, the services will be targeted to specific groups, which will have positive impacts for those people who will be using the services.

The completed EA in respect of this proposal can be found at

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx>

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

3.4 Early Years and Childcare

3.4.1 Review of support for workforce development and the curriculum and quality assurance process in childcare settings (Saving - £0.439m in 2014/15)

Financial support has been provided to deliver an improved early years workforce provided by childcare settings and child-minders. It is considered appropriate to continue the phased withdrawal of this support. The review will look at other alternative ways of funding and delivering the service to reduce costs such as those relating to qualified teacher support.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | ✓ |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| Additional Comment: There is potential impact on EYS performance which is currently at national average and Ofsted judgements for childcare settings and child minders maybe affected. A review of the current model is underway to explore alternative delivery models and reduce the risk associated with performance outcomes if the service was eventually removed. An equality analysis will be completed in order to verify the impacts and outcomes. | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

3.4.2 Review of Children’s Centre Delivery (Saving - £0.460m in 2014/15 and £0.100m in 2015/16)

A further review of Children’s Centres delivery in response to the updated needs analysis and usage will be undertaken. This will involve appropriate consultation with Children Local Area Boards and elected members.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | ✓ |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| <p>Additional Comment:</p> <p>A comprehensive review of children’s centres has been completed and findings have informed the future commissioning intentions for external services. Building on the work to date a further review is being undertaken which will look at internal service delivery and ways of reducing costs without effecting service outcomes. Strengthening work with partner organisations will continue to avoid duplication of service delivery and maximise service outcomes to provide positive impact. However a change to service delivery may reduce the number of delivery sites and this could have a negative impact for service some users. EA is complete and will be updated during the internal review process.</p> <p>The completed EA in respect of this proposal can be found at http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx</p> | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

3.5 Health and Social Care Integration (Saving - £0.290m in 2014/15 and £3.210m in 2015/16)

Reductions on the net budget can be achieved through integration of services and development of person centred co-ordinated care in localities. This will prevent hospital admissions and readmissions and can also be supported through additional grant funding.

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | ✓ |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| Additional Comment: Integration across health and social care systems is anticipated to improve outcomes for people, in relation to co-ordination of care and meeting individual needs. Work has commenced on the plans for Integration within Sunderland linked to the Government's Better Care Fund. Within the Integration work programme, an Equality Analysis will be undertaken, which will identify any additional impacts. | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

3.6 Sunderland Cares - Local Authority Trading Company (LATC) - (Saving - £4.153m 2014 to 2018 with £2.594m in 2014/15 and £0.824m in 2015/16)

In-house Care and Support has moved to a LATC from the 1st December 2013. The separation of the Council's provider arm into a LATC will give greater opportunities to consolidate its provider options, enabling flexible solutions and the potential to develop business / generate income through innovative service provision to individual customers and commissioners.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | ✓ |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| <p>Additional Comment:</p> <p>An Equality Analysis was completed and identified that there were neutral impacts as there are no changes in service provision. Rather the changes relate to how the services are managed and opportunities for the service to grow, which may have positive impacts – these will be assessed within the LATC.</p> <p>The completed EA in respect of this proposal can be found at http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx</p> | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

3.7 Further Implementation of Personalisation (Saving - £0.245m in 2014/15 and £1.300m in 2015/16)

The continued 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.

In 2015/2016 the Government is proposing minimum national eligibility standards. The proposal is to adopt the national criteria.

Equality Analysis

| Equality Statement | Status |
|---|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | ✓ |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| <p>Additional Comment:</p> <p>The Equality Analysis is planned linked to the individual work programmes under Personalisation.</p> <p>It is expected that the continued implementation of increased choice and control will have positive impacts on people.</p> <p>The introduction of minimum national eligibility could result in negative impacts for some people, if they no longer meet eligibility thresholds; however, there are services and support within communities for people, which can be accessed without needing to meet eligibility. Work is underway with the Voluntary and Community Sector to ensure services and support are in place to meet these needs, using Council funding via grants process.</p> | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

3.8 Sport and Leisure Review (Saving - £2.600m in 2015/16)

Cabinet agreed in October 2013 to explore the establishment of an alternative service delivery model for Sports and Leisure Facilities. Work undertaken concluded that a Joint Venture arrangement between the Council and a partner is the preferred option for the future model to operate and to manage the City's leisure complexes.

Analysis undertaken suggests that, through achieving increases in participation and customer volumes, additional revenues will be delivered to contribute to the position.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | ✓ |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | |
| No Equality Analysis Required | |
| <p>Additional Comment:</p> <p>The outcome from the October 2013 Cabinet report (and Equality Analysis) was that a Joint Venture was the preferred alternative delivery option. The procurement process has now commenced with bidders being invited to participate in Competitive Dialogue (CD) with the Council. The CD process will build in specific reference to equalities and the Equality Analysis will be revisited as part of the procurement process to ensure that neutral impact continues to be identified.</p> <p>The completed EA in respect of this proposal can be found at http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8010/Committee/1636/Default.aspx</p> | |

Appendix C (continued)

Proposals for Reductions 2014/2015 and 2015/2016 including position in respect of Equality Analysis

3.9 People Directorate – Review of staffing Structures (Saving - £0.500m in 2015/16)

A review of staffing structures following the amalgamation of Health Housing and Adult Services and Children’s Services is to be undertaken in 2014/2015.

Equality Analysis

| Equality Statement | Status |
|--|--------|
| Equality analysis is complete and a positive impact has been identified | |
| Equality analysis is planned and a positive impact is anticipated | |
| Equality analysis is complete and neutral impact has been identified | |
| Equality analysis is planned and a neutral impact is anticipated | |
| Equality analysis is complete and a negative impact has been identified | |
| Equality analysis is planned and a negative impact is anticipated | |
| Equality analysis is complete and both positive and negative impacts have been identified | |
| Equality analysis is planned and both positive and negative impacts are anticipated | |
| The saving is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning Project | ✓ |
| No Equality Analysis Required | |
| Additional Comment: This review links to changes within staffing structures and is therefore part of the Workforce Planning Project | |

4. Use of One Off Resources

At this stage it is proposed to utilise one off funding of £0.5m of uncommitted SIB balances.

Equality and the Budget Proposals

1 Equality in Decision Making

The Equality Act 2010 places a specific duty on Local Authorities through the Public Sector Equality Duty. The three aims of the equality duty are to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not.

Public authorities are required to give 'due regard' to the three aims of the duty when making decisions. Understanding the effect of decisions on people with different protected characteristics is an important part of complying with the general equality duty. Due regard means:

- consider the need to remove or minimise disadvantage or to meet particular needs
- think about how to encourage participation in public life
- tackle prejudice and promote understanding.

2 How equality has been considered in the budget-setting process

Each Directorate has considered the Equality Analysis of their proposals. This information is included at Appendix C. Where it is timely and appropriate an Equality Analysis has been completed (this is the Council's adopted approach to analysing and recording Equality Analysis). The detail of the analysis is dependent on the nature of the proposal and its stage of development. For those proposals which are not sufficiently detailed to undertake a full Equality Analysis at the present time, an initial consideration of the impacts has been undertaken. In these cases full analysis will be carried out when the proposals are further developed.

3 Key Messages

Individual proposals for additional savings are currently at different stages of equality analysis depending on the stage of the development of the proposal. To reflect this the equality considerations can be summarised as follows:

- Equality Analysis, whether complete or at initial consideration, has identified or anticipated positive impacts. In some cases this may be an initial Equality Analysis that needs updating as the project progresses.

Appendix D (continued)

Equality and the Budget Proposals

- Equality Analysis, whether complete or at initial consideration, has identified or anticipated negative impacts. Where negative impacts are identified, it is the responsibility of the services to minimise these as far as possible. Some proposals have already identified possible ways to mitigate against potential impacts.
- Equality Analysis, whether complete or at initial consideration, has identified or anticipated both positive and negative impacts within the same proposal.
- Neutral impacts have been identified or are anticipated. This includes instances where mitigating actions have already been put in place to neutralise negative impacts.
- The proposal has potential employment impacts, or the saving will be partially made from staffing changes. Where there are impacts for the Council as an employer, equality considerations will be made as part of the Workforce Planning Project.
- Initial considerations have been made, and it has been decided that an Equality Analysis is not necessary.

The summary of impacts, by directorate, is outlined below:

| | Strategic and Cross Cutting Proposals Para 3.1 | Place and Economy Proposals Para 3.2 | People Proposals Para 3.3 |
|---|---|---|--|
| Positive impact identified or anticipated | 0 | 2 | 6 |
| Negative impact identified or anticipated | 0 | 1 | 1 |
| Neutral impact identified or anticipated Note 1 | 1 | 10 | 10 |
| Both positive and negative impacts identified or anticipated Note 1 | 1 | 1 | 4 |
| Employee implications | 4 | 4 | 2 |
| No Equality Analysis needed | 5 | 4 | 0 |

Note 1: Where the current draft of the Equality Analysis does identify potential negative impacts, the services will be considering how these impacts can be mitigated as far as possible during the development of detailed proposals.

Note 2: The number of impacts is greater than the number of proposals due to more than one implication within a proposal (e.g. a service review with staffing implications)

3.1 Strategic and Cross-Cutting Proposals

There are a total of nine corporate and cross cutting proposals, with one proposal identifying two different types of impact. Within these there are five judgements identified as having no impact on the service user or on employees (including one that was looking to exploit commercial opportunities), and so it was concluded that no full Equality Analysis was needed.

Equality and the Budget Proposals

Four judgements are linked with staffing changes, and therefore are to be part of the considerations of the Workforce Planning project. It was recognised that one proposal has the potential for both positive and negative impacts. However, these impacts will not be determined until a number of commissioning reviews have taken place and their respective equality analysis undertaken.

