

<p><b>CABINET MEETING – 16<sup>TH</sup> FEBRUARY 2011</b></p> <p><b>EXECUTIVE SUMMARY SHEET – PART I</b></p>
<p><b>Title of Report:</b> Revenue Budget and Proposed Council Tax for 2011/2012</p>
<p><b>Authors:</b> Chief Executive and Executive Director of Commercial and Corporate Services</p>
<p><b>Purpose of Report:</b> To report:</p> <ul style="list-style-type: none"> <li>- the overall revenue budget position for 2011/2012;</li> <li>- the projected balances position as at 31st March, 2011 and 31st March, 2012 and advise on their level;</li> <li>- a risk analysis of the Revenue Budget 2011/2012;</li> <li>- a summary of the emerging medium term financial position facing the Council from 2012/2013 to 2014/2015;</li> <li>- any views received from the North East Chamber of Commerce and Trade Unions.</li> </ul>
<p><b>Description of Decision:</b> Members are requested to:</p> <ul style="list-style-type: none"> <li>- recommend to Council the proposed Revenue Budget for 2011/2012 set out at Appendix H;</li> <li>- recommend to Council the proposed Council Tax for 2011/2012 (paper to be tabled);</li> <li>- note the views, if any, expressed by the North East Chamber of Commerce and Trade Unions.</li> </ul>
<p><b>Is the decision consistent with the Budget/Policy Framework?</b> No – this report is integral in reviewing and amending the Budget and Policy Framework. <b>If not, Council approval is required to change the Budget/Policy Framework</b></p>
<p><b>Suggested reason(s) for Decision:</b> To comply with statutory requirements.</p>
<p><b>Alternative options to be considered and recommended to be rejected:</b> 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.</p>

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

Yes

**Is it included in the Forward Plan?**

Yes

**Relevant Scrutiny Committee:**

Management

**Revenue Budget and Proposed Council Tax for 2011/2012**

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

**1. Purpose of Report**

1.1 To report:

- the overall revenue budget position for 2011/2012;
- the projected balances position as at 31st March, 2011 and 31st March, 2012 and advise on their level;
- a risk analysis of the Revenue Budget 2011/2012;
- a summary of the emerging medium term financial position facing the Council from 2012/2013 to 2014/2015;
- 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 2011/2012 set out at Appendix H;
- recommend to Council the proposed Council Tax for 2011/2012 at Appendix D (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 ongoing budget consultation at its January 2011 meeting. At that stage there were a number of uncertainties and outstanding issues primarily;

- finalisation of additional savings from service reviews and other options to meet the funding gap;
- the outcome of the Final Local Government Revenue Support Grant Settlement for 2011/2012 and related grant announcements;
- the final Collection Fund position;
- the outcome of budget consultation which is to be taken into account in the final budget proposals.

3.2 In presenting the Revenue Budget 2011/2012 this report covers the following areas

- Current Overall Position 2011/2012 and 2012/2013;
- Adjustments/Final position February 2011;
- Key Strategic funding Issues;

- Outcome of Budget Consultation;
- Spending Pressures and Commitments
- Additional Proposed Investments
- Proposals To Meet Funding Reductions
- Detailed budget pages
- Medium Term Financial Position
- Overall Outlook
- Balances and Reserves
- Presentation of the 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 H, including the proposed use of balances and the position in relation to major reserves, for recommendation to Council.

#### **4. Current Overall Position 2011/2012 and 2012/2013**

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 service budgets amounting to £38.7million in 2011/2012 and £23million in 2012/2013 were required. The report also referred to progress at that stage in relation to proposals to address the position. This included the need to develop further proposals to meet the £13.8 million gap arising primarily as a result of front loading of Formula grant reductions.

4.2 In addition to the above the report also outlined the changes regarding other grants which in overall terms had reduced by a further £19.1 million to primarily reflect the cessation of Area Based grants funding of £15.6m and reductions in grants of £3.5m. Also highlighted were the significant changes in respect of the schools funding position. The report outlined the steps that were being taken by Portfolio holders in addressing the position.

4.3 Details have emerged since the provisional settlement which have enabled the full impact of all of the grant reductions to be understood. In overall terms taking formula grant reductions, ability to access Council tax freeze grant, cost pressures and other grant reductions into account the total reductions required for 2011/2012 are £57.8m. In accordance with the budget planning framework:

- reductions in formula grant, ability to access Council tax freeze grant and cost pressures amounting to £38.7m have been addressed through business transformation savings and other proposals as set out in section 10.2.
- reductions to area based and specific grants amounting to £19.1million were passported to relevant services and are being addressed as set out in section 6.4.

## **5. Adjustments /Final Position February 2011**

### **Collection Fund**

- 5.1 The Collection Fund position is reported elsewhere on this agenda. The Collection Fund position is positive 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 26th January, 2011, approved the Council Tax Base for the area covered by Hetton Town Council (£4,017) and the City Council area (£80,167).

## **6.0 Key Strategic Funding Issues**

- 6.1 In terms of key strategic funding issues the following are covered in detail:

- Final Local Government Finance Settlement;
- Changes to the Area Based and Specific Grants Regime;
- Impact of grant reductions;
- Schools funding position.

## **6.2 Final Local Government Finance Settlement**

- 6.2.1 The final position on the Local Government Finance Settlement for 2011/2012 was announced on 31<sup>st</sup> January 2011.

- 6.2.2 Details of the changes at a national and local level are set out at Appendix A with the key issues affecting Sunderland set out below:

- The Council's final formula grant entitlement for 2011/2012 has reduced by £0.030m from that announced in December 2010 to £158.102m. For 2012/2013 the entitlement has reduced by £0.028m to £145.809m.
- The threshold for the reduction in Revenue Spending Power over which Transition Grant will be paid has reduced by 0.1% to 8.8%. Those Councils whose spending power has been reduced by more than 8.8% will receive Transition Grant. As Sunderland's Revenue Spending Power has reduced by 8.88% the Council will now receive Transition Grant of £0.267m in 2011/2012. The Council does not qualify for any Transition Grant in 2012/2013.
- An updated position in respect of changes to all area, specific and core grants is set out at section 6.3.
- The schools funding resources will reduce by £8.088m.

6.2.3 The Government has not yet released details of its Council Tax capping criteria but has indicated it will use these powers if necessary and has also indicated that a council tax veto for council tax payers will form part of the localism bill.

### 6.3 Overall Summary of Changes to All Grants

6.3.1 The table below sets out the impact of cuts to all grants following the final settlement which shows that latest notified cuts to grants will be £39.197m in 2011/2012 (£20.1m Formula grant and £19.1m Other grants).

	2010/11	2011/12	Change	Change
	Adjusted	(£m)	(£m)	(%)
	£m			
Formula Grant	178.243	158.102	-20.141	-11.3
Learning & Disabilities	10.834	11.056	0.222	2.05
Early Intervention Grant	17.968	15.651	-2.317	-12.9
New Deal for Communities	2.366	0	-2.366	-100
Cohesion	0.107	0	-0.107	-100
Working Neighbourhood Fund	9.940	0	-9.940	-100
Prevent	0.116	0	-0.116	-100
Housing and Council Tax Benefit	3.682	3.383	-0.299	-8.12
Preventing Homelessness	0.181	0.216	0.035	19.34
Children's Grants	4.555	-	-4.555	-100
Flood and Water Management	-	0.120	0.120	100
Transitional Grant	-	0.267	0.267	100
<b>Grant Changes *</b>	<b>227.992</b>	<b>188.795</b>	<b>-39.197</b>	<b>-17.2</b>

\*Before Council Tax freeze grant of £2.376m and inclusion of NHS funding £4.339m which will be channelled through the Health Authority for Supporting Social Care

6.3.2 The table reflects the following:

- changes in formula grant and transitional grant;
- an additional core grant allocation £0.120m to cover the costs for local authorities in putting in place and carrying out new responsibilities under the Flood and Water Management Act 2010 such as flood mapping, producing risk management plans

and supporting community flood awareness groups.

6.3.3 In addition to changes in the grants set out above the following should be noted

- Latest guidance in relation to Council Tax Freeze grant indicates grant would be £2.376m;
- Notification of allocations remain outstanding in relation to:
  - PFI core grant - the allocation for the council is not expected to change from the previous year's allocation;
  - New Homes Bonus Grant - proposals for use of the funding will be considered once firm allocations are known;
  - Music Services grant and Rights to Free Transport grants are expected to be announced in March 2011;
  - Community Safety Fund and Stronger Safer Communities Fund– the Government has announced the total grants but has yet to notify councils of their allocation. At this stage the budget proposals assume that funding will be maintained at a similar level to 2010/2011. Should final allocations be less than the 2010/2011 allocation this position will need to be revisited.

6.3.3 No further changes to Area Based Grant have been announced. Sunderland previously received £35.9m through this mechanism in 2010/2011. These funds have either ceased or have been redirected through other funding streams:

- Working Neighbourhoods Fund (£9.9m), Cohesion (£0.1m) and Prevent (£0.1m) grants have ended (£10.1m in total);
- £17.4m worth of grants have transferred into Formula Grant;
- Grants totalling £3.3m have transferred into the Early Intervention Grant;
- Education related Grants totalling £4.5m have ended and are being used to fund the new Pupil Premium;
- Grants still unknown £0.6m

#### **6.4 Impact of Cuts to Specific and Special /Core Grant**

6.4.1 As set out in 6.3.1 of the overall grant reductions of £39.2million, £19.1million relates to area based and specific grants. In accordance with the budget planning framework this reduction has been passported to relevant activities as set out in the report to Cabinet in January:

- Grant reductions were to be passported to the areas of relevant expenditure in accordance with actions taken in relation to the in year grant reductions for 2010/2011 and the agreed approach set out within the Budget Planning Framework;
- Expenditure relevant to the core grants that increased were frozen at their 2010/2011 level of funding, with the increased funding available in 2011/2012 of £0.257m made available to meet the overall

6.4.2 In considering the reductions Portfolio Holders in conjunction with Directors, have considered the impact of all of the changes on a holistic basis. This has involved reviewing all services to ensure that resources are targeted to the highest priority areas and front line service impact minimised. The following should also be noted;

- A fundamental review of the children’s services budget has been undertaken in light of the level of cuts in Children’s Area Based Grants and Core grants in addition to Formula grant reductions. The overall approach has been to enable key service delivery to be continued particularly the core youth offer, current and enhanced levels of service for children with disabilities, and Connexions service statutory responsibilities.
- Support to Community Cohesion projects of £0.107m will be retained because of the priority attached to these projects. Projects associated with the Prevent grant will be delivered in a different way to ensure the impact of cuts are mitigated. Further examples of this approach are outlined in the report.
- The other significant cut to Area Based grants relates to the cessation of Working Neighbourhoods funding of £9.940 million which was targeted on the parts of the country suffering from the highest levels of worklessness. As Members will be aware Working Neighbourhood Funds have been used in Sunderland to support growth in jobs and employment in the growth of new and small enterprises. The Fund has also been used to support and develop existing businesses in the city. All measures intended to strengthen the local economy and local opportunity. The termination of this fund without any transitional arrangements has meant the cessation of this critical investment in the local economy.

## 6.5 Department of Education Grants Position

6.5.1 Final notifications of the outcome of Department for Education grant funding changes of £8.088 million are set out below:

	Local Authority Funding	Individual Schools Budget	Total Department for Education Grants
	£m	£m	£m
Funding DSG	(1.100)	1.100	-
Reduction in Pupil Numbers		(3.916)	(3.916)
Area Based and Specific Grants	(4.555)		(4.555)
Harnessing Technology Grant		(0.700)	(0.700)
Early Intervention Grant	(2.317)		(2.317)
Pupil Premium		3.400	3.400
	(7.972)	(0.116)	(8.088)



- 6.5.2 As in previous years schools were already planning to deal with a £3.9m reduction as a result of changes in pupil numbers. In order to fund the new Pupil Premium the Department for Education has ended £4.5 million of Area Based Grants. These are grants that supported targeted intervention and development needs in schools. In addition the Harnessing Technology Grant is to end. This currently pays for Broadband connectivity and a managed internet service in all schools. Schools will now be required to fund this connectivity at an additional cost of £0.7m.
- 6.5.3 The pupil premium grant must be passed on in its entirety to schools based on known eligibility for free school meals as at 20th January 2011. As a consequence, the changes to grant funding mean that Children's Services are required to reduce expenditure in respect of those areas previously funded from the specific grant i.e. Area Based Grants and Early Intervention Grant. The impact of Government in year grant changes mean that the reduction in grants is 24.3% compared to 2010/2011 for services such as Children's Centres supported through Early Intervention grant. The Early Intervention and prevention offer is being reviewed to reflect universal and targeted need.
- 6.5.4 As part of a strategy to minimise the impact of loss of grant and overall funding on service delivery to schools and therefore children and young people, Children's Services are working with schools to develop a school centred model for the delivery of particular services. This reflects the Government's "The Importance of Teaching" White Paper and is factored into the budget over the four year period of the spending review.

## **7. Outcome of Budget Consultation**

- 7.1 The Budget and Policy Framework procedure rules contained within the Constitution of the Council requires consultation on budget proposals to take place. In September 2010 Cabinet approved proposals regarding the consultation strategy and framework for the budget for 2011/2012 and proposed briefings to the following stakeholders:
- Trade Unions;
  - North East Chamber of Commerce / Representatives of Business Ratepayers;
  - Voluntary Sector;
  - Youth Parliament;
  - Schools Forum, Head Teachers and Governors.
- 7.2 Presentations have been made to the stakeholder groups at each stage in the budget preparation process and reports are referred to the Management Scrutiny Committee for review.

7.3 In addition to the above stakeholder consultation, a survey was undertaken with the citizen's panel - Community Spirit - on nine service priority areas for 2011/2012. The survey was also available to the general public to complete online. The survey asked respondents to indicate the extent to which they agreed that the areas identified should be a priority for 2011/2012 and the survey confirmed that each area remained a high priority. Respondents were also asked whether they think the priority areas have got better, worse or stayed the same over the last 12 months and perceptions.

The results are summarised below;

	<b>Priority</b>	<b>% Better</b>	<b>% Stayed the same</b>	<b>% Worse</b>
1	Community safety	19.3	65.5	15.2
2	Refuse collection	67.4	30.2	2.4
3	Road and footpath maintenance	9.5	37.8	52.7
4	Clean streets	18.8	64.8	16.4
5	City Centre	17.5	43.2	39.3
6	Facilities for young people	44.6	42.3	13.1
7	Affordable decent housing	27.4	48.5	24.1
8	Enabling people with a disability, illness or health condition to live independently through access to services and facilities	31.2	58.9	9.9
9	Community integration	15.7	71.5	12.8

7.4 In addition the survey also asked respondents the extent to which they agreed with the Council's approach to meeting the impact of the Government funding cuts through its improvement programme. 79% of respondents either strongly agreed or tended to agree with the Council's approach.

7.5 To supplement the survey, workshops were held, with Community Spirit panel members and representatives from the voluntary and community sector, in different locations throughout the city. The workshops also focused on the nine priority service areas and provided participants with an opportunity to talk to council officers about what is important to them in relation to the priority areas. These findings are considered together with the qualitative feedback from the survey.

7.6 More details of the findings of the consultation are included in Appendix B.

7.7 All of the feedback from the various consultations has been considered. The budget proposals in this report, taken together with the necessary proposals for reductions in spending, fully recognise the priorities identified and the need to prioritise resource allocation accordingly.

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

## **8. Spending Pressures and Commitments**

### **8.1 Resources**

#### **Port**

The Port continues to be affected by the global economic downturn and continued difficult trading conditions, resulting in reduced income levels continuing to be experienced. The Port Director continues to seek new business and commercial opportunities in order to mitigate the deficit position. However at this stage it is considered prudent to include provision of £750,000 to address this shortfall in income.

#### **Debt Charges**

Provision of £1m is included to meet the debt charges arising from the existing Capital Programme Scheme approvals and in recognition of the impact of the increase in new prudential borrowing costs announced in the Spending Review.

#### **Pensions Deficiency and Employers Superannuation Contribution**

The council has received provisional notification of the outcome of 2010 Actuarial review of the LGPS Fund Valuation. This has advised of an increase in the Deficiency Fund requirement for 2011/2012 of £0.208m. However the Employers superannuation contribution rate is to reduce by 0.1% to 14.4% which reduces the net impact on the Council budget for 2011/2012 to an additional cost of £0.102m. Provision is included within the budget proposals for this amount.

### **8.2 Healthy City**

The following proposals are made:

#### **Fees for Independent Care Providers**

An additional £1.064m is provided to assist in funding fees for independent care providers for children's social care in 2011/2012.

In addition there are a number of other proposals for investment that are outlined later in the report to enable services to be reconfigured in accordance with the 15 year modernisation plan for adult social care.

### **8.3 Children and Learning City**

The proposals include the following:

#### **Fees for Independent Care Providers**

An additional £0.394m is provided to assist in funding fees for independent care providers for children's social care in 2011/2012.

#### **Safeguarding**

A sum of £1.5m is provided to fund the following:

- The safeguarding service continues to experience a high number of referrals in Case Management. In order to respond to these additional safeguarding needs, additional and more costly agency social workers have been appointed to ensure the Council has been able to respond appropriately to need and demand. Children's Services implemented a strategy to address the underlying workforce issues.
- A planned Recruitment and Retention strategy is beginning to have an impact on recruitment, including recruitment of experienced social workers from the United States. The ongoing implication of maintaining the established number of social workers and having plans in place to reduce reliance on external agency staff is £350,000.
- Sunderland still has relatively few looked after children placed in external placements in comparison with most other local authorities nationally and regionally. However, the cost of these placements results in a significant budget pressure. Based on the outturn position over the past 3 years for external placements there is an inherent budget deficit within Children's Services of £1.150m. Whilst strategies are in place to recruit additional foster carers to meet current and projected demands it is important to address this shortfall. The impact of the implementation of the Children's Placement Strategy and in particular the Foster Care Strategy will be closely monitored to ensure savings are realised in the medium term.

### **8.4 Prosperous City**

The following proposals are made:

- **Working Neighbourhoods Fund**  
When Working Neighbourhoods Fund was introduced in 2008/2009 the Council agreed that £1.070m of the fund be

utilised to support mainstream Council Business Investment Activity and job creation schemes on a temporary basis for each of the three years of the life of the fund through to 2010/2011. As the Working Neighbourhoods funding is to cease from 2011/2012, it is necessary to replace the use of the grant with mainstream Council resource. A sum of £1.070m is therefore included within the budget.

- **Economic Downturn**

The Council continues to experience a downturn in income in relation to a number of services including car parking, rents from the property portfolio, planning application fees, and income in respect of leisure activities. Whilst it is planned that all services will be subject to service review, it is considered prudent to include a sum of £0.750m in the budget planning proposals.

## **8.5 Sustainable Communities**

The following proposal is made:

- **Waste Disposal**

In accordance with the policy of gradually building up provision within the Council's base budget to fund the eventual affordability gap associated with the Waste Disposal Solution, it is proposed to make provision of £1.2million for 2011/2012, taking into account the landfill tax that will be saved when the Waste Disposal Strategic Solution comes on stream.

## **8.6 Attractive and Inclusive City**

The following proposal is made:

- **'Kerb It' Replacement Scheme**

A sum of £124,000 is proposed to meet the additional costs of leasing vehicles to support the 'blue bin' scheme which is replacing the existing 'kerb it' scheme. This will allow for the provision of rear end loading vehicles to accommodate the new bin.

## **9. Additional Proposed Investments**

### **9.1 Revenue Budget Position 2010/2011**

As referred to in the January 2011 Cabinet report some savings are being generated in 2010/2011 from actions to meet the 2010/2011 in year Government Grant Reductions as well as from Interest on Balances, Debt Charges, and unutilised contingency provisions. However, any savings generated will be required to fund the following significant spending pressures as a result of implementing the savings proposals.

## 9.2 Invest to Save Transitional Costs

### - SWITCH Team

To enable transition to revised operational arrangements reflecting the Sunderland Way of Working the Council has established the SWITCH team. This will enable people who are displaced as new organisational structures are established, to be given the opportunity of alternative employment in priority projects until they are accommodated in a permanent position within the council's new operating arrangements. During this period of transition, the temporary costs associated with these staff in transition will need to be met. These costs include salaries, retraining, and placement.

A sum of £8.3m has been provided within the budget. This will be reviewed on an ongoing basis together with the impact of any other transitional costs related to the implementation of savings proposals which will be reported to Cabinet as appropriate.

## 9.3 Invest to Save Directorate Modernisation Programmes

There are a number of significant pressures in Adult Services arising from demographic changes and implementation of Government policy. In accordance with the Budget Planning framework policy of identification of actions to contain pressures, Health Housing and Adult Services have identified £4.509 million of additional savings proposals in order to reinvest in the following areas:

- **Home care services (£1.709m)**

Investment in low level preventative services such as Home Care, in line with Government and Council policy to support more people to live at home for longer should they choose this, thereby helping prevent more costly admissions to residential and nursing care.

- **Extra care facilities (£0.629m)**

Investment in Extra Care facilities (Cherrytree Gardens) and additional new schemes helps prevent admissions to residential and nursing care and provides people with their own independence.

- **Accommodation solutions (£2.105m)**

Investment in new accommodation solutions for:

- Clients with Learning disabilities, including the provision of community living schemes and provision of care support teams within these facilities. This assists in meeting increasing demand for these services as people with significant disabilities are living longer. This in turn prevents admissions to Residential and Nursing care and promotes independence – £1.888m
- Clients with Mental Health needs, including the provision of Residential and Nursing care facilities and other accommodation solutions. This helps to meet an increasing

demand for the service and promotes independence -  
£0.217m

- **Home Improvement Agency services (£0.066m)**

Investment in the Home Improvement Agency which delivers Disabled Facility Grants and assists home owners to achieve Decent Homes Standards, together with providing minor alterations and the Handyperson service. These services all help to maintain people within their own homes for longer, thus preventing more costly forms of support and admission to residential care. In addition it ensures that people live in homes which are of a decent standard.

9.4 In addition to the above there is a need for additional investment which enables economic regeneration in the city at this time of economic restraint. It is proposed that a specific sum be included to support Festivals and Events that can demonstrate strong value for money in terms of impact on the local economy.

## **10. Proposals to Meet Funding Reductions**

### **10.1 Impact of the Settlement on Budget Planning**

- Cabinet agreed in October 2010 that taking into account the Sunderland Way of Working and existing initiatives, Directors should bring forward savings, based on 10% targets, to be reviewed and reassessed as confirmed changes in Government funding were announced and as the Business Transformation Programme progresses.
- The impact of the Comprehensive Spending Review announced on 20th October 2010 was reported to Cabinet in December 2010, and Cabinet agreed at that time that the work set out above, together with a much increased focus on Service Reviews would enable the Council to address the anticipated overall funding gap.
- The Final Settlement has confirmed the need to make ongoing reductions of £38.7m in 2011/2012 and a further £23m in 2012/2013 (excluding Area and specific grant reductions being passported as set out in 6.4.1).

### **10.2 Summary of Budget Reduction Actions**

The table overleaf shows the financial impact of efficiency savings proposed to be taken into account in the budget for 2012/2012 and 2012/2013. It reflects plans fully in place to deliver the 2011/2012 efficiencies, The table reflects the latest position in respect of Business Transformation savings and Service reviews amounting to £26.382million which were reported in detail to January Cabinet.

Following final adjustments the residual funding gap of £12.3m is to be met from additional proposals as set out in section 10.4.

Plans are in development to deliver the full 2012/2013 savings.

### Summary of Proposals

	2011/12		2012/13	
	£m	£m	£m	£m
Savings Proposals				
Business Transformation Programme	17.416		8.086	
Service Reviews	8.966	26.382	6.453	14.539
Additional Savings Proposals				
Directorate Improvement Programmes		0.573		0.181
One off Use of Surpluses, Reserves, Capital Grant Flexibilities		5.450		
Back Office Services		0.753		0.520
Overheads/General Efficiencies		2.771		0.083
Additional or Alternative Sources of Income		2.781		0.181
<b>TOTAL</b>		<b>38.710</b>		<b>15.504</b>

### 10.3 Business Transformation Programme (£26.382m)

10.3.1 One of the key ways the Council has been planning to address the anticipated reduction in public spending has been through the Business Transformation Programme. The programme is examining every aspect of the way we work by looking at the organisation in a different way with two main objectives:

- To challenge what we are doing, how we are doing it and how effective it is;
- To organise in a way that maximises value for money and releases resources to protect front line services.

The net effect of the programme is to make savings from non-front line services in order to protect front line service delivery wherever possible



The table below sets out the summary position in respect of savings anticipated from the Business Transformation Programme.

	2010/11	2011/12	2012/13
	£m	£m	£m
<b>Gross Project Savings</b>			
Strategic and Shared Services	3.323	7.923	3.778
Customer Services	0.124	1.013	0.794
ICT	0	0.639	0.494
Property Rationalisation / Smarter Working	0	0.766	0.522
Service Assessment and Commissioning			
- Procurement	0.664	5.011	1.561
- Service Reviews Phase 1	0	2.064	0.937
- Service Reviews Phase 2	0	8.966	6.453
<b>Programme Savings</b>	<b>4.111</b>	<b>26.382</b>	<b>14.539</b>

10.3.2 The reviews in respect of each element of the programme are will provide significant savings which are to be taken into account in the 2011/2012 budget and over the next three years. Plans are being implemented in respect of the following key strands of business;

- Strategic and Shared Services**

This review is implementing new standardised ways of delivering support services by bringing staff together within their own area of expertise, introducing standardised consistent practices, redesigning processes and using ICT to maximise efficiencies.
- Customer Services**

All customer contact to be undertaken through the Customer Services Network in order to:

  - maximise resolution at the first point of contact,
  - avoiding unnecessary contact,
  - further develop transactional website functionality.
- ICT**

The pooling of ICT software and Hardware will enable the most efficient and effective way to meet the needs of the business and reduce costs. The use of ICT will be maximised with additional investment where there is a sound business case to do so.
- Property Rationalisation and Smarter Working**

Maximisation of the use of space available and utilisation of the lowest number of locations will save on running costs. In addition the use of ICT will enable alternative forms of working for example, home working, hot desking or use of hand held devices to deliver speedier services.

- **Service Commissioning and Review and Procurement**

- Procurement  
Centralising procurement activity and ensuring all purchasing goes through expert procurement officers will enable significant savings to be made from bulk purchases.
- Service Commissioning and Review  
The reviews seek to gain a comprehensive understanding of customer need and how best that need can be delivered in respect of front line and other services in the most productive manner. This includes involving communities and people who use services in the design of outcomes based services.