3.2 Place and Economy

There are a total of eleven Place and Economy proposals and these proposals are made up of a number of different elements. Therefore there are 22 equality judgements against the eleven proposals. Nine Equality Analyses have been completed, with one identifying positive impacts, and the other eight identifying a neutral impact. Of those that haven't yet had a full Equality Analysis, early considerations indicate one is likely to have positive impact, two have neutral impacts and one is likely to have both positive and negative impacts; a further proposal has a negative impact. The proposal that has been judged to have a negative impact results from the statutory introduction of a fee for registering a death. There is nothing the council can do to mitigate against this impact. The proposal for People Based Commissioning Reviews (Public Health) covers a wide-ranging area and may have both positive and negative impacts - there is a commitment to complete Equality Analysis for each of the areas that will be affected and extensive engagement is planned to feed into this process. Four proposals are linked to Workforce Planning changes and therefore will be considered as a part of that project. There are a further four that will not have a full Equality Analysis carried out due to a lack of impact on the public or on employees.

3.3 People

The nature of the services provided by the People Directorate mean that these are more likely to have a direct impact upon residents day to day lives. Consequently there are nine People proposals, with twenty three equality judgements against them. Of the Equality Analysis that is complete, it has been concluded that four will have positive impacts, five will have a neutral impact and there are none that have a negative impact. In those cases where full Equality Analysis is planned, early considerations indicate that three will have positive impacts, one negative and five neutral – all acknowledge the need for an equality analysis to be undertaken (or the existing analysis to be refreshed) so that the impacts can be confirmed. A further two proposals will have an impact on the workforce, and four proposals are anticipated to have both positive and negative impacts. It is also recognised that some of the proposals have interdependencies and therefore there could be some combined impacts.

Equality and the Budget Proposals

4 Conclusions

Across the three directorates the judgements against the budget proposals are encouraging, with:

- Eight considered positive
- Twenty-one considered neutral
- Two considered negative, and
- Six that have both positive and negative outcomes.

Ten proposals have a potential impact on employees. The Workforce Planning Project Board has agreed that equality considerations relating to changes in the workforce will be considered as a part of their project. Finally there are nine judgements that require no equality analysis.

It is clear that the Council continues to seek to meet its obligations in relation to equality and diversity. It has transparent 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.

Where analysis does highlight some equality implications, services and directorates are responsible for assessing how these can be mitigated during the development of the detailed proposals. Where a proposal includes a review of services a full and/or updated version of the equality analysis will be undertaken and presented to decision makers as proposals are shaped.

Budget Consultation Results

1. Introduction

The Budget Consultation for 2014/2015 was undertaken within the context of further public spending reductions and the need for the council to achieve an additional £113 million in savings by 2016. The Budget Consultation process therefore had the following objectives:

- To improve people's knowledge and understanding of the savings achieved since 2010 through the Council's improvement programme and the current budget position
- To gain people's views on the acceptability of different approaches to providing council services in the future
- 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 took place during November/December 2013, comprising a survey and a workshop.

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 2013, and feedback was noted.

The following stakeholder groups were consulted:

- Trade Unions;
- North East Chamber of Commerce;
- Youth Parliament;

In addition to the presentations, members of Sunderland's citizens' panel and the voluntary and community sector (VCS) 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 available online and promoted to the general public through the Council's consultation web portal and the State of the City event.

3. The survey

A total of 229 respondents completed the survey.

Budget Consultation Results

4. Workshop

A workshop was held with Community Spirit panel members and representatives from the VCS at the Civic Centre on 26 November 2013. The workshop comprised:

- A presentation on the financial context for the 2014/2015 budget and the proposed approach moving forward
- Discussion groups facilitated by Council officers to discuss the following areas:
 - People based services
 - Place based services
 - Business growth and investment

A total of 22 panellists and representatives from the VCS participated in the workshop. The discussion groups provided participants with an opportunity to speak directly with Heads of Service and express their views on current activity and proposals for securing future savings.

5. The findings

Findings of the survey and discussions at the workshop are summarised below. In general, the findings demonstrate continuing support for the Council's overall approach to meeting the budget challenge and indicate broad agreement with our plans for further transformation of services, including alternative service delivery models and greater community participation and partner engagement in making savings.

5.1 Importance of maintaining quality of services

In last year's budget consultation, the services below were identified as the top ten services where quality needs to be maintained. Given the significant and on-going budget challenge faced by the Council, respondents were asked to rate on a scale of 1 to 5 the importance of maintaining the quality of these services.

The survey findings:

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

Appendix E (continued)

Budget Consultation Results

| Service | Average score of importance |
|--|-----------------------------|
| Social care services for children and disabled and vulnerable adults | 4.66 |
| Refuse collection | 4.20 |
| Maintenance of roads, pavements and cycleways | 4.19 |
| Street lighting | 3.75 |
| Street cleaning | 3.73 |
| Environmental protection services (including environmental health, trading standards and pest control) | 3.69 |
| Recycling services | 3.65 |
| Homelessness and housing advice | 3.58 |
| Facilities and activities for children | 3.48 |
| Parks and open spaces | 3.40 |

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.

5.2 Different approaches to providing council services in the future

Survey respondents were asked where they thought different approaches to delivering services might be acceptable. The different delivery options were:

- Focus the service on those most in need
- Provide the service less frequently
- Introduce/increase charges
- Other providers delivering services on behalf of the Council
- More community involvement in making savings

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 the Council is 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.

5.2.1 People services

The acceptability of different options in respect of People services is shown below.

Appendix E (continued)

Budget Consultation Results

(a) Services for adults, families, children and young people

The option of focusing the service on those most in need is the most commonly selected option for these services. The next most frequently selected option is other providers delivering services on behalf of the Council, with the exception of support to older people and facilities and activities for children and young people, where more community involvement in making savings is the second most commonly selection option. Providing services less frequently is only acceptable to a minority of respondents in terms of support for vulnerable groups and older people but a greater proportion in terms of facilities and activities for children and young people and homelessness and housing advice services. The option to introduce / increase charges is deemed least acceptable for all services apart from facilities and activities for children and young people, where one in five respondents indicated that this approach is acceptable.

| Service | Focus on those most in need | Provide less frequently | Introduce/ increase charges | Other providers delivering services on behalf of Council | More community involvement in making savings |
|---|------------------------------------|--------------------------------|------------------------------------|---|---|
| Support to vulnerable children & families | 77.7% | 5.8% | 3.6% | 24.1% | 20.5% |
| Support to vulnerable adult or young person | 76.9% | 8.1% | 5.4% | 23.5% | 19.0% |
| Support to older people | 81.6% | 5.8% | 4.0% | 22.0% | 23.8% |
| Homelessness & housing advice services | 58.2% | 16.4% | 5.0% | 25.0% | 17.3% |
| Facilities & activities for children & young people | 45.6% | 15.9% | 21.7% | 28.8% | 39.8% |

In overall terms, feedback from the workshop and survey is supportive of the approaches in both Adults and Children's services, and many positive comments were received about the progress to date and future plans. The importance of children's and adult social care and the need to protect/focus on the young, old and vulnerable/most in need is recognised and there is support for the Council approach of affording social care services high priority.

The most popular topics arising in workshop discussions and qualitative survey comments relate to:

- Concerns about the impact of the welfare reforms on vulnerable individuals and families
- The importance of up-to-date information that is accessible (in different formats) and relevant to the people who need it
- Recognition that the proposed 'channel shift' towards online communication with customers rather than telephone may not be appropriate for everyone

Appendix E (continued)

Budget Consultation Results

- Positive comments re Children Centres and mobile youth provision
- The need for greater awareness raising with respect to the purpose of / eligibility for extra care schemes, with overall support for this approach to making savings
- The importance of lifelong learning in maintaining quality of life and wellbeing, and the need for more information about where to access adult learning activities and the internet outside of libraries
- The valuable contribution of VCS organisations, particularly in relation to prevention, and Council support for the sector
- The implications of increasing volunteers' participation in service delivery, and the need for sufficient investment and support (i.e. involving volunteers is not cost-free)
- The potential for more joint-working among public agencies

How are we responding?

In general terms, the feedback suggests we are on the right track with regards to early intervention as an approach, better targeting of services and more integrated delivery arrangements.

- Information/communication
In respect of provision of information, different options for communications will continue to be available. Although there is increasing demand for web based options, the Council recognises that different age groups have different preferences and alternatives to online communication will remain available.
- Extra care schemes
With regards to extra care housing in the city, we have taken on board comments received on the need to better communicate the purpose and eligibility requirements for the schemes. We will work with our partners to ensure messages to customers/potential customers are consistent in terms of the purpose of the scheme, who it is designed for, and how it can be accessed.
- Adult learning
We have taken on board comments on the need to improve residents' awareness of where this provision can be accessed. For example, Children's Centres and a number of other community venues deliver various adult learning programmes across the city. We are to reinvigorate our existing digital inclusion initiatives, including awareness-raising around Electronic Village Halls and the equipment loan scheme.

Appendix E (continued)

Budget Consultation Results

- **Multi-agency working**
In terms of joint working with partners, we are currently rolling out a more integrated approach to supporting families with multiple and complex needs (Strengthening Families – Family Focus) and working closely with the city’s Clinical Commissioning Group to join up services at a local level, potentially through joint-commissioning arrangements. The recently announced Better Care Fund and forthcoming legislation will make integration of health and social care a statutory requirement and further reduce duplication. We have also been working with Police, Health, Education and Early Intervention services to launch a new Multi-Agency Safeguarding Hub at Gillbridge Police Station, which will deliver an integrated safeguarding response to children at risk of harm and provide a single point of contact for initial concerns about child protection from December 2013.
- **Support for VCS organisations and volunteering**
We are committed to making best use of the resources that we have – for example, expertise in bid writing, provision of advice and guidance, venues and meeting space – to build capacity and promote sustainability in the sector. We are also reviewing our relationship with the VCS to understand how we can better work together to achieve mutual priorities for the benefits of Sunderland residents.
- **Community involvement**
In respect of greater community involvement in People services, we are currently recruiting for a wide range of volunteering opportunities, including Shared Lives carers for vulnerable adults, Community Parents for families with young children, and Family Mentors for families participating in Family Focus.