The budget for 2011/2012 takes into account savings arising from service reviews in relation to:

- Facilities Management,
- Health Inequalities
- Planning Services
- Services for Over 65s
- Information, Advice and Guidance
- Transport and Fleet Management
- Neighbourhood Services
- Sport, Leisure & Wellness
- Housing Related Support

These latter areas of service review relate to front line services however, whilst inevitably it is likely that there will be changes to the current services provided in order to deliver the required savings, the intention of all service reviews will be to ensure that as far as possible the same outcomes can be achieved for less. The key intention will be to safeguard priority services and ensure resources are targeted appropriately by clearly focusing service standards on front facing service delivery and increasing productivity. Proposals developed for 2011/2012 savings accord with these principles.

#### **10.4 Additional Proposals**

In order to meet the 2011/2012 funding gap and to enable a balanced budget to be set Directorates have identified additional proposals including:

- Directorate improvement programmes
- use of delegated surpluses, reserves and other one off reductions in spending which will be replaced with permanent ongoing savings for 2012/2013.
- back office savings in addition to those arising through the BTP;
- general efficiencies in relation to overhead costs;
- opportunities for additional or alternative sources of income.

The detailed Revenue Budget Pages included at Appendix H include a commentary of the proposals by Portfolio holders in conjunction with Directorates to address the budget reductions. The commentary makes reference to the business transformation programme proposals as well as the additional proposals. A summary of the main areas are set out below.

#### **10.4.1 Directorate Improvement Programmes (0.573m)**

In accordance with the budget planning framework Directorates have brought forward proposals for services through the Sunderland Way of Working in addition to the larger service reviews. The savings are primarily as a result of more focus on modernisation of services through integrated working across the Council and with partners to improve working arrangements and outcomes for citizens.

#### **10.4.2 Use of Delegated Surpluses, Other Reserves and Stopping spend on a One Off Basis - £5.450m**

Given the level of front loading of reductions and recognising the time taken for service reviews to be considered robustly to ensure redesigned services deliver community needs a further review of all reserves and delegated surpluses has been undertaken. This review has led to:

- resources being released which were earmarked to support capital or revenue projects, which have either been stopped or delayed or funded through a different route. For example use of commuted sums capital reserves which will now be supported through the revenue budget and redirection of capital grants using grant flexibilities.
- Directorates reviewing budgets to consider where spending can be temporarily stopped. This includes proposals to implement a managed delay and cessation of lower priority revenue and capital projects including in relation to highways capital schemes but ensure the focus still remains on key priority areas relating to potholes.

The savings realised are being replaced with permanent savings in 2012/2013 through the development of the Business Transformation Programme projects.

#### **10.4.2 Back Office Services - £0.753m**

In light of the level of grant changes in addition to strategic and shared services savings, additional savings have been identified through a review of management staffing structures within Directorates.

#### **10.4.3 Overheads /General Efficiencies - £2.771m**

A full review of all budgets has been undertaken across Directorates to

reduce as far as possible equipment and supplies and services but also to introduce new processes and stop activity. This has led to a significant number of small reductions to budgets which can be made on a permanent basis. In addition savings in respect of changes to terms and conditions relating to non staffing costs have also been taken into account. Finally matched funding to grants of circa £0.400m that have ceased have also be taken into account as programmes have ended.

#### **10.4.4 Opportunities for Additional or Alternative Sources of Income - £2.781m**

A review of potential income sources has been undertaken and the following can now be taken into account

- Grant income through health to support investment in reablement and other community health services required to support the delivery of the three year delivery plan for adults social care and other one off grant funding released to support the BTP programme
- Increased income generation including additional bays in the central car park

### **11. Detailed Budget Pages**

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

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

- the grant received from government (the Council's share of Revenue Support Grant and National Non – Domestic Rates);
- any projected surplus on the Collection Fund and
- Council Tax.

11.3 The General Summary page of the Revenue Budget together with details of the proposed contingency and allocations proposed for investment in strategic priorities will be circulated separately at the meeting of Cabinet on the 16th February, 2011.

11.4 The formal decisions of the major precepting bodies are awaited regarding their precept proposals for 2011/2012. Consequently, the Proposed Council Tax for 2011/2012 will be tabled as Appendix D to this report at the Cabinet meeting on 16<sup>th</sup> February 2011.

## **12. Medium Term Financial Position**

12.1 In considering the Revenue Budget for 2011/2012 it is more important than ever, given the reductions to public spending, to have regard to the medium term position, covering 2012/2013 through to 2014/2015. There are a number of assumptions included in the Medium Term Financial Strategy and a range of scenarios, which may emerge. Those particularly significant commitments, which have been considered when estimating the resources position for future years are set out below.

### **12.2 Impact of the 2012/2013 Provisional Settlement and the outlook for 2013/2014 to 2014/2015 under the SR10**

The provisional settlement for 2012/2013 as announced in December 2010 and updated on 31st January 2011 includes indicative further reductions to formula grant in 2012/2013 of £11.654m.

The position beyond 2012/2013 can only be estimated using the headline details from the Spending Review 2010 which set out the government's overall spending plans for the period 2011/12 to 2014/15. The Provisional Grant Settlement provided the details of the impact of these proposals for each council for the first 2 years of the Spending Review period. The position for the latter 2 years will however be impacted by a review the Government has commenced to find a different and simpler method to distribute formula grant. This is to be reported in the autumn for consultation.

Initial and broad estimates from the details released in the Spending Review indicate that the Council could face further cuts to its grant funding in 2013/2014 of £3.0 million and in 2014/2015 a further £11.0 million. Whilst these can only be estimated at the current time they are the best indications available. The overall revenue grant reductions position may become worse if the trend in reductions to other revenue core grant funding streams continue into these 2 years (years 3 and 4).

### **12.3 Pay and Pensions**

The Government has built its assumptions of a two year pay freeze for public sector workers (2011/2012 and 2012/2013) into its SR10 spending plans, except for those workers earning less than £21,000 a year, who will receive an increase of £250 per year. Local government pay remains a matter for free collective bargaining between the national employers and trade unions through the National Joint Council.

Prudent provision continues to be made for the implementation of Phase 2 of the Single Status Agreement and adjustments necessary to arrangements covered by Single Status Phase 1.

With regard to pensions, the provisional results of the Actuarial review of the Local Government Pension Scheme 2010, which will be implemented in 2011/2012 have been taken into account within the medium term position.

The Independent Public Service Pensions Commission (IPSPC) led by John Hutton published an interim report on 7 October 2011. The report highlighted the importance of providing good quality pensions to public servants and rejected 'the race to the bottom in pension provision'. It concluded however that there was a clear need for public sector workers to make a greater contribution if their pensions were to remain fair and affordable. The Government has accepted these conclusions, however, awaits Lord Hutton's final recommendation before determining the nature of that benefit and the precise level of progressive contributions required. The report is expected in the Summer 2011.

#### **12.4 Debt Charges and Revenue Consequences of Capital Expenditure**

The prudential framework for the control of local authority capital expenditure provides flexibility to borrow to fund capital expenditure. Prudential borrowing has been provided for within the medium term financial position in relation to known investments over that period, together with a provision to provide future flexibility at this stage to enable strategic priorities of the Council to proceed, in the future.

With regard to the revenue consequences of capital expenditure, other than financing costs, the medium term planning assumption is that these will be met from within Directorate cash limits. For major corporate developments additional provision may be included in the Medium Term Financial Strategy in due course.

#### **12.5 Integrated Transport Levy**

The position relating to the ITA levy in future years is based on a prudent view of the position in future years and agreed plans.

#### **12.6 Waste Disposal**

The impact of cost variations in relation to waste disposal have been factored into the Medium Term Financial Strategy including landfill tax, volume of waste, recycling implications, and the provision for the Waste Disposal Strategic Solution.

#### **12.7 Adult Services Demand Issues**

The increasing longevity of the national and specifically, the city's, population continues to place pressure on Adult Social Services budgets and indeed health budgets generally. 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. Emphasis is increasingly being placed on the need for joint working between Health and Local Authorities in order to achieve health benefits and therefore ultimately reduce Healthcare and Social Care costs. With these pressures in mind the Government has announced additional funding for Primary Care Trust's over the coming four years, with an expectation that the funding is passported to Local Authorities for investment within Social Care services such as telecare, community directed prevention (including falls prevention), community equipment and adaptations, and crisis response services. Investment should take into account the Joint Strategic Needs Assessment for the local population. The impact of additional cost pressures and necessary investment have been factored into plans on an initial basis.

## **12.8 Equal Pay**

In respect of equal pay legal action the Council continues to mount a strenuous and robust defence to the equal pay claims and challenges which are before the Newcastle Employment Tribunal. Funds have previously been provided for and approved to meet compensation payments necessary to settle equal pay claims or the outcome of Employment Tribunal proceedings. The position will be kept under review and the Medium Term Financial Strategy adjusted if necessary.

## **12.9 Developments in Local Government Finance**

Following the outcome of the General Election in May 2010 various announcements have been made which may impact on Local Government Finance if approved. In the majority of areas the financial impact will only be known once specific details of the proposals have been finalised and will be reported in due course.

## **12.10 Proposals to Meet the Funding Gap and Maximising Efficiency Savings**

The Council's Productivity and Efficiency Strategy 2011/2012 to 2014/2015 provides the framework for developing plans for future service delivery, ensuring that the main priorities are to support the most vulnerable residents in the city and enable economic regeneration to attract new businesses to invest in the city, despite the prevailing economic conditions. The strategy supports the aim of ensuring the most productive use of resources is maintained during this period of financial restraint.

The identification of savings for the medium term will continue through a combined approach of:

- Specific efficiency savings arising from the Business Transformation Programme;

- Reviewing services to gain a comprehensive understanding of customer need and the most cost effective way of meeting that need through service reviews, including through modernising and improving services across the Council and the Sunderland Way of Working;
- Seeking opportunities through new financial models
- Directorate cash limits being tightly drawn and prompting the identification and reinvestment of efficiency savings.

### 13 Overall Outlook

13.1 The table below sets out the potential budget reduction for each of the next three years. They are based on a range of assumptions. However, it is difficult to estimate beyond 2012/2013 because of the Review of Local Government Finance the outcome of which will not be known until the end of next year.

		2012/2013	2013/2014	2014/2015
Potential Budget reduction		£21m- £25m	£12m- £15m	£20m - £23m

There are a wide range of budget requirements for 2012/2013 and future years. These uncertainties include:

- the level of government funding through formula grant beyond 2012/2013;
- the performance of the economy;
- the level of inflation both in relation to specific goods, services, commodities and generally;
- the level of pay awards;
- the future changes which may be made to pension arrangements.

Plans will be updated as further information is released.

### 14 General Fund Balances and Position in Relation to Major Reserves

14.1 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.

14.2 The estimated level of general balances as at 31st March, 2010 and 31st March, 2011 is set out at Appendix E. This takes into account savings arising in 2010/2011 in relation to:

- actions to meet the 2010/2011 in year Government Grant Grant reductions;
- Interest on Balances and Debt Charges.



As agreed previously these will be transferred to the Strategic Investment reserve to fund the one off spending pressures in respect of invest to save and transitional costs associated with the Improvement Programme. Any further savings arising from contingency underspendings and further cost containment measures will also be earmarked for this purpose and reported to Cabinet as appropriate.

- 14.3 In addition the position reflects the release of directorate delegated surpluses and other balances for use on a one off basis to meet the funding reductions in 2011/2012
- 14.4 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 F.
- 14.5 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 G.

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

Based upon the information used in determining this Revenue Budget 2011/2012 report, including specifically:

- the Medium Term Financial Position ;
- the outcome of budget consultation set out at Appendix B;
- the Statement of General Balances set out in Appendix E;
- the Risk Analysis set out in Appendix F;
- the Major Reserves set out in Appendix G;

The Revenue Budget is considered robust and the level of reserves considered to be adequate for 2011/2012 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 2011/2012 are in accordance with the existing policy and are considered prudent and robust given the overall level of reserves.

## **15. Presentation of the Revenue Budget General**

- 15.1 Appendix H sets out the detailed Revenue Budget 2011/2012 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.

## **Best Value Accounting Code of Practice**

- 15.2 The presentation of the budget reflects the requirements of the Best Value Accounting Code of Practice, published by CIPFA. The purpose of the Code is to standardise the way Local Authorities account for expenditure so that comparisons can be made with other Authorities and external providers. The Code constitutes a 'proper practice' for the purposes of financial reporting and therefore assumes the status of statutory guidance. Compliance with the requirements of the Code is therefore mandatory.
- 15.3 It should be noted that:
- variations between budget for 2010/2011 and 2011/2012 arise as a result of the implementation of the new business operating model and the associated realignment of budgets to the new service providers;
  - variations between 2010/2011 and 2011/2012 arise as a result of the implementation of the budget reductions referred to in the report;
  - variations arise between 2010/2011 and 2011/2012 as a result of technical adjustments in relation to FRS17 pensions accounting and the impact of revaluation of assets.

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

## **Revised Estimates**

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

## **Background Papers**

Local Authority Finance (England) Revenue Support Grant 2011/2012 and related Matters

Cabinet Reports 17<sup>th</sup> January 2011

- Provisional Revenue Support Grant Settlement for 2011/2012
- Revenue Budget 2011/2012

Cabinet Reports 16<sup>th</sup> February 2011

- Collection Fund 2010/2011

Council Reports 26<sup>th</sup> January 2011

- Calculation of Council Tax Base 2011/2012

### Final Settlement 2011/2012 and Provisional Settlement for 2012/2013

#### 1. National position

A summary of changes affecting the National Final Settlement is set out below:

- Total Government Revenue Grant known as Aggregate External Finance (AEF) is £72.7 billion to Local Authorities in 2011/12. The government has only released elements of the AEF for 2012/13 mainly in respect of Formula grant totals and limited core grant details (Dedicated Schools Grant and Pupil Premium figures). Total AEF for 2011/12 increased by approximately £114 million in the final settlement due to:
  - the increase of £10 million in Formula Grant (detailed below)
  - additional core revenue grant funding of £104 million ( set out below).

The changes in the 2012/13 settlement showed that Formula Grant has been reduced in total by £10 million which is being used to finance the additional grant in 2011/12. Additional core revenue grants of £72 million were also announced.

- Of this Formula Grant is £29.4 billion in 2011/12 and £27.1 billion in 2012/13 – with an additional £10 million included in 2011/2012 as compared to the provisional settlement to compensate Shire Districts for losses of concessionary travel funding and this is ongoing into 2012/2013.
- The threshold for the reduction in Revenue Spending Power over which Transition Grant will be paid has reduced by 0.1% to 8.8%. Those Councils whose spending power has been reduced by more than 8.8% will receive Transition Grant. The total Transition grant available has been increased from £85 million to £96 million in 2011/2012 and from £14 million to £21 million in 2012/2013.
- Council Tax must be a strictly zero increase in order to qualify for the Council Tax Freeze Grant in 2011/2012.
- The government has provided an extra £5 million to encourage the newly formed Local Enterprise Partnerships (LEP's) and new Local Authority partnerships to work together across boundaries to deliver large scale housing and regeneration schemes in key growth and housing market renewal areas.

- Additional Core Revenue grants have been confirmed / announced in respect of :

<b>Grant</b>	<b>2011/2012 £m</b>	<b>2012/2013 £m</b>
Fire Revenue	31.4	34.4
Community Safety Fund	56.8	28.8
Stronger Safer Communities Fund	3.9	0.00
Housing Growth / housing Market	+0.3	2.0
Renewal Transition	(now £3m)	
Transition Grant	+11.6	+6.8
	(now £96m)	(now £21m)
<b>Totals</b>	<b>104.0</b>	<b>72.0</b>

## 2. Impact on the Council

A summary of the impact of the Final Settlement on Sunderland is set out below:

- The Formula Grant allocation has reduced by £0.030 million to £158.102 million for 2011/2012 with a further reduction of £0.028 million to £145.809 million for 2012/2013 in cash terms.
- The change in the threshold for eligibility for Transition Grant to 8.8% means that the Council now qualifies for Transition Grant in 2011/2012 of £0.267 million as the Council is facing an overall grant reduction of 8.88% without this grant support. The Council does not qualify for any Transition grant in 2012/2013.

### Budget Consultation Results

The Budget Consultation for 2011/2012 was undertaken within the context of the need to significantly reduce spending in light of the Government funding reductions. The Budget Consultation process has therefore combined

- assessing support to the Councils approach to meeting those funding cuts through implementation of the Councils Business Transformation programme in order to release resources as set out in the Budget Planning Framework;
- with the identification of priority areas for service delivery for 2011/2012.

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 September 2010, and feedback was noted.

The following stakeholder groups were consulted:

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

In addition to the presentations, members of Sunderland's citizens' panel and the voluntary and community sector were invited to take part in a self completion survey to ascertain residents' views on nine service priority areas for 2011/2012. The survey was also available online for completion by the general public.

In addition the survey also asked respondents the extent to which they agreed with the Councils approach to meeting the impact of the Government funding cuts through its improvement programme. 79% of respondents either strongly agreed or tended to agree with the Council's approach.

The nine service priority areas on which views were sought are set out below together with the extent to which respondents either agreed or strongly agreed that the service area should be a priority for 2011/2012:

A summary of the position is set out below

	<b>Priority</b>	<b>% Better</b>	<b>% Stayed the same</b>	<b>% Worse</b>
1	Community safety	19.3	65.5	15.2
2	Refuse collection	67.4	30.2	2.4
3	Road and footpath maintenance	9.5	37.8	52.7
4	Clean streets	18.8	64.8	16.4
5	City Centre	17.5	43.2	39.3
6	Facilities for young people	44.6	42.3	13.1
7	Affordable decent housing	27.4	48.5	24.1
8	Enabling people with a disability, illness or health condition to live independently through access to services and facilities	31.2	58.9	9.9
9	Community integration	15.7	71.5	12.8

Workshops were held, with Community Spirit panel members and representatives from the voluntary and community sector (including the Independent Advisory Groups), in different locations throughout the city. This provided participant with the opportunity to discuss with council officers what is important to them in relation to each of the priority areas.

A total of 62 panel members attended the Community Spirit workshops and there were a further 7 attendees at the workshop for the voluntary and community sector and Independent Advisory Groups. Following presentations on the budget context and Big Society participants were organised into small groups to discuss with council officers what is important to them in relation to the priority areas. A total of 15 small groups took part across the workshops.

With regard to the workshops, participant feedback was excellent in terms of the steps the Council had taken to engage people as evidenced below.

Of the 46 respondents who expressed an opinion, 93% were very/fairly satisfied overall and more specifically:

- 94% of the 47 respondents who expressed an opinion rated the presentation on the Budget Overview as being very good / good;
- 85% of the 46 respondents who expressed an opinion rated the question and answer sessions with officers as being very good / good;
- 93% of the 44 respondents who expressed an opinion rated the break-out group sessions as being very good / good.

The workshops enable participants to gain a better understanding of the complexities and the specific issues that have to be addressed in the budget setting process and to understand the views of other participants. This is achieved through the combination of the presentation, question and answer sessions and constructive discussion and debate during the group discussions.

It needs to be recognised however that the manner in which participants were chosen - they volunteered - means that workshop attendees cannot be regarded as being statistically representative of Sunderland citizens although the involvement of the voluntary and community sector, and the availability of the questionnaire online to the general public this year helped to better represent the interests of the wider public.

By taking cognisance of the feedback obtained through the whole consultation process and Members own knowledge and feedback from constituents, the budget setting process becomes more informed. In addition, in considering the results of the consultation and its impact on the mainstream budget decisions of the Council, regard should be had to past investments which are still being implemented.

Within that overall context each of the priorities identified has been considered within the preparation of the Revenue budget and Capital Programme 2011/2012 and in light of the Improvement Programme activity which is being undertaken:

### **1. *Creating safer communities***

The Council is reviewing its frontline anti-social behaviour services and exploring ways that a more joined up service can be delivered alongside partners in local areas.

More effective identification of high risk victims are being identified and the council continues to develop services for victims of domestic violence.

We continue to develop an approach to managing high crime causers in the City reducing crime and reoffending rates.

We are reviewing partnership arrangements to streamline our working which will free up capacity to develop and improve service delivery.

A review of drug services led by the PCT and Safer Communities Team has assisted in achieving a £200,000 saving in adult substance misuse delivery costs in 2010 whilst retaining performance levels.

### **2. *Refuse Collection***

As part of the Streetscene Transformation project the recycling and refuse collection management structure has been redesigned, resulting in a flatter less costly structure which has been aligned with the five city areas.

In addition, collection service route planning through route optimisation technology will be used to further improve assisted collections, general efficiency and safety.

### **3. *Road and Footpath Maintenance***

The transformation of the operational arrangements of the Street Scene Service has involved streamlining arrangements including removing an

historical internal client and contractor split of highways service delivery. The result is a more responsive and cost effective maintenance programme. A comprehensive Highways Asset Management Plan will be produced in 2011 that will help direct resources more intelligently, and the information network created through Responsive Local Services will help ensure that local priorities are identified.

A review of the priorities within the service has been undertaken and provision of additional investment of £300,000 for 2011/2012 is being provided through the Capital Programme to address high priority maintenance requirements.

#### **4. *Clean streets***

January 2011 will see the introduction of the new Responsive Local Services. This will provide a direct link for customers and ward members with resources better aligned to meet the specific needs within in the five regeneration areas.

#### **5. *City Centre***

In October the Council launched its Economic Master Plan for the City which places improving the City Centre and its role in driving the economy and prosperity of Sunderland as a key aim.

The proposed Capital Programme for 2011/2012 to 2015/2016 includes a number of proposals to support economic regeneration of the City Centre in accordance with strategic priorities

A new Economic Leadership Board is being established involving key partners in both the public and private sector. The Board will focus on focus on delivering our key projects and to respond to the current economic climate and emerging priorities of the Coalition Government.

For both 2009/2010 and 2010/2011 the City Council provided an additional £1million for initiatives to support City Centre businesses through the economic downturn. The aims were to increase footfall and dwell time within the City Centre, and to bring an enhanced sense of vibrancy to the area.

Overall, the programme of projects is considered to have been a success. An independent survey carried out by Explain Research stated that 72% of residents interviewed found that the events in Sunderland were considered either good or very good.

Following the success and benefits of making this investment, the council is proposing to provide a further £1 million for 2011/12 to continue this programme.

#### **6. *Facilities for Young People***

The Council continues to improve the ways in which we deliver services to young people in areas where there is little or no provision through the



mobile youth buses and XL village events. These have led to significant reductions in anti-social behaviour, attracted national positive interest, and have been very well received by young people.

Youth provision is more equable across the City by commissioning the voluntary sector to deliver a core youth offer of a minimum of 3 youth sessions in every ward. This is better value as the voluntary sector is able to draw down matched funding and, as partners we are able to make the best use of existing resources such as buildings and staff without duplication.

## **7. Affordable Decent Housing**

The City Council has developed its Housing Priorities plan in partnership with the Homes and Communities Agency (HCA) to provide much needed new homes and deliver upon the cities renewal priorities over the next 15-years. A key element being to develop affordable homes on appropriate sites across the city.

This approach is being supported by the Council and its partners through:-

- Continued development and implementation of Council mortgages to allow individuals who cannot otherwise secure a commercial mortgage to progress onto the property ladder,
- Continued development, support and implementation of shared equity schemes,
- Investing in the current housing stock – especially for vulnerable people through the implementation of the Financial Assistance Policy (FAP),
- Developing new innovative housing schemes - especially in relation to mixed tenure extra care housing for older people,
- Working with private sector developers to utilise 'land banked' sites,
- Continue to work with Registered Providers (Housing Associations) to discuss and agree their priorities for investment in Sunderland.

## **8. Enabling People with a disability, illness or health condition to live independently through access to services and facilities**

The Health Housing and Adult Services Directorate continues to ensure people with disabilities are able to access a range of services not just Council provided by focussing on the further development of brokerage services. Brokerage will be key to enabling people to look beyond traditionally provided care and support services and accessing universal services by providing the necessary support for vulnerable people to do this. The Health, Housing and Adult Services Directorate is also accelerating its approach to reablement by ensuring everyone has access to an reablement approach, focussing on people doing things for themselves; challenging the dependency that can be created on services.

Health Housing and Adult Services have identified £4.509 million additional savings proposals in order to reinvest in the home care services, extra care facilities, and accommodation solutions. Further details are included at paragraph 9.3 of the main report.

## **9. *Community Integration***

The Council will extend pilot projects which involve young people in working together for the benefit of themselves and the wider communities they live in, developing initiatives such as community gardens, community spaces in parks and renovating community facilities.

These projects are led by young people themselves who take the lead in identifying and delivering actions which then benefit the wider community. This in turn breaks down issues connected with intergenerational tensions and also leads to visible improvements for communities.

The Council will continue to work with community members and partners to identify issues of concern about community tensions and vulnerabilities and respond to these, for instance addressing instances of bullying and hate through the ARCH reporting system, increasing the number of places where such instances can be reported and the availability of various kinds of support for victims.

## Appendix E

### Statement of General Balances

	£m	£m
<b>Balances at 31st March 2010</b>		<b>14.749</b>
<b>Addition to Balances 2010/2011</b>		
- Debt Charge Savings	4.000	
- 2010/2011 Revenue Savings Additional actions to meet Government Grant Reductions	3.467	
- Unutilised Directorate Delegated Surpluses and Reserve	3.385	
- Unutilised RCCO Reserve	<u>1.464</u>	12.316
<b>Use of Balances 2010/2011</b>		
- Contribution to Revenue Budget	(3.307)	
- Contribution to fund the Capital Programme	(3.872)	
- Transfer to Strategic Investment Reserve	<u>(7.467)</u>	(14.646)
<b>Estimated Balances 31st March 2011</b>		<b>12.419</b>
<b>Proposed Utilisation of Balances 2011/2012</b>		
- Contribution to Revenue Budget		(4.849)
<b>Estimated Balances 31st March 2012</b>		<b>7.570</b>

## 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:

- teacher's pay for the pay settlement of September 2010 was been settled at 2.3% which is factored into the 2011/2012 Revenue Budget and Medium Term Financial Strategy;
- the government proposed, in the June emergency budget, a two year pay freeze for public sector workers, except for those workers earning less than £21,000 a year, who will receive an increase of £250 per year. Local Government employers are expected to offer a zero pay increase for 2011/2012;
- currently RPI is 4.8%, RPIX is 4.7%, and the Consumer Price Index (CPI) is 3.3% and the average inflation outlook (CPI) for 2011 is within the 0.5% to 2.1% banding;
- Appropriate provision for price increases has been included in the budget including a prudent provision for increases in contract prices and additional provision for fees for independent providers of care services;
- expenditure in respect of most of the budget heads can be either influenced or controlled;
- separate provision has been made for fuel and utility costs, which have been subject to significant price variations over the last year. Council procurement officers are continuously monitoring price changes in order to take advantage of any purchasing opportunities that may arise.