(b) Sport, leisure, culture and heritage activities

In contrast to services listed in (a) above, focusing on those most in need is the least frequently selected option for both sport and leisure and culture and heritage activities. Introducing / increasing charges is deemed most acceptable for these services, followed by greater community involvement in making savings, and other providers delivering services on behalf of the Council. The option of providing services less frequently is acceptable for a significant minority (approximately one fifth) of respondents.

Appendix E (continued)

Budget Consultation Results

| Service | Focus on those most in need | Provide less frequently | Introduce/increase charges | Other providers delivering services on behalf of Council | More community involvement in making savings |
|---------------------------------|-----------------------------|-------------------------|----------------------------|--|--|
| Sport and leisure activities | 14.3% | 18.4% | 45.6% | 29.0% | 29.0% |
| Culture and heritage activities | 9.1% | 21.8% | 42.7% | 28.2% | 33.2% |

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/leisure and culture/heritage services in a sustainable way including aspects such as greater use of facilities, pricing and partnership working.
- Positive comments about the new leisure centre in Washington
- The potential to reduce the frequency of large scale events such as the Sunderland Airshow and fireworks displays to make savings

How are we responding?

The feedback suggests that the Council is on the right track as far as looking at a range of different options for delivering these activities.

- **Sport and leisure services**
In respect of sport and leisure provision, we are currently considering a number of alternative service delivery models as part of the Council's Culture, Sport and Leisure Review.
- **Pricing policies**
In response to suggestions around the price of sport and leisure activities, new arrangements were introduced in 2013/2014. These arrangements take into account feedback from residents in relation to charging. As such we are continuing to promote affordable access for all and have regard to the times of the day the different sectors of our community wish to participate. We will additionally be taking a more commercial approach to promoting these services and incentivising participation through marketing activity and special offers.
- **Events**
In respect of events, we have recently created a local authority trading company called 'Sunderland Live' as a way of maintaining the programme whilst allowing the company to generate its own funding and sponsorships.

Appendix E (continued)

Budget Consultation Results

- Community involvement
In respect of greater community involvement, we are currently recruiting volunteers to support a wide range of cultural activities in the city. Library services are seeking volunteers to support their Digitalisation Project and the Books at Home service, as well as facilitate reading groups and craft sessions within the Council's static libraries. Museums and Heritage services are also looking for volunteers to help out at Monkwearmouth Station Museum and the Sunderland Museum and Winter Gardens. Sport and Leisure services continue to offer volunteering opportunities to support the delivery of healthy initiatives across the city as part of our 2013 Olympic and Paralympic Legacy Plan.

5.2.2 Place services

The acceptability of different options in respect of Street Scene services is shown below. For all Street Scene services, approximately one third of respondents said that other providers delivering services on behalf of the Council would be acceptable, while introducing / increasing charges is has only limited support for all services except environmental protection services. The option of greater community involvement in making savings is the most commonly selected option for neighbourhood services such as litter picking, graffiti removal, grass cutting and bulb planting (49%). Focusing the service on those areas most in need is most popular for maintenance of roads, pavements and cycleways (52%) and environmental protection services (37%). The acceptability of providing the service less frequently is lowest for the maintenance of roads, pavements and cycleways (19%) and environmental protection services (21%), and highest for recycling services (43%) and refuse collection (43%).

| Service | Focus on those most in need | Provide less frequently | Introduce/increase charges | Other providers delivering services on behalf of Council | More community involvement in making savings |
|---|-----------------------------|-------------------------|----------------------------|--|--|
| Neighbourhood services (e.g. litter picking) | 13.8% | 40.4% | 4.4% | 30.7% | 49.3% |
| Refuse collection | 28.4% | 43.3% | 3.7% | 27.9% | 10.7% |
| Recycling services (including green waste) | 17.4% | 42.7% | 6.0% | 28.4% | 21.6% |
| Maintenance of roads, pavements and cycleways | 51.9% | 18.9% | 3.3% | 33.5% | 5.7% |
| Street cleaning | 25.1% | 41.1% | 3.2% | 32.4% | 19.6% |
| Street lighting | 33.2% | 33.2% | 3.3% | 34.1% | 4.7% |
| Environmental protection services | 37.1% | 21.4% | 20.5% | 31.0% | 9.5% |

Appendix E (continued)

Budget Consultation Results

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 where appropriate, with positive comments about progress on recycling
- Positive comments about Responsive Local Services and its impact on anti-social behaviour
- Opportunity for greater involvement of volunteers and Community Pay-back workers in Responsive Local Services and neighbourhood improvement projects
- The need for greater enforcement around dog fouling and litter
- The potential to dim or switch off street lights to make savings
- Questions around the necessity of some Highways works programmes

How are we responding?

- Refuse collection arrangements
We are committed to maintaining weekly refuse collection until at least 2016/2017. This is because we were successful in securing a £4.7m grant from central government to retain weekly collection at no additional cost to council tax payers. However, we will be changing from a five day week (Monday to Friday) to a four day week (Tuesday to Friday) in March 2014 in order to reduce the disruption to collections caused by bank holiday Mondays. We will examine the case for reducing the frequency of refuse collections before the grant agreement expires. We are currently working with neighboring authorities on sharing the provision of this service.

Part of the grant from central government is to encourage recycling in communities through communications, education, advice and sign-posting to recycling opportunities. Our current campaign (including roundabout banners, competitions, tags on bins) will provide a firm platform to ensure Sunderland is prepared for fortnightly collections in the future.

- Recycling services
Blue bin recycling collections and brown bin garden waste collections will remain fortnightly but will change to a four day working week from March 2014. We consider any reduction in the frequency of recycling collection to be impractical, as storage capacity would be insufficient to meet most people's needs. We are currently working with neighbouring authorities on sharing the provision of this service.

Appendix E (continued)

Budget Consultation Results

- **Street cleaning and Neighbourhood services**
The Responsive Local Services model, aims to prioritise expenditure to where it has the greatest positive impact for communities by listening to what local people have to say and mapping requests for service. Moving forward, we will be placing greater emphasis on how individuals and communities can play a role in keeping their neighbourhoods clean and tidy through volunteering (see Community involvement below). Through Place Boards we will continue to target activities to where they will have the most impact rather than sticking to set routes and frequencies.
- **Street lighting**
We are currently working with our provider, to investigate the potential of replacing conventional street light lamps with low energy versions that will reduce electricity costs.
- **Maintenance of roads, pavements and cyclepaths**
We have further extended our Responsive Local Services to incorporate Highways Maintenance. This will ensure a more tailored service that is focused on those areas most in need. Highways inspectors, who currently survey the network to identify defects that need repair, will also be trained to also carry out small scale repairs when they see them.
- **Environmental protection**
Public Protection and Regulatory services has been aligned to Place Boards during 2013 and has moved from a model of scheduled inspections to one based on risk, helping ensure that resources are targeted to those most in need.
- **Enforcement**
In terms of enforcement, our plans for 2014/2015 include: increasing the number of staff trained in enforcement, and implementing Dog Control Orders in parts of the city to help reduce dog fouling.

Budget Consultation Results

- **Community involvement**
The suggestions received around greater community involvement are in line with our current "Love Where You Live" campaign, which is engaging communities in taking greater responsibility for their local environment. We are training five existing Environmental Enforcement Officers to become Community Engagement Officers within Street Scene. Their role will shift from one of formal enforcement to increasing community participation in environmental activities, and building personal and collective responsibility for the areas in which people live.

Streetscene currently works closely with the Probation Service and the Youth Offending Service on a range of environmental community payback schemes.

- **Positive comments about the service**
Positive comments received in the respect of general service provision further demonstrates that the Responsive Local Service approach is working

5.2.3 Economy and regeneration

Although specific questions around economic development and regeneration were not included in the self-completion questionnaire, business growth and investment comprised one of the three topic areas for discussion at the workshop held on 26 November 2013.

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

- The need to attract more businesses and jobs to the city centre, as well as increase footfall and spending in the area
- Positive comments about the 'new public square' which is anticipated to deliver major improvements and provide a useful link to the Vaux site
- Deterrents to accessing the city centre by car, for example difficulties in navigating the one-way system and parking. Some suggestions pertained to the need for cheaper or free parking to encourage visitors.
- The importance of investing in commercial centres outside of central Sunderland, such as Washington and the Coalfields.
- The opportunity to better utilise the port
- Positive comments about improvements to disabled access in the city centre, but a general view that there is still a long way to go

Budget Consultation Results

How are we responding?

- Attracting businesses, investment and new jobs

The Council continues to engage with private investors and businesses to bring forward new investment and development opportunities. In the last two years, Sunderland has announced 71 investment projects, worth £532m and creating 3,786 new jobs. Much of this has been in the manufacturing sector but also in other aspects of advanced engineering as well as emerging sectors such as software development. Business incubators, such as the Software Centre and Evolve, continue to provide dedicated space and support for new and emerging businesses, and the Council has used its expertise to help a number of companies successfully apply for large-scale grants through the Government's 'Regional Growth Fund'.

- City centre

We will continue to actively support development and improvement of the City Centre, recognising its key role in relation to retail and leisure. In respect of parking, we recently trialled a free car parking scheme to encourage people to visit the city centre and support local businesses in the run up to Christmas.

In respect of business support, we offer a free programme of support for independent retailers comprising advice, training, mentoring and workshops delivered by a team of retail specialists. The Council also offers funding for new business start-ups in the form of City Centre Enterprise Grants

We are implementing a city centre 'Investment Corridor' programme, which will see £4m investment in infrastructure between 2013 and 2017. The programme will focus on the East West corridor that runs between the University's city campus, along High Street West to Sunnyside. The plans have been developed to align with existing and proposed investment/activity (both private and public) in the city centre, including: St Mary's Way, the new public Square, and the new Primark and Travel Lodge developments on High Street West. The proposed investment will also support the future redevelopment of the Crowtree site.

The Council continues to work in partnership with public sector partners, including Sunderland University, the Homes and Communities Agency and Nexus, on redevelopments and improvement projects.

Appendix E (continued)

Budget Consultation Results

- **Other commercial centres**

In respect of investing in commercial centres outside of central Sunderland, work has recently begun on the construction of a new business centre on the Enterprise Zone in Washington, which will provide more than 5,000 sq.m. of floorspace in the form of offices, workshops and hybrid units, enough to accommodate over 30 small businesses and around 150 new jobs.

The Council is leading the creation of a Local Asset Backed Vehicle (LABV), a joint venture consortium. Through the LABV, the Council will contribute strategic development sites across the city plus an investment portfolio of around 660 property interests, while the private partner will invest equity, expertise and focus in delivering our regeneration programme. The aim is to invigorate key areas of the city and offer new opportunities for employment, housing, shopping and culture.

- **Port of Sunderland**

In respect of the port, we are currently exploring the potential for greater cooperation with Saint-Nazaire, one of our twinned towns.

Appendix F

**Consultation Responses - State of the City, Trade Unions and Chamber of
Commerce**

To be circulated separately

Appendix G

Proposed Council Tax for 2014/2015

Paper to be tabled

Medium Term Financial Strategy 2013/2014 – 2016/2017

Report of the Head of Financial Resources

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:

- To ensure the continued strong financial resilience of the authority
- To identify and draw together strands of activity that will meet the reductions requirement
- To 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 2013 Autumn Statement that it intends to continue to address the deficit by following its deficit reduction plan. The latest position shows overall reductions in national funding available of 9.41% in 2014/2015 and 13.16% in 2015/2016. The Chancellor has indicated public sector funding will continue to be reduced up until 2019/2020 to bring about a small budget surplus.

2.2 Funding

The key funding elements to support the Council revenue budget under the Business Rates Retention mechanism are:

2.2.1 Start-up Funding / Settlement Funding Assessment (SFA)

At the outset of the new Business Rates Retention mechanism Government allocated the total funding available to councils as their Start-up Funding Assessment using the following components:

Appendix H (continued)

- Relative Needs Assessment
- Relative Resources Assessment;
- Central Allocation - a fixed amount per head of population;
- Floor Damping
- Grants Previously Rolled in to Revenue Support Grant and new grants rolled in for 2014/15

This forms the baseline for apportionment of resources to councils for future years (known as the Settlement Funding Assessment) through to 2020 when the baseline is to be reviewed.

All councils therefore bear a share of reductions in total funding in direct proportion to their original Start-up Funding Assessment. Therefore those councils originally assessed with a higher needs / low relative resources assessment (such as Sunderland) bear a greater funding reduction than those with lower needs / higher relative resources.

The Settlement Funding Assessment allocated to individual councils comprises:

- Revenue Support Grant
Government redistribute their 50% of retained business rates to Councils in the form of Revenue Support Grant.

The amount of Revenue Support grant to be received by Sunderland is reducing by 17.4% in 2014/2015 with a further reduction of 27.7% for 2015/2016. A similar trajectory of reduction has been assumed for the purposes of the MTFS given government indications that reductions in funding are to continue through to 2019/2020.

- Business rates
The expected local income from business rates is divided between the central and local share
 - 50% of Business rates are paid to Central Government as the national 'central' share to be redistributed to pay Revenue Support Grant and police funding;
 - 50% is retained locally. Of this 50% the Council must distribute 2% to the Tyne and Wear Fire and Rescue Authority.

The Council must determine for itself the level of forecast Business Rate income to take into account in setting its budget taking account of the latest information available.

Appendix H (continued)

- **Top Up Grant / Tariff**
A system of Top Up grant and Tariffs has been established to allow locally retained Business Rates to be redistributed from high business yield authorities to low yield authorities.

Sunderland is a Top Up council. Top Up grant is increased annually by RPI.
- **Section 31 Grant - Cap on Business Rates RPI increase**
For 2014/2015 the government has placed a cap on the annual increase in Business Rates at 2% for 2014/2015. They will reimburse councils for the consequential shortfall in income through a section 31 grant which is estimated at £0.812m for Sunderland for 2014/2015. At this stage there is no indication of whether this approach is to continue in future years.

2.2.2 Other Core Grant and Revenue Funding

The significant core and revenue grants include New Homes Bonus, Local Welfare Grant, Council Tax Support and Housing Benefit Administration Subsidy, Public Health Grant; NHS funding to support Social Care and Benefit Health Grant; and Education Support Services Grant. However the indicative settlement for 2015/2016 highlights the following:

- **Local Welfare Provision Grant** - Government have indicated they have rolled this in to the SFA but it is no longer separately identifiable
- **Council Tax Support and Housing Benefit Administration Subsidy** - government have indicated this has been specifically excluded pending the impact of wider welfare reforms
- **Government have included the full allocation of the Pooled NHS and LA Better Care Funding of £22m**, not all of which will be accessible by the Council. The funding incorporates a number of funding streams from which the council already benefits including NHS Support for Social Care. The Council needs to work with Clinical Commissioning Group (CCG) to develop a 2 year plan for 2014/2015 and 2015/2016 to show how the funding will be used across health and social care. Work is on-going to understand the detail and the share of the £22.4m which the Council will access.

2.2.3 Council Tax

- **Council Tax Freeze Grant**
Government have offered the funding at a rate of 1% to compensate those Authorities who decide not to increase their Council tax in both 2014/2015 and 2015/2016. As it is unclear whether the funding will be available / protected beyond 2015/2016 any use of the grant to support on-going revenue expenditure may require alternative funding to be identified in the following years should the Council decide to access and accept the grant.

Appendix H (continued)

- Council Tax Referendum
Government have proposed a referendum principle will apply to all principal local authorities. Latest indications are that a limit of 1.5% increase will apply, meaning 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:

| | 2014/15 | 2015/16 | 2016/17 | Total |
|----------------------------|---------|---------|---------|-------|
| | £m | £m | £m | £m |
| Government Funding Changes | 18.4 | 24.8 | 24.9 | 68.1 |

Spending Pressures and Commitments

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

| | 2014/15 | 2015/16 | 2016/17 |
|---|-------------|-------------|-------------|
| | £'m | £'m | £'m |
| Spending Pressures | | | |
| Pay, Prices and Other pressures | 8.7 | 5.3 | 9.1 |
| People - Adults Demand Pressures | 2.5 | 2.3 | 2.5 |
| People - Children's Demand - External Placements | 1.2 | 0.0 | 0.0 |
| People - Children's Special Guardianship and Residence Orders | 0.7 | 0.0 | 0.0 |
| Capital Financing | 0.5 | 2.5 | 1.0 |
| Replacement of Prior Year Use of One Off Resources | 3.6 | 0.5 | 4.7 |
| Total Estimated Pressures and Grant Reductions | 17.2 | 10.6 | 17.3 |

The detail in relation to spending pressures is included in section 6 of the main Cabinet report.

3.3 Overall Local Position 2014/2015 to 2016/2017

The Local Government Finance settlement for 2014/2015 confirmed a savings requirement of £35.6m for 2014/2015 and £35.4m for 2015/2016 and three year savings requirement for 2014/2015 to 2016/2017 is likely to be in the region of £113million. However, this position may change as the government provide further updated information.

The settlement covered the period 2014/2015 with indicative information for 2015/2016, and estimates have been made for 2016/2017 based on high level data provided.

Appendix H (continued)

| | 2014/15 | 2015/16 | 2016/17* | Total |
|---------------------------------------|-------------|-------------|-------------|--------------|
| | £m | £m | £m | £m |
| Government Funding Changes | 18.4 | 24.8 | 24.9 | 68.1 |
| Spending Pressures | 17.2 | 10.6 | 17.3 | 45.1 |
| Overall position / Funding Gap | 35.6 | 35.4 | 42.2 | 113.2 |

* high level assumptions at this stage

4.0 Strategy for meeting the Funding Gap

- 4.1 As part of the Budget Planning Framework for 2014/2015 Cabinet agreed in October 2013 to progress the approach to meeting the funding gap by progressing the existing savings programme and developing a further programme of activity based around the Councils Community Leadership approach including:
- understanding demand and prioritising service provision to protect core services and particularly those most vulnerable
 - maximising non frontline savings
 - ensuring services are responsive to local needs
 - targeting resources rather than universal service provision
 - developing alternative ways of providing services not necessarily by the Council
 - greater collaboration and community involvement
 - continued focus on progressing Regeneration, funding leverage and commercial opportunities
- 4.2 Proposed reductions are summarised in the following table together with an indication of plans for future years.

| | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---|--------------|--------------|--------------|-------------|
| | £'m | £'m | £'m | £'m |
| Ongoing Reduction Plans | | | | |
| Strategic and Cross Cutting | 19.48 | 17.97 | 3.97 | |
| Place and Economy | 5.12 | 8.86 | 2.82 | |
| People - | 8.88 | 6.70 | 9.93 | 0.55 |
| Total Ongoing Reductions Plans | 33.48 | 33.53 | 16.72 | 0.55 |
| Use of One off Reduction | | | | |
| SIB Balances | | 0.50 | | |
| Temporary Use of balances and potential grant | 3.52 | 1.52 | 5.72 | |
| | 3.52 | 2.02 | 5.72 | 0.00 |
| Total Proposals to meet the Gap | 37.00 | 35.55 | 22.44 | 0.55 |

Appendix H (continued)

4.3 The proposals reflect measures being implemented through the improvement programme framework which focuses on all services understanding and fulfilling their Community Leadership role which seeks to understand and meet most important community needs through the following key elements:

- Demand Management - Developing the strategies and policies that enable the Council to manage demand and deliver services in a different and more agile way within communities;
- Development of Improved Intelligence - with the aim of providing the Council with the information necessary to understand what it needs to do and ensure it is doing the right things to achieve the required outcomes;
- 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 to ensure the residents of Sunderland are offered the best possible public services within the resources available;
- Strategic Services and Fixed Assets – further and continual review to meet the future needs of the Council and its communities and maximise use of Council assets.