### Debt Charges

*Risk is that Debt Charges will be greater than budgeted.*

This is very unlikely to arise due to:

- a prudent estimate has been made for 'in year' ring fenced Supported Capital Expenditure' and 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 increase from 0.5% to 1.00% by March 2012 and PWLB 50 year rates will remain around their current level of 5.40% for the whole of 2011/2012.
- a contingency exists for any additional new borrowing costing more than forecast.

## **Investment Interest**

*Risk is that income generated will not match budget provision.*

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

## **Contingencies**

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

This is unlikely to occur due to:

- prudent estimates being included in respect of each category of contingency provision and specific contingencies have been created for all known spending pressures in 2011/2012;
- the total contingency provision is deemed sufficient in the context of the net revenue budget;
- past experience suggests an underspending against contingency provision.

## **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 much greater than previous years, enhanced actions are being put in place 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;
- 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 reductions to budgets planned have all been subject to due diligence and there are no significant barriers to implementation;
- the budgetary control processes that are in place will identify any shortfall and remedial action will be taken;
- contingencies exist to safeguard against the non - realisation of some of the efficiency reductions.

## **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 2011/2012 e.g. Strategic Investment Reserve.

## Appendix G

### Major Earmarked Reserves - Position Statement

Title and Purpose of Earmarked Reserve	Opening Balance 1/4/2010 £'000	Estimated Movement in the Year £'000	Estimated Balance 31/3/2011 £'000
<p><b>Strategic Investment Reserve</b> A reserve established with the proceeds of the Housing Stock Transfer and Airport Share Sale to address some of the Council's key developments, strategic priorities and address other major liabilities.</p>	51,186	2,145	53,331
<p><b>Council Directorates - Delegated Budget Surpluses</b> The Council has approved the operation of a delegated budget scheme in accordance with Financial Procedure Rules which provides specific flexibility in the management of Directorate Budgets, for instance by allowing the carry forward of delegated budget under spend from one financial year to the next. There is a balance held by Directorates at the end of each financial year.</p>	9,920	(9,246)	674
<p><b>Schools Delegated Budget Surpluses</b> These are the financial reserves held by schools under the Local Management of Schools/Fair Funding arrangements. The level of un-earmarked balances is limited to 8% for Primary, Nursery and Special Schools and 5% for Secondary Schools in accordance with a detailed scheme, with balances in excess of these thresholds requiring the approval of a licensed surplus application at individual school level. As part of the 2011/2012 Budget Planning with the Schools Forum schools will be allowed to carry forward above the 5% and 8%. This is to encourage in year efficiencies that will support the long term stability of the school.</p>	7,492	(2,722)	4,770
<p><b>Insurance Reserve</b> This reserve has been established to provide for potential claims associated with the housing stock transfer, future claims increases and risk management funds.</p>	5,200	(0.465)	4,735
<p><b>Street Lighting PFI Smoothing Reserve</b> 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 are achieved as the full level of unitary charge is not incurred until the core investment programme for the installation of the new street lighting and highways signs is completed.</p>	7,448	(323)	7,125
<p><b>Unutilised RCCO Reserve -</b> This reserve consists of unutilised direct revenue financing and is fully earmarked to fund capital projects previously approved.</p>	8,916	(2,972)	5,944
<p><b>Strategic Investment Plan Reserve</b> A reserve to fund the Council's contribution to its Strategic Investment Plan approved by Council in April, 2008. CHRIS</p>	11,543	(2,294)	9,249





# REVENUE BUDGET 2011/2012



**REVENUE BUDGET 2011/2012  
LEADER AND DEPUTY LEADER**

**ROLES AND RESPONSIBILITIES**

The Leader and Deputy Leader Portfolio provides leadership to the council on all matters and particularly all major strategic, corporate and cross-cutting 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 has specific responsibility for the following activities and functions:

- Strategic and policy overview
- Performance management overview
- Marketing, communications and City reputation
- Strategic developments and Inward Investment
- Regional and sub-regional governance, including strategic partnerships such as the North Eastern Economic Partnership; Local Enterprise Partnership, Sunderland Economic Leadership Board and Local Strategic Partnership
- Strategic improvement programmes and modernisation
- External and International Strategy and Programmes
- Services for elected members
- Diversity and Inclusion.

<b>Strategic Objective: PEOPLE - Raising aspirations, creating confidence and promoting opportunity</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Inward Investment:</b> Supporting new employer investment and re-investment directed at a wide range of employment opportunities that enable local people to fulfil their economic potential.	<ul style="list-style-type: none"> <li>▪ Reducing worklessness and increasing access to employment</li> <li>▪ Reducing poverty, inequality and deprivation</li> </ul>
<b>Diversity and Inclusion:</b> Strengthening the 3 <sup>rd</sup> sector and its longer term capacity to work with the council and communities to achieve the changes that are needed and wanted.	<ul style="list-style-type: none"> <li>▪ Building and sustaining a sense of community</li> <li>▪ Developing quality district and neighbourhood centres</li> <li>▪ Promoting quality physical environments</li> <li>▪ Ensuring a mix of community facilities that correspond with need</li> <li>▪ Improving community cohesion</li> <li>▪ Combining resources</li> <li>▪ Sharing a view of success</li> <li>▪ Shared outcomes</li> </ul>
<b>Strategic Objective: PLACE - Leading the investment in an attractive and inclusive city and its communities</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Community Leadership Programme:</b> Encouraging improved community intelligence in order to identify and promote speedy, effective action on main local quality of life issues.	<ul style="list-style-type: none"> <li>▪ Promoting quality physical environments</li> <li>▪ Building and sustaining a sense of community</li> <li>▪ Greater trust</li> <li>▪ Improving health and wellbeing</li> <li>▪ Reduced poverty, inequality and deprivation</li> <li>▪ Improving community cohesion</li> </ul>
<b>Scrutiny and Localism:</b> Strengthening area based working.	<ul style="list-style-type: none"> <li>▪ Targeted activity in priority neighbourhoods</li> <li>▪ Strong community leadership</li> <li>▪ Greater trust</li> </ul>

**REVENUE BUDGET 2011/2012  
LEADER AND DEPUTY LEADER**

<b>Strategic Objective: ECONOMY - Creating a University City at the heart of the regional Low Carbon Economy</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Inward Investment:</b> Supporting the creation of new employment opportunities in existing and emerging sectors, such as Low Carbon Economy (including Software City) by working with businesses to provide an environment and the necessary infrastructure to support economic growth and create quality job opportunities for local people.	<ul style="list-style-type: none"> <li>▪ Develop a new kind of University City</li> <li>▪ Position the City as a national hub for the low carbon economy</li> <li>▪ Develop a prosperous, connected waterfront city</li> <li>▪ Improve business performance</li> <li>▪ Promote the city as the inward investment location of choice</li> <li>▪ Support key growth sectors</li> <li>▪ Reducing worklessness and increasing access to employment</li> </ul>
<b>Strategic Objective: ONE COUNCIL</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Shared and Strategic Services:</b> Implementing improvement arrangements across all Strategic and Shared Services.	<ul style="list-style-type: none"> <li>▪ Managing the impact of organisational and HR change</li> <li>▪ Continuously improving VfM</li> </ul>
<b>Business Transformation Programme:</b> - Delivering a full programme of Service Reviews.	<ul style="list-style-type: none"> <li>▪ Pooling services around need</li> <li>▪ Continuously improving VfM</li> </ul>
<b>Strategic Objective: Business Transformation Programme - Delivering a full programme of Service Reviews</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Community Leadership Programme:</b> Promoting a more systematic approach to effective engagement between the council and partners, addressing role, clarity, infrastructural issues, and areas. Locking partners and council more closely together in an agenda which is about better local services delivered more efficiently.	<ul style="list-style-type: none"> <li>▪ Greater levels of engagement at a community level</li> <li>▪ Integrated service delivery at a community level</li> <li>▪ Sharing a view of success</li> <li>▪ Shared outcomes</li> <li>▪ Combining resources</li> <li>▪ Sharing intelligence</li> <li>▪ Unique contribution to partnership working</li> </ul>
<b>Partnership Working:</b> Strengthening partnership arrangements and longer term city delivery plans and maximising opportunities from international activity.	<ul style="list-style-type: none"> <li>▪ Unique contribution to partnership working</li> <li>▪ Combining resources</li> <li>▪ Shared outcomes</li> </ul>
<b>Strategic Objective: TRANSFORMATION PROGRAMME</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Community Leadership Programme:</b> Improving the broad range of Officer, Member and partner development and support activity to strengthen our capacity for effective internal and external partnership. This will feature more targeted, individually customised development planning and action at all levels of the organisation.	<ul style="list-style-type: none"> <li>▪ Strong community leadership</li> <li>▪ Greater trust</li> <li>▪ Developing our workforce to improve services</li> <li>▪ Sharing a view of success</li> <li>▪ Shared outcomes</li> </ul>
<b>Business Transformation Programme:</b> The delivery of the Business Transformation programme including the further improvement and efficiencies of strategic and shared services, procurement, ICT and customer services etc. Further consolidation of budgets with communications, training, property and ICT to further reduce non-staff costs.	<ul style="list-style-type: none"> <li>▪ Streamlined access</li> <li>▪ Positive customer experience;</li> <li>▪ Simplified customer journeys</li> <li>▪ Continuously improving VfM</li> </ul>

**REVENUE BUDGET 2011/2012  
LEADER AND DEPUTY LEADER**

<b>Strategic Objective: COMMUNITY LEADERSHIP PROGRAMME</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<p><b>Community Leadership Programme:</b> Strengthening the capacity of individuals to provide the most effective leadership and improving the effectiveness of the relationships between them.</p> <p>Responsive Services - strengthening the connection between the Council and the communities it serves and improving the use of community insight in focusing and shaping service activity.</p> <p>Area Policy - to support a more responsive and customised approach to service delivery.</p>	<ul style="list-style-type: none"> <li>▪ Positive customer experience</li> <li>▪ Strong community leadership</li> <li>▪ Greater trust</li> <li>▪ Shared outcomes</li> <li>▪ Greater levels of engagement at a community level</li> <li>▪ Promoting engagement between communities</li> <li>▪ Create a whole life inclusive city</li> <li>▪ Utilising customer insight</li> <li>▪ Improved access to services</li> </ul>
<b>Strategic Objective: REPUTATION AND INFLUENCING PROGRAMME</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<p><b>Communications:</b> Developing the Reputation and Influencing programme: to support the future development of the City by raising the profile of Sunderland; increasing reach and influence; and encouraging business and investors to “do business” in the city; developing and implementing a strong sense of economic place for the city</p> <p>The programme focuses on creating the best possible conditions for continued economic development in the city: supporting existing businesses to expand and be more successful and developing an ambitious investment marketing strategy to further attract new investment to the city.</p>	<ul style="list-style-type: none"> <li>▪ Strong community leadership</li> <li>▪ Greater trust</li> <li>▪ Develop a new kind of University City</li> <li>▪ Position the city as a national hub for the low carbon economy</li> <li>▪ Develop a prosperous, connected waterfront city centre</li> <li>▪ Improving business performance</li> <li>▪ Promoting the city as the inward investment location of choice</li> <li>▪ Supporting key growth sectors</li> <li>▪ Reducing worklessness and increasing access to employment</li> <li>▪ Securing Investment Opportunities</li> </ul>

**REVENUE BUDGET 2011/2012  
LEADER AND DEPUTY LEADER**

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
<b>Commercial and Corporate Services Director</b>					
1	HoLG	3,567,853	3,311,176	Democratic Process - Democratic Core	3,569,530
		<b>3,567,853</b>	<b>3,311,176</b>	<b>Total Commercial and Corporate Services Director</b>	<b>3,569,530</b>
<b>Office of the Chief Executive</b>					
2	DC	0	0	Communications	0
3	HoCLP	0	0	Community Leadership Programme	0
4	ACE	0	0	Corporate Strategic Management	0
5	HS	449,912	445,432	Democratic Process - Overview and Scrutiny	417,504
6	HCC	0	0	Design and Print	0
7	ACE	369,851	296,440	Equality Issues	251,158
8	ACE	154,523	167,274	International	153,985
9	HCB&IT	980,228	918,315	Inward Investment	907,068
10	HoTPP	0	0	Transformation, Programme and Projects	0
11	HSPP	0	0	Strategy, Policy and Performance Management	0
		<b>1,954,514</b>	<b>1,827,461</b>	<b>Total Office of the Chief Executive</b>	<b>1,729,715</b>
		<b>5,522,367</b>	<b>5,138,637</b>	<b>TOTAL BUDGET</b>	<b>5,299,245</b>

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review. Significant savings have been achieved in this area however these are masked by the impact of recharging the net costs of these support services to service users. Savings arising in respect of these support services therefore are evidenced in other portfolio service areas
- Technical adjustments of £0.2m in respect of FRS 17 pensions accounting arrangements and revaluation of assets.

**IMPROVEMENT AND EFFICIENCY**

The Council has stated its ambition to change and improve its way of working in moving to a new operating model that secures effectiveness and efficiency benefits. The Business Transformation programme set out a programme of reform to deliver the new operating model in a climate of increased financial constraints.