4.4 The framework is supporting the development of a range of cross cutting projects which are being progressed through the Council's Improvement Programme to support the delivery of savings to address the gap 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 need to form the basis of service transformation
- 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

Appendix H (continued)

- Partnership Service Integration (Better Care) – to work in partnership with the Clinical Commissioning Group and health and social care sector to develop integrated health and social care services.

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 Retained Business Rates system of funding for local government.

5.1 Retained Business Rates

- 5.1.1 Under the Retained Business Rates Mechanism for funding local Government, the Government makes assumptions about the level of Business Rates which will be achieved and retained by a Local Authority in determining its Settlement Funding Assessment. However the Council must determine for itself the anticipated level of Business Rate Income collection. The Business Rate income for 2014/2015 to be retained by the Council is forecast to be £40.057m. This compares to a £41.201m government assessed level.
- 5.1.2 Focus on monitoring and management of the various strands that impact on levels of income collection are continuing and involves 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.
- 5.1.3 The report to Council in January 2014 referred to the fact that the outcome of valuation appeals has proved to be the most difficult to forecast. Appeals can be backdated to the start of the 2010 valuation list which results in a refund for prior years in addition to an adjustment for the current year. Successful appeals then reduce the base income collectable position for future years. The Council loses income to the value of 49% of the value of successful appeals.
- 5.1.4 The Government will only fund losses on business rate collection through the Safety Net mechanism after a certain level of loss has been incurred. Based on our assumptions on business rate income collection, income retained by the Council could fall by up to £5.8m in 2014/2015 before the Government will provide 100% safety net funding. This means that business rates collected would have to fall by £11.8m before the threshold is triggered and the Council receives any safety net funding.

Appendix H (continued)

5.1.5 The council therefore established a reserve in 2013/2014 to reflect the uncertainty of income levels and the budget planning provides for this to be maintained in order to mitigate the risk.

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 Fees and Charges

A review of all fees and charges takes place on an annual basis to ensure that opportunities to maximise resources are followed through. An independent review undertaken in October 2013 concluded that the council is in the top quartile in terms of income recovered against expenditure in most areas when compared to other councils nationally. This indicates that there is limited scope for generating additional income from fees and charges.

The review exercise did identify some limited opportunities for future growth, which have been factored into the MTFs process.

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

5.4 Council Tax

Government have offered Council Tax Freeze Grant funding at a rate of 1% to compensate those councils who decide not to increase their Council tax in both 2014/2015 and 2015/2016. As it is unclear whether the funding will be available / protected beyond 2015/2016 any use of the grant to support on-going revenue expenditure may require alternative funding to be identified in the following years should the Council decide to access and accept the grant.

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. In respect of European funding, the Council has sought to maximise the take-up of European Regional Development Fund resources under the 2007-2013 Competitiveness and Employment programme which closes in 2015. The Government's emphasis on involving the private sector directly in stimulating economic recovery continues, through the Regional Growth Fund and Growing Places Fund. The development of the Strategic Economic Plan (SEP) and the European Structural and Investment (ESI) Fund strategy represent two major external funding opportunities for the North East Local Enterprise Partnership (NELEP) area.

Appendix H (continued)

The allocation to the NELEP area under the ESI Funds is c. £460m, with the programme likely to be operational from late 2014 until 2022. The SEP will set the strategic economic framework for both ESI Funds and the Local Growth Fund which, subject to negotiations with Government, will come into effect from April 2015. Each LEP area is seeking a contribution from the £2bn / year Local Growth Fund. Early estimates are that the North East LEP area could seek up to £100m per year from this resource for a range of economic development and transport projects.

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 Capital and Prudential Borrowing

- 6.1 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.
- 6.2 The four year Capital Programme for 2014/2015 to 2017/2018 was set to take account of the reductions in available external funding and the increased pressure on the Council's resources.
- 6.3 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.

7 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 Head of Financial Resources is required, as part of the budget setting process, to provide a statement on the adequacy of reserves.

7.1 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.

8 Budget Consultation and Equality Analysis

8.1 The annual budget consultation commenced during October / November 2013 comprising a survey and workshop. In general, the findings demonstrate continuing support for the Council's overall approach to meeting the budget challenge and indicate broad agreement with plans for further transformation of services.

8.2 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.

9 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.

10 Conclusion

- 10.1 The Government has announced funding levels for 2014/2015. Indicative funding levels for 2015/2016 are broadly as anticipated following the CSR13 and Autumn Statements. However if the reductions demonstrated in the 2015/2016 indicative settlement feed through into 2016/2017 then at this stage the three year savings requirement for 2014/2015 to 2016/2017 is likely to be in the region of £113m. This is in addition to the £136m savings already achieved in the period 2010/2011 to 2013/2014.
- 10.2 The Government's intention to eliminate the public sector spending deficit by 2018/2019 results in extremely challenging funding cuts for the Council. The local government funding arrangements under the Business Rates Retention Scheme has transferred 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.
- 10.3 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.
- 10.4 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.
- 10.5 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 5 March 2014.

MTFS 2013/2014 to 2016/2017 Risk Assessment

| Risk | Likelihood | Impact | Risk Management |
|--|------------|--------|---|
| 1. Future available resources less than notified. For 2015/16 the settlement is indicative and no firm information is available for 2016/17. This is likely to be impacted upon by future Government announcements | Likely | High | Annual review of reserves and reserves policy to identify future resources. Settlement confirms funding for 2014/15 and indicative information for 2015/16. Assumptions beyond 2015/16 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. Principles to maintain General Reserve at £7.5m. Availability of Transitional Funding |
| 5. Revenue implications of capital programmes not fully anticipated. | Unlikely | Low | Revenue impacts are considered in framing the capital programme approvals. Given reduced availability of funding new projects are primarily invest to save. Capital programme links to council priorities |
| 6. Income Targets for Business Rates and Council Tax not achieved | Possible | High | Prudent approach taken in setting the forecast income levels. Rigorous monitoring processes in place to identify forecast shortfall and remedial action will be taken. Provision exists to meet any shortfall in business rates business rate income above the safety net threshold. |

| Risk | Likelihood | Impact | Risk Management |
|---|-------------------|---------------|--|
| 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. |
| 11. Interest rates lower than expected. | Unlikely | Low | Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2014/15 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;
- The CPI fell to the government target of 2.0% in December 2013 and is anticipated to remain around that level for the whole of 2014/2015;
- 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 recent years. Council procurement officers continuously monitor 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 2014/2015;
- 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.

Appendix I (continued)

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 2014/2015;
- 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 Leader, Portfolio-holders and Executive Management Team, with corrective action agreed or set in train;

Appendix I (continued)

- 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.

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 fully integrate monitoring of delivery of budget reduction plans which will identify any shortfall and remedial action will be taken;
- 6 weekly exception reporting to the Leader, Portfolio-holders and Executive Management Team, with corrective action agreed or set in train;
- contingencies / transitional funds exist to safeguard against the non-realisation or temporary delay of some of the budget reductions.

Appendix I (continued)

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 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 2014/2015.

Appendix J

Major Earmarked Reserves - Position Statement

| Title and Purpose of Earmarked Reserve | Opening Balance 1/4/2013 £'000 | Movement during 2013/2014 £'000 | Closing Balance 31/3/2014 £'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> | 52,523 | (12,925) | 39,598 |
| <p>Schools Delegated Budget Surpluses These are the financial reserves held by schools under School Finance Regulations.</p> | 9,364 | (2,889) | 6,475 |
| <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> | 3,931 | 0 | 3,931 |
| <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 was not incurred until the core investment programme for the installation of the new street lighting and highways signs was completed</p> | 6,258 | (388) | 5,870 |
| <p>Unutilised RCCO Reserve This reserve consists of unutilised direct revenue financing and is fully earmarked to fund capital projects previously approved.</p> | 3,009 | (1,632) | 1,377 |
| <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> | 7,383 | (1,172) | 6,211 |
| <p>HCA Riverside Transfer Reserve The reserve was established to fund on-going maintenance of Homes and Communities Agency Riverside Land Transferred to the Council.</p> | 11,876 | (105) | 11,771 |
| <p>Sandhill View PFI Smoothing Reserve The reserve was established in order to smooth the financial impact of the Sandhill View PFI contract across the 25 years of the contract life.</p> | 2,665 | (70) | 2,595 |



REVENUE BUDGET 2014/2015

**REVENUE BUDGET 2014/2015
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, reputationally 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

FINANCIAL

OBJECTIVE SUMMARY

| Ref. | Head of Service Ref. | Revised Estimate 2013/2014 £ | | Estimate 2014/2015 £ |
|--|----------------------|---------------------------------|--|-------------------------|
| Office of the Chief Executive | | | | |
| 1 | ACE | 0 | Corporate and Strategic Management | 0 |
| 2 | ACE | 0 | Local Strategic Partnership | 0 |
| 3 | BID | 2,556,869 | Business and Investment | 2,679,717 |
| 4 | BID | 143,572 | Employment Training Centre | 134,472 |
| 5 | DoCA&C | 0 | Corporate Affairs and Communications | 0 |
| 6 | DoCA&C | 0 | Communications - Design and Print | 0 |
| 7 | DCX | 0 | Business Development | 0 |
| 8 | HoCLP | 0 | Community Leadership Programme | 0 |
| 9 | HoS&AA | 189,065 | Scrutiny Arrangements | 189,065 |
| 10 | HoS&P | 0 | Strategy, Policy and Performance Management | 0 |
| | | <u>2,889,506</u> | Total Office of the Chief Executive | <u>3,003,254</u> |
| Commercial and Corporate Services | | | | |
| 11 | HoLG | 4,107,117 | Democratic Core | 4,230,859 |
| 12 | HTCT | 0 | Transformational Change Team | 0 |
| | | <u>4,107,117</u> | Total Commercial and Corporate Services | <u>4,230,859</u> |
| | | <u>6,996,623</u> | TOTAL BUDGET | <u>7,234,113</u> |

REVENUE BUDGET 2014/2015 LEADER

PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS

Underpinning the Council wide approach to improvement is a programme of activity based around the Councils Community Leadership approach which is led by this Portfolio. This is helping to deliver savings by:

- understanding demand and prioritising service provision to protect the most vulnerable
- ensuring services are responsive to local needs
- targeting resources rather than universal service provision
- developing alternative ways of providing services not necessarily by the Council
- greater collaboration and community involvement
- continued focus on progressing regeneration and growth

The Portfolio continues to review services in order to deliver savings and also to provide services in the most effective way possible. In addition to the corporate and cross cutting budget reductions that the portfolio is leading on, in 2014/2015 savings are being implemented in the following areas:

Strategic and Shared Services

Building on the significant savings already delivered through reductions in back-office support, there is further savings being achieved for Support and Shared Services for 2014/2015. There will be a continued approach of refining and standardising ways of delivering support across services. The Strategy, Policy and Performance Management service has been subject to a major reconfiguration that will ensure this function continues to support the strategic direction of the council. Savings are masked in these support services by the impact of recharging the net costs of their client service areas.

Economic Development

The Business Investment Team will deliver savings through the reprioritisation of external grants provided by the team, focussing on those grants where clear outcomes are demonstrable. The team has reviewed the financial incentives / assistance scheme to a more discretionary project based approach.

A key focus of the Portfolio continues to be the delivery of the priorities set out in the Sunderland Economic Master Plan with the vision of creating “an entrepreneurial university city at the heart of a low-carbon economy”. This has included the promotion and support to the North Eastern Local Enterprise Partnership’s Sunderland A19 Ultra Low Carbon Vehicle Corridor Enterprise Zone, an initiative including Vantec which created new jobs, new construction and external funding towards the provision of new strategic infrastructure. The portfolio will continue to explore financial incentives, streamline planning procedures and improve transport infrastructure to support the development of business operating in low carbon vehicle development or advance manufacturing.

Maximisation of Income

As a result of the Airport refinancing arrangements agreed in 2012, the council is to receive interest on long term loan notes issued for a period of 20 years subject to performance of the Airport. The annual income receivable has been brought into account in the budget from 2014/2015.

Underpinning the Council wide approach to improvement is a programme of activity based around the Councils Community Leadership approach which is being led by this Portfolio.

PORTFOLIO GLOSSARY

| | |
|--------|--|
| DCX | Deputy Chief Executive |
| ACE | Assistant Chief Executive |
| BID | Business Investment Director |
| DoCA&C | Director of Corporate Affairs and Communications |
| 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 |
| HTCT | Head of Transformational Change Team |

**REVENUE BUDGET 2014/2015
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 Service 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

FINANCIAL

OBJECTIVE SUMMARY

| Ref. | Head of Service Ref. | Revised Estimate 2013/2014 £ | | Estimate 2014/2015 £ |
|--|----------------------|---------------------------------|--|-------------------------|
| Office of the Chief Executive | | | | |
| 1 | HoS&P | 232,001 | Equalities and Integration | 218,318 |
| 2 | DoHR&OD | 0 | Strategic and Operational HR | 0 |
| 3 | HoES | 604,536 | Electoral Services | 816,794 |
| | | <u>836,537</u> | Total Office of the Chief Executive | <u>1,035,112</u> |
| Commercial and Corporate Services | | | | |
| 4 | HoICT | 0 | ICT | 0 |
| 5 | HoLG | 0 | Governance Services | 0 |
| 6 | HoLG | 6,950 | Information Governance | 15,406 |
| 7 | HoLG | 0 | Legal Services | 0 |
| 8 | HoTS | 0 | Administration and PA Support | 0 |
| 9 | HoTS | 2,059,550 | Benefits, Council Tax and Business Rates | 2,548,195 |
| 10 | HoTS | 1,268,079 | Benefits Payments | 1,268,079 |
| 11 | HoTS | 0 | Shared Service Centre | 0 |
| 12 | HoTS | 0 | Transactional Finance | 0 |
| 13 | HoTS | 0 | Welfare Reform - Social Fund | 0 |
| | | <u>3,334,579</u> | Total Commercial and Corporate Services | <u>3,831,680</u> |
| | | <u>4,171,116</u> | TOTAL BUDGET | <u>4,866,792</u> |

**REVENUE BUDGET 2014/2015
DEPUTY LEADER**

PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS

The Portfolio continues to review services in order to deliver savings and also to provide services in the most effective way possible. In 2014/2015 £0.729m of savings are anticipated with plans being implemented in the following areas:

Strategic and Shared Services

Building on significant savings already delivered through reductions in back-office support, there is a savings target for Support and Shared Services for 2014/2015. There will be a continued approach of refining and standardising ways of delivering support across services such as Strategic and Operational HR, Legal and Governance Services, Administration and PA Support and Transactional Services to reflect the future business needs of the Council. Savings are masked in these support services by the impact of recharging the net costs to their client service areas.

ICT Rationalisation and Income Opportunities

The ICT Unit will continue consolidating applications into a smaller number of core systems thereby maximising the investment the council has made in ICT over the last few years. This will bring budget reductions in respect of reducing the external spend on application support and will bring improvements in data quality and the availability of information, building on the work already underway in areas such as the Customer Service Network where a single application already supports the first point of contact for many of our services (making services more accessible whilst also reducing processing costs). Whilst reducing cost, the ICT Unit will be looking at increasing income through the sharing of ICT services and resources. This will include all aspects of the ICT service from application development, hosting within the data centre and sharing of the ICT infrastructure and service.

A significant element of the councils savings plans are dependent upon implementation of workforce planning arrangements which continue to be implemented and are being led by this Portfolio. Following the successful implementation of the severance scheme over the last two financial years and the previously agreed cessation of the SWITCH programme, the balance of the SWITCH budget has been released from April 2014.

The Portfolio continues to actively manage arrangements for changes arising from Welfare Reform and administration of the Social Fund. In addition it has established robust mechanisms for monitoring risks arising from the introduction of the Business rates retention scheme from April 2013. 2014/2015 will see a continuation of efforts to mitigate against any adverse impacts arising from this.

PORTFOLIO GLOSSARY

| | |
|---------|----------------------------------|
| HoS&P | Head of Strategy and Performance |
| 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 2014/2015
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 and Families
- Health
- Adult Social Care and Housing

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 and buildings
- Port of Sunderland
- Strategic Procurement Champion
- Efficiency Champion
- Risk Management Champion
- Performance management
- Emergency Planning
- Strategic cultural developments

FINANCIAL

OBJECTIVE SUMMARY

| Ref. | Head of Service Ref. | Revised Estimate 2013/2014 £ | | Estimate 2014/2015 £ |
|--|----------------------|---------------------------------|---|-------------------------|
| Office of the Chief Executive | | | | |
| 1 | HoS&P | 423,368 | Strategy, Policy and Performance Management – Planning Policy | 415,622 |
| 2 | HP&P | 0 | Asset Management | 0 |
| 3 | HP&P | 237,988 | Building Control | 224,056 |
| 4 | HP&P | 205,195 | Civil Contingencies | 216,107 |
| 5 | HP&P | 297,621 | Development Control | 330,086 |
| 6 | HP&P | (203,447) | Industrial Estates | (272,630) |
| 7 | HP&P | 52,286 | Miscellaneous Land and Property | (181,461) |
| 8 | HP&P | 2,465,154 | Planning Implementation | 2,533,070 |
| 9 | HP&P | 0 | Repairs and Renewals | 0 |
| 10 | HP&P | (194,368) | Retail Market | (199,425) |
| 11 | HP&P | 176,845 | Security Services | 169,418 |
| 12 | PD | (250,000) | Port of Sunderland | (300,000) |
| | | <u>3,210,642</u> | Total Office of the Chief Executive | <u>2,934,843</u> |
| Commercial and Corporate Services | | | | |
| 13 | HCAP | 0 | Audit, Risk and Assurance | 0 |
| 14 | HCAP | 0 | Procurement | 0 |
| 15 | HoFR | 0 | Financial Resources | 0 |
| 16 | HoFR | 188,153 | Strategic External Funding Unit | 194,491 |
| 17 | HoFR | 4,689,883 | Corporate Management | 4,694,953 |
| 18 | HoFR | 599,087 | Non Distributable Costs | 580,787 |
| | | <u>5,477,123</u> | Total Commercial and Corporate Services | <u>5,470,231</u> |
| | | <u>8,687,765</u> | TOTAL BUDGET | <u>8,405,074</u> |

**REVENUE BUDGET 2014/2015
CABINET SECRETARY**

PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS

The Portfolio continues to review services in order to deliver savings and also to provide services in the most effective way possible. In addition to the corporate and cross cutting budget reductions that the portfolio is leading on, £1.471m savings are anticipated in 2014/2015 with plans being implemented in the following areas:

Strategic and Shared Services

Building on significant savings already delivered through reductions in back-office support, there is a savings target for Support and Shared Services for 2014/2015. This reduction will continue the approach of refining and standardising ways of delivering support across services such as Audit, Risk and Assurance and Financial Resources. Savings are masked in these support services by the impact of recharging the net costs of their client service areas

Smarter Working

The Smarter Working project has already delivered significant savings in premises costs (utilities, repairs and renewals etc.) through the planned closure of administrative buildings. This review is now focussing on delivering savings in operational buildings through collaborative working and co-location. Further savings will be delivered by prioritising the Repairs and Renewals budget and by optimising the use of council properties to minimise the rates liability.

Land and Property

Planning and Property Services has identified a number of proposals aimed at increasing income, including from the Cash in Transit and Control Room services and through rent reviews of the council's property portfolio, and through reducing cost, including in relation to Design Services where an alternative approach to service delivery will build greater flexibility into service provision.

Maximisation of Income

The Portfolio will continue to see the commercial development of the Port of Sunderland with a specific target for 2014/2015 to enhance existing income opportunities whilst developing new sources of revenue. The improvement in financial performance of recent years is expected to continue.