The implementation of the Business Transformation Programme is the key way in which the Council is meeting the impact of the reductions in public sector funding. This examines every aspect of the way we work by looking at the organisation in a different way with two main objectives:

- To challenge what we are doing, how we are doing it and how effective it is;
- To organise in a way that maximises value for money.

These reviews are progressing and will provide significant savings in 2011/2012 and over the next three years. Plans are being implemented in respect of the following key strands of business:

**Strategic and Shared Services**

This review is implementing new standardised ways of delivering support services by bringing staff together within their own area of expertise, introducing standardised consistent practices, redesigning processes and using ICT to maximise efficiencies. As a key part of the Business Transformation Programme, the Strategic and Shared Services project is providing an opportunity to consolidate the existing delivery of strategic and support services into shared functions to ensure faster and more direct access to services for customers. Within the Leader and Deputy Leader portfolio single professional leads will be established and significant savings are being realised in 2011/12 in the following areas:

**REVENUE BUDGET 2011/2012  
LEADER AND DEPUTY LEADER**

Strategy, Policy and Performance  
Transformation, Programmes and Projects  
Communications

**Customer Services**

All customer contact to be undertaken through the Customer Services Network in order to:

- maximise resolution at the first point of contact,
- avoiding unnecessary contact,
- further develop transactional website functionality.

**ICT**

The pooling of ICT software and hardware will enable the most efficient and effective way to meet the needs of the business and reduce costs. The use of ICT will be maximised with additional investment where there is a sound business case to do so.

**Property Rationalisation and Smarter Working**

Maximisation of the use of space available and utilisation of the lowest number of locations will save on running costs. In addition the use of ICT will enable alternative forms of working for example, home working, hot desking or use of hand held devices to deliver speedier services.

**Service Commissioning and Review and Procurement**

- Procurement - Centralising procurement activity and ensuring all purchasing goes through expert procurement officers will enable savings to be made from bulk purchases.
- Service Commissioning and Review - The reviews seek to gain a comprehensive understanding of customer need and how best that need can be delivered in respect of front line and other services in the most productive manner. This includes involving communities and people who use services in the design of outcomes based services.

Beyond the Business Transformation Programme, the realisation of efficiencies has focused on eliminating, where possible, non essential spending through reviewing back office processes and functions

**PORTFOLIO GLOSSARY**

ACE	Assistant Chief Executive
HCB&IT	Head of City Business and Investment Team
DC	Director of Communications
HoCLP	Head of Community Leadership Programme
HoTPP	Head of Transformation, Programmes and Projects
HS	Head of Scrutiny and Localism
HoLG	Head of Law and Governance
HSPP	Head of Strategy, Policy and Performance

**REVENUE BUDGET 2011/2012**



**REVENUE BUDGET 2011/2012  
RESOURCES**

**ROLES AND RESPONSIBILITIES**

The Resources Portfolio has overall responsibility for the efficient, coordinated management and use of all of the council's key resources and for maximising the capacity of the way in which the council's resources are managed to promote local prosperity and inclusion. The portfolio also provides leadership to partners in the effective use of resources in pursuit of these objectives.

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

- Corporate Personnel matters
- Budgetary and financial affairs including driving value for money and commercial activity
- Strategic management of council land, buildings and other assets, including the Port of Sunderland
- Performance and Improvement matters
- Corporate ICT matters
- E-government Champion, Digital Challenge and e-inclusion
- Strategic Procurement Champion
- Efficiency Champion – driving organisational efficiency and VfM
- Risk Management Champion
- Legal and Democratic Services
- Elections.

<b>Strategic Objective: ECONOMY - Creating a University City at the heart of the regional Low Carbon Economy</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Medium Term Financial Planning:</b> Developing the budget strategy and updating the Medium Term Financial Strategy to ensure resources are in place to deliver the Councils and City's priorities in the most cost effective manner. This will include the development of alternative financial models to support this. A key focus of this will be in connection with the delivery of the Economic Masterplan	<ul style="list-style-type: none"> <li>▪ Continuously improving VfM</li> <li>▪ Delivery of significant efficiency savings</li> <li>▪ Improving business performance</li> </ul>
<b>Strategic Objective: CUSTOMER FOCUS</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Business Transformation Programme:</b> Delivering the key work programmes relating to Shared and Strategic Service. Improvements to infrastructure and ICT integration that benefit direct delivery services and recipients of services. Delivering smarter working practices across the council and reducing the carbon footprint of services. Responding to the transparency agenda and providing greater choice of delivery through electronic channels.	<ul style="list-style-type: none"> <li>▪ Positive customer experience</li> <li>▪ Continuously improving VfM</li> <li>▪ Delivery of significant efficiency savings</li> <li>▪ Streamlined access</li> <li>▪ Simplified customer journeys</li> </ul>
<b>Strategic Objective: ONE COUNCIL</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Financial Resources:</b> The service will support the impact of organisational change upon budget management arrangements, including the provision of effective budgetary control, accounting and financial management as well as the provision of appropriate training.	<ul style="list-style-type: none"> <li>▪ Managing the impact of organisational and HR change</li> </ul>
<b>Internal Audit and Counter Fraud:</b> The service will continue to provide assurance regarding the systems, governance and risk management arrangements of the authority and will develop and implement a corporate approach to counter fraud work (including the integration of the Benefit Fraud Team).	<ul style="list-style-type: none"> <li>▪ Continuously improving VfM</li> <li>▪ Combining resources</li> <li>▪ Sharing intelligence</li> </ul>
<b>Risk Management:</b> The service will review the corporate risk management framework and ensure that it continues to support the Council in achieving the council's strategic objectives.	<ul style="list-style-type: none"> <li>▪ Continuously improving VfM</li> <li>▪ Effective and appropriate performance management</li> </ul>
<b>Corporate Procurement:</b> The service will deliver significant financial savings to the Council through a corporate Category Management approach and improve contract management through introducing a corporate framework.	<ul style="list-style-type: none"> <li>▪ Continuously improving VfM</li> <li>▪ Delivery of significant efficiency savings</li> </ul>
<b>Asset Management:</b> The service will develop a corporate approach to management of all Council land. The management of Council land and access to information will be improved in order to facilitate improvements in the environment at a neighbourhood level.	<ul style="list-style-type: none"> <li>▪ Better use of buildings and asset management</li> </ul>

**REVENUE BUDGET 2011/2012  
RESOURCES**

<b>Strategic Objective: TRANSFORMATION PROGRAMME</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<p><b>Financial Resources</b> – Service activity will be re-focused to both support directorates business development and improvement activity whilst still safeguarding internal control arrangements necessary to secure sound financial management arrangements.</p> <ul style="list-style-type: none"> <li>▪ The level of reduction in resources available and associated resulting actions will require increased emphasis on Budget Management arrangements. The service will support Budget Managers to ensure the associated risks are closely managed to ensure required savings are delivered.</li> <li>▪ Financial Resources will unify service provision across the council, pooling resources and re-engineering business processes to reduce significantly the cost of service provision.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Managing the impact of organisational and HR change</li> <li>▪ Effective and appropriate performance management.</li> <li>▪ Pooling services around need</li> <li>▪ Improving business performance</li> <li>▪ Continuously improving VfM</li> </ul>
<p><b>Administration and PA Support</b> – By the use of business process re-engineering/pooling and sharing of resources this workstream will be responsible for the delivery of £4.6m of efficiency savings.</p>	<ul style="list-style-type: none"> <li>▪ Continuously improving VfM</li> </ul>
<p><b>Internal Audit:</b> Internal Audit will review and report upon the programme to provide assurance and recommendations for improvement to management.</p>	<ul style="list-style-type: none"> <li>▪ Managing the impact of organisational and HR change</li> </ul>
<p><b>Risk Management:</b> The level of change and reduction in resources across the Council will inevitably lead to a change in the risk profile of the Council. The service will support managers in ensuring that the risks within these changes are identified, assessed and appropriately managed, and provide assurance in this regard</p>	<ul style="list-style-type: none"> <li>▪ Managing the impact of organisational and HR change</li> <li>▪ Effective and appropriate performance management</li> </ul>
<p><b>Corporate Procurement:</b> Corporate Procurement will support commissioners across the Council to achieve significant financial savings. In addition to delivering significant savings directly it will engage with a range of bodies to achieve this, including the North Eastern Purchasing Organisation.</p>	<ul style="list-style-type: none"> <li>▪ Procurement</li> <li>▪ Continuously improving VfM</li> </ul>

**REVENUE BUDGET 2011/2012  
RESOURCES**

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
<b>Office of the Chief Executive</b>					
1	HoES	596,865	583,875	Democratic Process - Elections Team	605,763
2	DHR&OD	0	0	Strategic and Operational HR	0
3	HL&P	229,990	290,665	The Port	343,393
4	HL&P	(881,369)	(766,862)	Industrial Units	(838,340)
5	HL&P	(144,359)	(148,059)	Retail Market	(108,914)
6	HL&P	0	0	Asset Management	0
7	HL&P	(1,388,616)	(1,299,606)	Miscellaneous Land and Property	(1,159,051)
8	HL&P	628,615	667,383	Repairs and Renewals	648,080
9	HCICT	0	0	Corporate ICT	0
10	HCICT	(22,891)	(17,392)	ICT - Cabling	(36,410)
		<b>(981,765)</b>	<b>(689,996)</b>	<b>Total Office of the Chief Executive</b>	<b>(545,479)</b>
<b>Executive Director of Commercial and Corporate Services</b>					
11	HoFM	0	0	Financial Services - Operational Finance	0
12	HoTS	0	0	Financial Services - Transactional Finance	0
13	HoTS	0	0	Financial Services - Transactional HR	0
14	HoAR&P	0	0	Financial Services - Audit, Risk Management and Investigations	0
15	HoAR&P	0	0	Corporate Procurement	0
16	HoTS	1,799,382	1,878,014	Council Tax and Business Rates	2,121,647
17	HoTS	582,528	672,576	Benefits Administration	583,808
18	HoTS	1,181,511	1,181,511	Benefit Payments	1,294,061
19	DoC&CS	2,318,964	2,281,733	Corporate Management	2,173,922
20	HoLG	0	0	Legal Services	0
21	HoLG	0	0	Democratic Process - Democratic Services	0
22	HoLG	0	7,480	Land Charges	23,577
23	HL&P	0	0	Civic Centre Manager	0
24	HoTS	0	0	Admin and PA Support	0
		<b>5,882,385</b>	<b>6,021,314</b>	<b>Total Executive Director of Commercial and Corporate Services</b>	<b>6,197,015</b>
		<b>4,900,620</b>	<b>5,331,318</b>	<b>TOTAL BUDGET</b>	<b>5,651,536</b>

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review. Significant savings have been achieved in this area however these are masked by the impact of recharging the net costs of these support services to service users. Savings arising in respect of these support services therefore are evidenced in other portfolio service areas
- Increased cost pressures in respect Pensions Deficiency payments
- Technical adjustments of £1.1m in respect of FRS 17 pensions accounting arrangements and revaluation of assets.

## REVENUE BUDGET 2011/2012 RESOURCES

### IMPROVEMENT AND EFFICIENCY

The Council's Productivity and Efficiency Strategy 2011/2012 to 2014/2015 provides the framework for developing plans for future service delivery, ensuring that the main priorities are to support the most vulnerable residents in the city and enable economic regeneration to attract new businesses to invest in the city, despite the prevailing economic conditions. The strategy supports the aim of ensuring the most productive use of resources is maintained during this period of financial restraint.

Given the anticipated significant long term pressure on public finances the strategy's efficiency targets and planning cover a four year period in order to ensure timely action is taken as necessary to assist to maximise efficiency savings.

The identification of efficiency savings in the medium term will continue through a combined approach of:

- Specific efficiency savings arising from the Business Transformation Programme;
- Efficiency savings arising from policy and service reviews, including through modernising and improving services across the Council and the Sunderland Way of Working;
- Directorate cash limits being tightly drawn and prompting the identification and reinvestment of efficiency savings.

The Council has stated its ambition to change and improve its way of working in moving to a new operating model that secures effectiveness and efficiency benefits. The Business Transformation programme set out a programme of reform to deliver the new operating model in a climate of increased financial constraints, almost £27million of savings from the programme will be delivered in 2011/12.

As a key part of the Business Transformation Programme, the Strategic and Shared Services project is providing an opportunity to consolidate the existing delivery of strategic and support services into shared functions to ensure faster and more direct access to services for customers.

Services are being streamlined with recognised service standards, performance indicators and service level agreements and will be supported by redesigning processes and maximising the use of ICT. Responsible to a single professional lead, significant savings are being realised in 2011/12 in the following areas:

Legal Services and the Democratic process;  
Operational and Transactional Finance;  
Human resources;  
Administration and PA Support;  
Strategic Asset management;

In relation to the Business Transformation Programme the success of the Council's new operating model is reliant on the adoption of systemised business processes and where necessary, the ability to deliver the right ICT system. Specifically, the project is delivering efficiencies through more effective service management and ensuring a consistent approach to core business processes.

The Property Rationalisation and Smarter Working project is aiming to maximise the use of space available and utilisation of the lowest number of locations to save on running costs. In addition the use of ICT will enable alternative forms of working for example, home working, hot desking or use of hand held devices to deliver speedier services.

The Procurement project is centralising procurement activity and ensuring all purchasing goes through expert procurement officers will enable savings to be made from bulk purchases.