The Portfolio continues to explore wider commercial opportunities for the council that will assist with the economic regeneration and prosperity of the city. This includes the recent appointment of a preferred bidder in respect of the Local Asset Backed Vehicle, which will leverage additional private sector finance and expertise to accelerate regeneration in the city. Once arrangements in respect of the LABV are finalised, the 2014/2015 budget will be realigned accordingly. The Portfolio will also continue to assist in maximising external income and developing opportunities for alternative service delivery across council services.

While the Local Government Finance Settlement provides indicative funding levels for 2015/2016, funding into the medium term remains very uncertain. The Government have indicated they intend to eliminate the public sector spending deficit by 2018/2019 which is likely to result in extremely challenging funding cuts for the council. In addition the local government funding arrangements from April 2013 under the Business Rates Retention scheme has transferred significant risk to the council. The combined effect presents a real challenge for the council.

The Council continues to seek to proactively influence the Government to establish a fairer and more equitable approach to the allocation of funding cuts. In addition the impact of the global and national economies are continually monitored. The medium term financial strategy will be continually updated as details emerge.

PORTFOLIO GLOSSARY

| | |
|-------|---|
| 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 2014/2015
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 wellbeing 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.

**REVENUE BUDGET 2014/2015
CHILDREN'S SERVICES**

FINANCIAL

OBJECTIVE SUMMARY

| Ref. | Head of Service Ref. | Revised Estimate 2013/2014 £ | | Estimate 2014/2015 £ |
|---|----------------------|---------------------------------|---|-------------------------|
| Office of the Chief Executive | | | | |
| 1 | ACE | 0 | Strengthening Families | 0 |
| | | <u>0</u> | Total Office of the Chief Executive | <u>0</u> |
| People Services | | | | |
| Educational Attainment and Lifelong Learning | | | | |
| 2 | HoEA&LL | 137,329,392 | Individual Schools Budgets | 134,881,048 |
| 3 | HoEA&LL | (137,280,611) | School Grants – Education Funding Agency | (135,463,535) |
| 4 | HoEA&LL | 6,280,461 | Retained Activity - Schools and Other | 6,996,693 |
| 5 | HoEA&LL | 1,323,933 | School Support and Intervention | 1,127,023 |
| 6 | HoEA&LL | 4,507,910 | Special Educational Needs | 4,481,113 |
| 7 | HoEA&LL | 431,832 | Derwent Hill Trading Operations | 426,749 |
| 8 | HoEA&LL | 225,841 | Hub Connexions - Trading Operations | 243,815 |
| | | <u>12,818,758</u> | Total Educational Attainment & Lifelong Learning | <u>12,692,906</u> |
| Children's Safeguarding | | | | |
| 9 | HoCS | 17,622,660 | Children Looked After Strategy | 18,826,789 |
| 10 | HoCS | 2,283,975 | Disabled Children | 2,183,552 |
| 11 | HoCS | 8,314,761 | Children's Social Work | 8,514,715 |
| 12 | HoCS | 1,792,528 | Youth Offending Service | 1,695,807 |
| 13 | HoCS | 160,239 | Sunderland Safeguarding Children's Board | 115,780 |
| 14 | HoCS | 582,847 | Independent Reviews | 605,489 |
| 15 | HoCS | 72,267 | Safeguarding Advisory Team | 74,646 |
| | | <u>30,829,277</u> | Total Children's Safeguarding | <u>32,016,778</u> |
| Community and Family Wellbeing | | | | |
| 16 | HoC&FW | 17,135,084 | Locality Based Working | 17,545,019 |
| 17 | HoC&FW | 175,733 | Parent Partnership | 245,489 |
| 18 | HoC&FW | (115,429) | Health and Well Being | (121,972) |
| | | <u>17,195,388</u> | Total Community and Family Wellbeing | <u>17,668,536</u> |
| | | <u>60,843,423</u> | Total People Services | <u>62,378,220</u> |
| | | <u>60,843,423</u> | TOTAL BUDGET | <u>62,378,220</u> |

REVENUE BUDGET 2014/2015 CHILDREN'S SERVICES

PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS

Children's Services proposals for 2014/2015 are consistent with its 3 year priorities around; new relationship with schools, review of early years and Children's Centres, a whole family, whole community responsive local service approach and an improving safeguarding story Savings were achieved in 2013/2014 through following the portfolio's efficiency strategy with further budget reductions of £3.089m anticipated in 2014/2015. Plans are being implemented in respect of the following key strands of business:

Review of Commissioning Arrangements.

This includes the removal of subsidy at the Castleview Centre, and a review of partner contributions to Sunderland Safeguarding Children's Board.

In addition a Review of Home to School Transport is underway. This will require appropriate consultation and a review of policy as appropriate as we propose to explore how statutory transport is provided for children and young people. This will include a review of commissioning arrangements, a review of eligibility criteria and an offer to parents of personalised budgets where appropriate.

The Portfolio is also looking to develop alternative delivery models for internally delivered services including XL and Mobile Youth Provision. This will include working with partners to determine how the desired outcomes from delivery can be met (including reducing ASB, increasing participation and opportunities). We will also include consideration of the likely useful life of the most costly assets (e.g. buses).

Review of Early Years and Childcare.

Over recent years we have provided financial support which has delivered an improvement in the early years workforce provided by childcare settings and child-minders. It is therefore considered appropriate to continue the phased withdrawal of this support. We will also reduce the cost of Qualified Teacher posts who work directly with settings to improve quality and narrowing the gap in development and readiness for school by looking at alternative ways of funding and delivering the service.

Within Children's Centres we will change delivery in response to the updated needs analysis and usage following consultation with Children Local Area Boards and elected members.

In addition to reduction proposals, there continues to be increasing demand pressures in relation to safeguarding and specifically external placements, The Children Looked after Strategy has been reviewed and pressures identified with prudent provision made for this purpose.

PORTFOLIO GLOSSARY

| | |
|---------|--|
| ACE | Assistant Chief Executive |
| HoC&FW | Head of Community & Family Wellbeing |
| HoEA&LL | Head of Educational Attainment & Lifelong Learning |
| HoCS | Head of Children's Safeguarding |

**REVENUE BUDGET 2014/2015
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 provided 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.

FINANCIAL

OBJECTIVE SUMMARY

| Ref. | Head of Service Ref. | Revised Estimate 2013/2014 £ | | Estimate 2014/2015 £ |
|--------------------------------------|----------------------|---------------------------------|--|-------------------------|
| Office of the Chief Executive | | | | |
| 1 | HP&P | 608,830 | Housing Renewal | 575,665 |
| | | <u>608,830</u> | Total Office of the Chief Executive | <u>575,665</u> |
| People Services | | | | |
| 2 | HOC&S | 16,249,590 | Care and Support | 0 |
| 3 | HOP | 57,135,343 | Personalisation | 56,681,609 |
| 4 | HOSC | 7,569,216 | Strategic Commissioning | 18,481,098 |
| 5 | HOHSC | 1,217,649 | Access to Housing | 914,431 |
| 6 | HOHSC | 3,043,245 | Housing Related Support | 2,279,360 |
| | | <u>85,215,043</u> | Total People Services | <u>78,356,498</u> |
| | | <u>85,823,873</u> | TOTAL BUDGET | <u>78,932,163</u> |

PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS

2014/2015 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 budget reductions are realised.

The increasing longevity of the national and specifically, the city's population continues to place significant pressure on Adult Social Services budgets. In addition, client expectations and increasing demand to support clients with complex cases to enable clients to maintain independent living, is requiring reconfigured services and additional investment, with additional provision included within the 2013/2014 budget.

Savings were achieved in 2013/2014 through following the portfolio's efficiency strategy with further budget reductions of £3.944m anticipated in 2014/2015. Plans are being implemented in respect of the following key strands of business:

Health and Social Care Integration

The development of integrated services and development of person centred co-ordinated care in localities to prevent hospital admissions and readmissions.

**REVENUE BUDGET 2014/2015
HEALTH, HOUSING AND ADULT SERVICES**

LATC Sunderland Cares

The In-house Care and Support service moved to a LATC from the 1st December 2013. The establishment of a LATC has enabled the Council to become more focused in its crucial role as a place-shaping strategic commissioner. The separation of the Council's provider arm into a LATC will give greater opportunities to consolidate its provider options, enabling flexible solutions and the potential to develop business / generate income through innovative service provision to individual customers and commissioners. Savings will be achieved by reduction in overhead costs by operating more effectively and efficiently, generating income through increasing business opportunities and reviewing service models.

Further Implementation of Personalisation

The continued 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.

In 2015/2016 the Government is proposing minimum national eligibility standards. The proposal is to adopt the national criteria.