**REVENUE BUDGET 2011/2012  
RESOURCES**

**PORTFOLIO GLOSSARY**

HoLG	Head of Law and Governance
DoC&CS	Executive Director of Commercial and Corporate Services
HCICT	Head of Corporate ICT
HL&P	Head of Land and Property
HoAR&P	Head of Audit Risk and Procurement
HoES	Head of Electoral Services
HoFM	Head of Financial Management
HoTS	Head of Transactional Services
DHR&OD	Director of Human Resources and Organisational Development

**REVENUE BUDGET 2011/2012**

**REVENUE BUDGET 2011/2012  
CHILDREN AND LEARNING CITY**

**ROLES AND RESPONSIBILITIES**

The Children and Learning City 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 and young people from harm
- Promoting good health and health awareness in children and young people
- Reduction of child poverty
- Safeguarding and securing the well being of children and young people
- Schools and school meals
- 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 and young people to support and benefit from the City's continuing economic development.

<b>Strategic Objective: PEOPLE - Raising aspirations, creating confidence and promoting opportunity</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<p><b>Health Improvement:</b> Establishment of joint working relationships.</p> <p>Establishment of a healthy settings approach within the health improvement service, with a focus on early years, schools and further education.</p> <p>Improve resilience to help children make informed and healthy/safe choices and develop coping strategies including in the four key health priorities identified in CYPP – childhood obesity, teenage pregnancy, emotional health and wellbeing and drugs including alcohol and smoking.</p>	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Reducing poverty, inequality and deprivation</li> <li>▪ Supporting and challenging communities, families and individuals</li> </ul>
<p><b>Schools and Learning:</b> Create effective partnerships which re-engineer the relationship between schools and with the LA. Establish support for a school to school model of improvement.</p> <p>Improve attainment for all children and young people including for vulnerable and under performing groups.</p>	<ul style="list-style-type: none"> <li>▪ Reducing worklessness and increasing access to employment</li> <li>▪ Reducing poverty, inequality and deprivation</li> <li>▪ Improving skills and attainment levels for all</li> <li>▪ Supporting and challenging communities, families and individuals</li> </ul>
<p><b>Safeguarding:</b> Increase the number of children looked after in Sunderland provided foster care.</p>	<ul style="list-style-type: none"> <li>▪ Reducing poverty, inequality and deprivation</li> <li>▪ Improving community cohesion</li> <li>▪ Supporting and challenging communities, families and individuals</li> </ul>
<p><b>Safeguarding:</b> Increase the number of children looked after in Sunderland provided foster care.</p>	<ul style="list-style-type: none"> <li>▪ Reducing poverty, inequality and deprivation</li> <li>▪ Improving community cohesion</li> <li>▪ Supporting and challenging communities, families and individuals</li> </ul>
<b>Strategic Objective: PLACE - Leading the investment in an attractive and inclusive city and its communities</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<p><b>Early Intervention and Locality Working:</b> Increase multi-agency service delivery in localities through a range of community facilities.</p>	<ul style="list-style-type: none"> <li>▪ Building and sustaining a sense of community</li> <li>▪ Ensuring a mix of community facilities that correspond with need</li> </ul>
<p><b>Safeguarding:</b> Create a city where children and young people feel, and are, safe and secure at home, at school and in their local community by tackling the impact of domestic violence, reducing bullying and reducing the number of children who are victims of crime and have a fear of crime.</p>	<ul style="list-style-type: none"> <li>▪ Building and sustaining a sense of community</li> <li>▪ Supporting and challenging communities, families and individuals</li> <li>▪ Improving community cohesion</li> </ul>

**REVENUE BUDGET 2011/2012  
CHILDREN AND LEARNING CITY**

Reduce levels of offending and anti-social behaviour and improve the public perception of young people.	
<b>Early Intervention and Locality Working:</b> Increase multi-agency service delivery in localities through a range of community facilities.	<ul style="list-style-type: none"> <li>▪ Building and sustaining a sense of community</li> <li>▪ Ensuring a mix of community facilities that correspond with need</li> </ul>
<b>Safeguarding:</b> Create a city where children and young people feel, and are, safe and secure at home, at school and in their local community by tackling the impact of domestic violence, reducing bullying and reducing the number of children who are victims of crime and have a fear of crime.  Reduce levels of offending and anti-social behaviour and improve the public perception of young people.	<ul style="list-style-type: none"> <li>▪ Building and sustaining a sense of community</li> <li>▪ Supporting and challenging communities, families and individuals</li> <li>▪ Improving community cohesion</li> </ul>
<b>Strategic Objective: CUSTOMER FOCUS</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Commissioning and Change Management:</b> Increase on-line admissions (improved and streamlined access to services).  <b>Early Intervention and Locality Services:</b> Increase multi-agency service delivery in localities and streamline access to service routes through the use of Common Assessment Framework (CAF).	<ul style="list-style-type: none"> <li>▪ Improved access to services</li> <li>▪ Streamlined access</li> <li>▪ Positive customer experience</li> <li>▪ Simplified customer journeys</li> </ul>
<b>Strategic Objective: DIRECTORATE IMPROVEMENT/ MODERNISATION AND SERVICE REVIEW PROGRAMMES</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Safeguarding:</b> Review of service delivery to fit with the move to locality based and family intervention models of working, including the 5 child protection teams. Key focus within the service redesign will be the improvement in outcomes facilitated by early intervention.	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Reducing poverty, inequality and deprivation</li> <li>▪ Supporting and challenging communities, families and individuals</li> </ul>
<b>Early Intervention and Locality Services:</b> Service redesign for locality working will promote early intervention and prevention models including through Children's Centres.  Early intervention with families with additional needs at a universal level, including parents with learning difficulties and their carers. Supporting families where children are at risk of becoming looked after or where there are safeguarding concerns. Supporting families with mental health and substance misuse problems.  Adopt a family centred approach to service delivery.  Deliver a targeted youth offer for the most excluded and disaffected young people, including those who are NEET, young offenders, those misusing drugs and/or alcohol, and those who are young parents, and aims to reframe their views and choices through intensive training and coaching.	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Reducing worklessness and increasing access to employment</li> <li>▪ Reducing poverty, inequality and deprivation</li> <li>▪ Supporting and challenging communities, families and individuals</li> <li>▪ Targeted activity in priority neighbourhoods</li> <li>▪ Improved access to services</li> <li>▪ Streamlined access</li> <li>▪ Positive customer experience</li> <li>▪ Simplified customer journeys</li> <li>▪ Locality/neighbourhood working</li> <li>▪ Create a whole life inclusive city</li> <li>▪ Improving skills and attainment levels for all</li> </ul>



**REVENUE BUDGET 2011/2012  
CHILDREN AND LEARNING CITY**

<p><b>Commissioning and Change Management:</b> Introduce a more effective commissioning culture and practices within Children’s Services in order to deliver better outcomes for children young people and their families</p>	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Reducing worklessness and increasing access to employment</li> <li>▪ Reducing poverty, inequality and deprivation</li> <li>▪ Supporting and challenging communities, families and individuals</li> <li>▪ Targeted activity in priority neighbourhoods</li> <li>▪ Improved access to services</li> <li>▪ Streamlined access</li> <li>▪ Positive customer experience</li> <li>▪ Simplified customer journeys</li> <li>▪ Locality/neighbourhood working</li> <li>▪ Improving skills and attainment levels for all</li> </ul>
<p><b>Standards:</b> Tackling child and family poverty – a neighbourhood model. The overall vision of this project is to:</p> <ul style="list-style-type: none"> <li>▪ Help eradicate Child Poverty in a targeted locality in Sunderland</li> <li>▪ Implement new and innovative ways of working between partners through the joint commissioning of services</li> <li>▪ Making child and family poverty everybody’s business through adopting an approach to ‘child and family poverty proof’ Strategic Plans of all Partners as routine practice.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Reducing worklessness and increasing access to employment</li> <li>▪ Reducing poverty, inequality and deprivation</li> <li>▪ Improving skills and attainment levels for all</li> <li>▪ Supporting and challenging communities, families and individuals</li> <li>▪ Create a whole life inclusive city</li> </ul>
<p><b>Schools and Learning:</b> Fundamental review and restructure of all areas of schools and learning to manage the implications of the White Paper: “The Importance of Teaching”.</p> <p>Establish new and innovative ways of working with partners through school to school support, links with national agencies (National College for School Leadership, National and Local Leaders of Education) and the LA who will broker and commission support.</p> <p>Focus strategically on specific early intervention programmes to tackle the effects of deprivation.</p>	<ul style="list-style-type: none"> <li>▪ Reducing poverty, inequality and deprivation</li> <li>▪ Supporting and challenging communities, families and individuals</li> <li>▪ Improving skills and attainment levels for all</li> <li>▪ Reducing worklessness and increasing access to employment</li> </ul>
<p><b>Safeguarding:</b> Realigning and consolidating services for disabled children and their families, providing integrated support and increased personalisation. Focused on meeting new statutory short break duty.</p> <p>Supporting care leavers into education, training and/or employment, ensuring they are fully engaged with an action plan to improve their employability and to complement mainstream Jobcentre Plus provision. The project consists of four strands:</p> <ol style="list-style-type: none"> <li>1. Ensure a strong focus on increasing employment and building skills for the workplace</li> <li>2. Offer intensive support to re-engage young people who are not participating</li> <li>3. Provide a Progression Adviser</li> </ol> <p>Preventative support for looked after children within the Behaviour Partnership.</p>	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Helping people exercise choice</li> <li>▪ Supporting and challenging communities, families and individuals</li> <li>▪ Create a whole life inclusive city</li> <li>▪ Improved access to services</li> <li>▪ Streamlined access</li> <li>▪ Simplified customer journeys</li> <li>▪ Personalisation</li> <li>▪ Equalities and community cohesion</li> <li>▪ Reducing worklessness and increasing access to employment</li> <li>▪ Reducing poverty, inequality and deprivation</li> <li>▪ Improving skills and attainment levels for all</li> </ul>

**REVENUE BUDGET 2011/2012  
CHILDREN AND LEARNING CITY**

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
<b>Executive Director of Children's Services</b>				
<b>Schools and Learning</b>				
1 DEDoCS	196,108,094	196,167,079	Individual Schools Budget	193,272,988
2 DEDoCS	(193,357,219)	(193,468,086)	Dedicated Schools Grant and Young Person Learning Agency	(188,451,151)
3 DEDoCS	170,397	177,069	Education Safeguarding Service	202,663
4 DEDoCS	9,795,933	9,608,575	Partnership and Planning	9,043,344
5 DEDoCS	4,095,368	3,738,590	School Improvement	2,055,846
6 DEDoCS	240,828	271,618	Trading Operations - Derwent Hill	338,648
	<b>17,053,401</b>	<b>16,494,845</b>	<b>Total Schools and Learning</b>	<b>16,462,338</b>
<b>Safeguarding</b>				
7 HoS	8,935,192	9,309,143	Case Management	9,095,004
8 HoS	1,685,149	1,783,927	Central Budget and External Placements	2,434,346
9 HoS	1,194,285	1,283,610	Safeguarding	1,016,139
10 HoS	12,027,073	12,161,136	Services for Looked After Children	11,987,459
11 HoS	2,192,389	2,283,532	Services for Disabled Children	2,260,142
12 HoS	2,011,716	2,172,925	Services for Young People	1,965,225
13 HoS	1,981,653	2,120,787	Youth Offending Service	1,468,180
	<b>30,027,457</b>	<b>31,115,060</b>	<b>Total Safeguarding</b>	<b>30,226,495</b>
14 HoH&W	<b>506,457</b>	<b>426,029</b>	<b>Health</b>	<b>134,221</b>
<b>Early Intervention and Locality Services</b>				
15 HoEI&LS	3,751,616	3,607,410	Locality Based Working and Extended Services	2,635,192
16 HoEI&LS	174,771	153,984	Parenting	98,514
17 HoEI&LS	3,301,512	3,261,171	Youth Service	2,521,594
18 HoEI&LS	2,919,717	2,843,552	Connexions Delivery	520,331
	<b>10,147,616</b>	<b>9,866,117</b>	<b>Total Early Intervention and Locality Services</b>	<b>5,775,631</b>
<b>Commissioning and Change</b>				
19 HoC&C	114,967	144,542	Governor Development	49,162
20 HoC&C	1,075,237	1,030,677	Admissions and Capital	512,666
21 HoC&C	7,658,947	10,518,245	Resources, Policy and Performance Improvement	6,507,916
22 HoC&C	0	0	Sandhill Centre	0
23 HoC&C	(51,831)	102,392	Trading Operations - Connexions Hub	218,690
	<b>8,797,320</b>	<b>11,795,856</b>	<b>Total Commissioning and Change</b>	<b>7,288,434</b>
	<b>66,532,251</b>	<b>69,697,907</b>	<b>Total Executive Director of Children's Services</b>	<b>59,887,119</b>
<b>Executive Director of City Services</b>				
24 HCS	16,921	25,595	School Meals Client	(8,736)
25 HCS	0	51,343	School Meals Trading Service	203,866
	<b>16,921</b>	<b>76,938</b>	<b>Total Executive Director of City Services</b>	<b>195,130</b>
	<b>66,549,172</b>	<b>69,774,845</b>	<b>TOTAL BUDGET</b>	<b>60,082,249</b>

## REVENUE BUDGET 2011/2012 CHILDREN AND LEARNING CITY

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review
- Reductions arising from the ending of Government Grants totalling £4.5m and reductions to the Early Intervention Grant of £5m
- Provision for increased cost pressures of £1.5m in respect Children's safeguarding and external placements
- Technical adjustments of £8.8m in respect of FRS 17 pensions accounting arrangements and asset charges.