PORTFOLIO GLOSSARY

| | |
|-------|--|
| HOC&S | Head of Care and Support |
| HOSC | Head of Strategic Commissioning |
| HOP | Head of Personalisation |
| HOHSC | Head of Housing Support and Community Learning |

**REVENUE BUDGET 2014/2015
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

FINANCIAL

OBJECTIVE SUMMARY

| Ref. | Head of Service Ref. | Revised Estimate 2013/2014 £ | | Estimate 2014/2015 £ |
|--------------------------------------|----------------------|---------------------------------|--|-------------------------|
| Office of the Chief Executive | | | | |
| 1 | HCLP | 1,066,067 | Events | 1,074,835 |
| 2 | DoCA&C | 126,319 | Tourism | 127,754 |
| 3 | DOPH | 0 | Public Health | 0 |
| | | <u>1,192,386</u> | Total Office of the Chief Executive | <u>1,202,589</u> |
| People Services | | | | |
| 4 | HCS | 719,606 | Arts and Creative Development | 763,632 |
| 5 | HCS | 1,157,893 | Community Sports and Physical Activity Development | 1,110,177 |
| 6 | HCS | 88,166 | Grants to Community Projects and Miscellaneous Contributions | 88,745 |
| 7 | HCS | 227,620 | Heritage (including Fulwell Mill) | 228,468 |
| 8 | HCS | 3,972,635 | Libraries | 3,987,661 |
| 9 | HCS | 1,984,453 | Museums and Archives Service | 2,055,003 |
| 10 | HCS | 345,568 | Resorts | 297,698 |
| 11 | HCS | 6,410,829 | Sport and Leisure Facilities | 6,039,840 |
| 12 | HCS | 1,257,158 | Theatre | 1,258,752 |
| | | <u>16,163,928</u> | Total People Services | <u>15,829,976</u> |
| | | <u>17,356,314</u> | TOTAL BUDGET | <u>17,032,565</u> |

**REVENUE BUDGET 2014/2015
PUBLIC HEALTH, WELLNESS AND CULTURE**

PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS

The Portfolio continues to review services in order to deliver savings and also to provide services in the most effective way possible. In 2014/2015 £3.031m savings are anticipated with plans being implemented in the following areas:

People Based Commissioning Reviews – Public Health

The intent of the transition of Public Health to Local Government in April 2013 was to enable a more focused and aligned approach to addressing health and wellbeing. Savings are being generated through the development of our approach locally which includes a move away from commissioning separate unconnected services to supporting the delivery of an integrated wellness model. Through reprofiling monies into a range of areas, we will increase opportunities for people to make different decisions around their lives and activities leading to healthier outcomes for them and their families. Services influenced through this approach include NHS health-checks, adult obesity programmes, substance misuse, infection control and public health strategic resources.

Sport and Leisure Review

Cabinet agreed in October 2013 to explore the establishment of an alternative service delivery model for Sports and Leisure Facilities. Work undertaken concluded that a Joint Venture arrangement between the Council and a partner is the preferred option for the future model to operate and to manage the City's leisure complexes. Analysis undertaken suggests that, through achieving increases in participation and customer volumes, additional revenues will be delivered to contribute to the position.

PORTFOLIO GLOSSARY

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

REVENUE BUDGET 2014/2015
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

**REVENUE BUDGET 2014/2015
CITY SERVICES**

FINANCIAL

OBJECTIVE SUMMARY

| Ref. | Head of Service Ref. | Revised Estimate 2013/2014 £ | | Estimate 2014/2015 £ |
|--|----------------------|---------------------------------|--|-------------------------|
| Office of the Chief Executive | | | | |
| 1 | HP&P | (489,828) | Building Services | (346,105) |
| 2 | HSS | (671,869) | Bereavement | (846,911) |
| 3 | HSS | 0 | Contract and Compliance | 0 |
| 4 | HSS | 707,210 | Coroner's Court | 721,234 |
| 5 | HSS | 0 | Depots | 0 |
| 6 | HSS | 0 | Fleet | 0 |
| 7 | HSS | 7,287,910 | Highways and Transportation | 7,298,857 |
| 8 | HSS | 6,369,100 | Street Lighting | 6,875,982 |
| 9 | HSS | 3,235,710 | Network and Traffic Management | 2,914,419 |
| 10 | HSS | 711,149 | Parking Services | 269,630 |
| 11 | HSS | 1,471,721 | Public Protection and Regulatory Services | 1,476,294 |
| 12 | HSS | 257,721 | Registrars | 236,420 |
| 13 | HSS | 10,980,957 | Responsive Local Services | 10,368,304 |
| 14 | HSS | 6,868,485 | Waste Collection and Recycling | 6,451,584 |
| 15 | HSS | 8,961,005 | Waste Disposal | 9,111,280 |
| | | <u>45,689,271</u> | Total Office of the Chief Executive | <u>44,530,988</u> |
| Commercial and Corporate Services | | | | |
| 16 | HCAP | 0 | Building Cleaning | 0 |
| 17 | HCAP | 0 | Civic Catering | 0 |
| 18 | HCAP | 0 | Civic Centre Management | 0 |
| 19 | HCAP | 0 | Facilities Management | 0 |
| 20 | HCAP | 319,303 | Public Conveniences | 314,744 |
| 21 | HCAP | (383,797) | School Meals | (213,706) |
| | | <u>(64,494)</u> | Total Commercial and Corporate Services | <u>101,038</u> |
| | | <u>45,624,777</u> | TOTAL BUDGET | <u>44,632,026</u> |

PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS

The Portfolio continues to review services in order to deliver savings and also to provide services in the most effective way possible. In 2014/2015 £4.203m savings are anticipated with plans being implemented in the following areas:

Review of Citywide Services

Whilst continuing with the commitment to retain weekly refuse collections through to 2016/2017, further savings will be delivered in Waste Collection through the implementation of a 4-day working week to coincide with the opening of the new waste transfer station at Jack Crawford House. The creation of new collection routes will enable the introduction of the most cost effective start / finish points and waste transfer tip locations in order to maximise route efficiency. Further savings will be introduced by moving to a shared service model through the South Tyne and Wear Waste Management Partnership and through planned reductions in the tonnage of waste disposed of.

The continuation of the Transport and Fleet review will further rationalise and reduce the scale of the council's fleet, ensure better vehicle utilisation based on new management and monitoring systems and ensure more efficient hire and maintenance arrangements.

**REVENUE BUDGET 2014/2015
CITY SERVICES**

Car parking

Delivery of the new Parking Strategy will achieve savings through the implementation of a Local Parking Permit Scheme in the City Centre to improve parking utilisation and support local business, introducing seafront and on-street parking charges, by taking advantage of commercial opportunities to generate new income streams, improving enforcement arrangements and reviewing parking charges.

Pest Control

The approach to maximising income generation within the Portfolio includes the introduction of charging for pest control (excluding rat control) in line with other local authorities, with further savings being delivered through consequential staffing reductions.

Bereavement Services

Following the review last year to simplify the charging policy for burial services, further savings will be delivered through an increase in charges for burial and cremation.

Highways and Network Management

Building on member engagement through Place Boards, savings will be delivered through the prioritisation of the Highways Maintenance budget and the multi-skilling of highways inspectors to carry out on-the-spot repairs. Further savings will be delivered within Highways and Transportation and Network Management through the further roll-out of the Technical Consultancy model of operation that will allow the service to more flexibly meet the design requirements of revenue and capital schemes, by maximising income earning opportunities and by focussing on the delivery of statutory functions.

In addition, officers are working alongside the council's PFI contractor to develop opportunities to reduce the cost of energy, primarily in relation to Street Lighting. Capital investment, to take account of improvements in technology, will be considered on an invest to save basis.

Responsive Local Services

A review of operational arrangements for Responsive Local Services will deliver a major redesign of the service, including the integration of existing fixed term and apprentice staff and the creation of a further 30 new apprentice positions. The review maintains the Area Response Manager arrangements which have proved successful and will focus on rationalising and re-engineering operational supervision.

The portfolio continues to work closely with the successful school meals consortium to ensure a high quality schools service is provided at low cost. This close working relationship will be required in 2014/2015 to assess the likely impact of the proposed free school meal for nursery and primary school children.

PORTFOLIO GLOSSARY

| | |
|------|---|
| HCAP | Head of Corporate Assurance and Procurement |
| HP&P | Head of Planning and Property |
| HSS | Head of Street Scene |

**REVENUE BUDGET 2014/2015
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 their neighbourhoods 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

FINANCIAL

OBJECTIVE SUMMARY

| Ref. | Head of Service Ref. | Revised Estimate 2013/2014 £ | | Estimate 2014/2015 £ |
|------|----------------------|---------------------------------|---|-------------------------|
| | | | Office of the Chief Executive | |
| 1 | HoCSD | 0 | Customer Service Network | 0 |
| 2 | HoS&AA | 2,156,833 | Area Arrangements | 2,151,386 |
| 3 | HoS&AA | 1,676,666 | Strategic Initiative Budget / Community Chest Grant | 1,676,666 |
| 4 | HoS&P | 313,731 | Safer Communities | 341,580 |
| | | <u>4,147,230</u> | Total Office of the Chief Executive | <u>4,169,632</u> |
| | | | Commercial and Corporate Services | |
| 5 | HCAP | 92,274 | Area Facilities | 92,502 |
| | | <u>92,274</u> | Total Commercial and Corporate Services | <u>92,502</u> |
| | | | People Services | |
| 6 | HOSC | 19,968 | Family Adult and Community Learning | 28,356 |
| 7 | HOP | 122,140 | Drug Awareness, Prevention and Treatment | 117,757 |
| 8 | HOHSC | 412,577 | Anti-Social Behaviour | 422,221 |
| | | <u>554,685</u> | Total People Services | <u>568,334</u> |
| | | <u>4,794,189</u> | TOTAL BUDGET | <u>4,830,468</u> |

**REVENUE BUDGET 2014/2015
RESPONSIVE SERVICES AND CUSTOMER CARE**

PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS

The Portfolio continues to review services in order to deliver savings and to provide services in the most effective way possible. Plans for 2014/2015 are being implemented in the following areas:

Customer Services Network

The enabling role the Portfolio undertakes remains central to the strategy of delivering improved services for lower cost. The Customer Services Work Programme already has, and will continue to, drive forward customer focused improvements across a wide range of important services. With virtually all service areas now migrated to the Customer Service Network, the focus has changed to 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.

The implementation of more efficient ways of working, reduced levels of demand and a growing number of customers migrating to online services will enable the delivery of these savings through reduced staffing levels whilst maintaining high quality services. Recent examples of success include the launch of the new online school admissions tool where over 70% of all admissions have this year been made on-line. This has enabled significant savings in printing, distribution and data input and has delivered a much improved service to the customer.

Area Arrangements

The Portfolio continues to embed as a way of working the Area Committees and Board 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.

Unutilised Strategic Initiative Budget balances of £0.5m will be utilised to support the overall council budget in 2014/2015.

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 |
| HOHSC | Head of Housing Support and Community Learning |
| HOSC | Head of Strategic Commissioning |
| HOP | Head of Personalisation |