### **IMPROVEMENT AND EFFICIENCY**

Children's Services have considered the implications of all key funding pressures to develop a strategic approach to future models of service delivery and have used the flexibilities that come through non-ringfenced budgets to meet Council priorities.

The level of grant funding has reduced significantly. Grants totalling £4.5m have ceased and there is a reduction of £5.02m (24.4%) on the 2010/2011 value of grants transferred into the Early Intervention Grant (EIG).

As part of a strategy to minimise the impact of loss of grant and overall funding on service delivery to schools and therefore children and young people, we are working with schools to develop a school centred model for the delivery of particular services. This reflects the Government's "The Importance of Teaching" White Paper and is factored into the budget over the four year period of the spending review.

Realisation of efficiencies has focused on maintaining front-line service delivery. As such, all identified savings in 2010/2011 have been continued into 2011/2012. A full scale re engineering of the Directorate, linked to the implementation of the business operating model, will realise over £2m above the savings identified through the SWOW and will require significant savings in management structures and increased service integration.

As part of the Joint Commissioning Board a Service Review of Safeguarding Case Management and services for Looked after Children will be carried out as a priority in 2011/2012. In addition to this service assessment, there will be a range of "internal" service assessments designed to review delivery and informed by a comprehensive needs assessment. This will include opportunities for more joined up delivery both within the Council and with partners and other local authorities as well as a review of externally commissioned activities. It will also include efficiencies from the integration of Children's Centres and other services with locality working as part of an Early Intervention and Prevention offer and how these services are delivered at a universal and targeted level.

Efficiencies described above will enable key service delivery to be continued particularly the core funded youth offer, current enhanced service levels for children with disabilities, Connexions Service statutory obligations and the core business objectives, and ensuring that safeguarding remains a fundamental priority for Children's Services for 2011/2012 and beyond.

Funding for Sunderland schools continues to be influenced by reductions in pupil numbers although no school will receive a per pupil reduction compared to its 2010/2011 level, greater than 1.5 % per pupil prior to receipt of the pupil premium. The pupil premium will be implemented from April 2011 and paid to the local authority as a ringfenced grant at the level of £430 per eligible pupil. It is anticipated that the value of this grant will be approximately £3.4m which will be passported directly to schools.

Devolved Formula Capital to schools which supports building maintenance and ICT equipment upgrades has reduced by 75% from the 2010/2011 level.

A review of Facilities Management arrangements has focused on opportunities to increase the level of partnership working, a refocus of service standards on front facing service delivery and increase service productivity. Through this, efficiencies will be achieved in the school meals service where a city wide staffing scale (to measure meals per hour within the service) will be formally introduced. This arrangement also reflects a partnership approach undertaken with the Consortium Board to realising efficiencies.

**REVENUE BUDGET 2011/2012  
CHILDREN AND LEARNING CITY**

**PORTFOLIO GLOSSARY**

DEDoCS	Deputy Executive Director of Childrens Services
HoS	Head of Safeguarding
HoH&W	Head of Health and Wellbeing
HoEI&LS	Head of Early Intervention and Locality Services
HoC&C	Head of Commissioning and Change
HCS	Head of Community Services

**REVENUE BUDGET 2011/2012  
PROSPEROUS CITY**

**ROLES AND RESPONSIBILITIES**

The Prosperous City portfolio has responsibility to ensure that the council's approach to economic, social and physical regeneration of the city is integrated, enabling and effective, and provides leadership for the strategic engagement of partners in this area. order to achieve economic, social and physical regeneration objectives.

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

- Economic strategy
- Regeneration
- Economic development and employment initiatives
- Business investment
- Planning, land use and strategic transport
- Building control
- City centre
- Domestic and European regeneration
- Liaison with business interest groups
- Support for the Leadership on all relevant local, sub-regional or regional partnerships and governance arrangements.

<b>Strategic Objective: PEOPLE - Raising aspirations, creating confidence and promoting opportunity</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Regeneration Programmes:</b> Reducing worklessness and increasing access to employment by supporting the delivery of key employment sites and workforce initiatives identified in the Economic Master Plan (EMP), and supporting the creation of a whole life inclusive city through encouraging festivals and events aimed at increasing footfall in the City Centre.	<ul style="list-style-type: none"> <li>▪ Reducing worklessness and increasing access to employment</li> <li>▪ Create a whole life inclusive city</li> </ul>
<b>Business Investment:</b> Promoting access to jobs and careers in Sunderland for Sunderland people.	<ul style="list-style-type: none"> <li>▪ Reducing worklessness and increasing access to employment</li> </ul>
<b>Strategic Objective: PLACE - Leading the investment in an attractive and inclusive city and its communities</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Regeneration Programmes:</b> Deliver the development of key strategic sites that are integral to the future prosperity of Sunderland in line with the Economic Masterplan Plan priorities e.g: <ul style="list-style-type: none"> <li>▪ Former Vaux site</li> <li>▪ Farringdon Row</li> <li>▪ Holmeside</li> <li>▪ Minster Quarter</li> <li>▪ Land North of Nissan</li> <li>▪ Port</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop a prosperous, connected waterfront City</li> <li>▪ Promoting the city as the inward investment location of choice</li> <li>▪ Unique contribution to partnership working</li> </ul>
<b>Regeneration Programmes:</b> Promoting quality physical environment through encouraging high quality design, incorporating low carbon principles, of key development sites	<ul style="list-style-type: none"> <li>▪ Promoting quality physical environments</li> <li>▪ Ensuring a mix of community facilities that correspond with need</li> </ul>
<b>Planning and Environment:</b> Regeneration of the Roker/Seaburn seafront area including the commencement on site of the Marine Walk Sea Change improvement scheme. including the new Pier Gates and Roker Pods.  Rolling forward City Centre quick wins projects into Fawcett Street following the completion of the Sunnyside Partnership public realm improvements on St Thomas Street and the council's ongoing works In High Street West and Market Square.	<ul style="list-style-type: none"> <li>▪ Promoting quality physical environments</li> </ul>

**REVENUE BUDGET 2011/2012  
PROSPEROUS CITY**

<b>Strategic Objective: ECONOMY - Creating a University City at the heart of the regional Low Carbon Economy</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Business Investment:</b> Inward Investment - Develop and attract new job and career opportunities for local people and increased collaborative working around Software City, Low Carbon sector development and other priority activities. including the maximisation of the Port in relation to offshore developments.	<ul style="list-style-type: none"> <li>▪ Reducing worklessness and increasing access to employment</li> <li>▪ Position the city as a national hub for the low carbon economy</li> <li>▪ Promoting the city as the inward investment location of choice</li> </ul>
<b>Business Investment:</b> Develop a strong and vibrant City Centre through increased business development to ensure private sector engagement and participation.	<ul style="list-style-type: none"> <li>▪ Develop a prosperous, connected waterfront city centre</li> <li>▪ Improving business performance</li> <li>▪ Promoting the city as the inward investment location of choice</li> </ul>
<b>Strategic Objective: ONE COUNCIL</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Regeneration Programmes:</b> Success of Economic Regeneration Programme has direct dependencies on a clear One Council understanding and focus on key economic priorities and outcomes linking all Corporate and Directorate Improvement Programmes. Individual projects required for delivery are contained in these programmes. A full list of dependencies is being developed as part of ERPB Programme/Project Register.	<ul style="list-style-type: none"> <li>▪ Combining resources</li> <li>▪ Developing our workforce to improve services</li> <li>▪ Sharing a view of success</li> <li>▪ Shared outcomes</li> </ul>
<b>Strategic Objective: PARTNERSHIP WORKING</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Planning and Environment:</b> Partnership working with neighbouring coastal authorities, specifically South Tyneside, on the seafront regeneration project and Durham County Council on the East Durham Coast and Limestone Landscape initiatives to share intelligence on specific projects as appropriate and to avoid duplication of activity and ensure complementary regeneration activity.	<ul style="list-style-type: none"> <li>▪ Sharing a view of success</li> <li>▪ Shared outcomes</li> <li>▪ Combined resources</li> <li>▪ Sharing intelligence</li> </ul>
<b>Regeneration Programmes:</b> A new focus to be provided for the Economic Regeneration Programme and City Centre through enhanced governance and delivery arrangements to provide greater clarity on priority of projects and resources required e.g: <ul style="list-style-type: none"> <li>▪ Better management of the city centre</li> <li>▪ Improved relationships with local businesses</li> <li>▪ Continue to support local businesses and increase footfall through the city centre “quick wins” programme, including: street scene improvements; festivals and events; marketing and promotion; specialist retail support etc</li> <li>▪ Play leading role in regional and local enterprise partnerships NEEP and LEP</li> <li>▪ Create Economic Leadership Board for the City of Sunderland Council</li> <li>▪ Develop innovative funding packages</li> <li>▪ Contribute to the Reputational and Influencing Programme to engage with potential investors and developers</li> <li>▪ Improved relationships with local businesses</li> </ul>	<ul style="list-style-type: none"> <li>▪ Supporting key growth sectors</li> <li>▪ Promoting the city as the inward investment location of choice</li> <li>▪ Develop a prosperous, connected waterfront city centre</li> </ul>
<b>International Work:</b> Increased integration of international activity with economic development supporting private sector growth e.g. business partnerships between Sunderland companies in Washington DC and China.	<ul style="list-style-type: none"> <li>▪ Position the city as a national hub for the low carbon economy</li> <li>▪ Promoting the city as the inward investment location of choice</li> <li>▪ Supporting key growth sectors</li> <li>▪ Unique contribution to partnership working</li> </ul>

**REVENUE BUDGET 2011/2012  
PROSPEROUS CITY**

<b>Strategic Objective: ONE COUNCIL</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Regeneration Programmes:</b> Stronger community leadership and greater trust through the development and support for new emerging governance arrangements especially Sunderland Economic Leadership Board.	<ul style="list-style-type: none"> <li>▪ Strong community leadership</li> <li>▪ Greater trust</li> <li>▪ Unique contribution to partnership working</li> </ul>
<b>Strategic Objective: ECONOMIC DEVELOPMENT PROGRAMME</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Business Investment Team:</b> Directly contributing to achieving the Economic Development Programme Outcomes by: <ul style="list-style-type: none"> <li>▪ Increasing Economic Prosperity by promoting new business investment and re-investment</li> <li>▪ Increasing Investment, and promoting Sunderland as a global location for business</li> <li>▪ Attracting and retaining Young People by promoting employment choice, particularly in new emerging sectors, such as Software and Low Carbon</li> <li>▪ Creating quality sustainable jobs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop a new kind of University City</li> <li>▪ Position the city as a national hub for the low carbon economy</li> <li>▪ Develop a prosperous, connected waterfront city centre</li> <li>▪ Improving business performance</li> <li>▪ Promoting the city as the inward investment location of choice</li> <li>▪ Supporting key growth sectors</li> <li>▪ Implementing other priorities from the Economic Masterplan</li> </ul>
<b>Strategic Objective: REPUTATION AND INFLUENCING PROGRAMME</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Business Investment:</b> The service will contribute to achieving the Reputation and Influencing programme outcomes by: <ul style="list-style-type: none"> <li>▪ Developing strategic relationships with private sector representatives to enhance and build the city's reputation</li> <li>▪ Promote local business on a global platform to enhance the international connections and relationships</li> <li>▪ Promote positive and strong images of the city to change perceptions and improve reputation</li> <li>▪ Develop and promote appropriate sub-regional links through the TyneWear Employment partnership or its successor in the LEP.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Greater trust</li> <li>▪ Sharing a view of success</li> <li>▪ Promoting the city as the inward investment location of choice</li> </ul>
<b>Strategic Objective: DIRECTORATE IMPROVEMENT/ MODERNISATION AND SERVICE REVIEW PROGRAMMES</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Regeneration Programmes:</b> Success of Economic Regeneration Programme has direct dependencies on aspects of all Corporate and Directorate Improvement Programmes, as many individual projects required for delivery are contained in these programmes (e.g. SSTC, Festivals and Events). A full list of dependencies is being developed as part of ERPB Programme/Project Register.	

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
<b>Office of the Chief Executive</b>					
1	HP&E	24,225	53,329	Building Control	264,858
2	HP&E	523,634	860,333	Development Control	936,553
3	HCB&IT	1,434,705	1,672,271	Economic Development	1,273,586
4	HCB&IT	10,026,406	8,023,079	Employment and Training	102,743
5	HSP	179,357	237,689	Strategic Programmes and European Team	200,342
6	HP&E	3,207,741	3,315,459	Planning Implementation	2,753,042
7	HSP	1,235,732	1,337,395	Planning Policy	785,000
8	HCB&IT	22,345	146,027	Training Centres	(19,054)
		<b>16,654,145</b>	<b>15,645,582</b>	<b>Total Office of the Chief Executive</b>	<b>6,297,070</b>

**REVENUE BUDGET 2011/2012  
PROSPEROUS CITY**

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review
- Reductions arising from the ending of Working Neighbourhoods Area Based Grant Funding of £9.9m
- Transfers to base budget of previously agreed resources in respect of fee income pressures arising from the impact of the economic downturn £0.5m
- Technical adjustments of £0.5m in respect of FRS 17 pensions accounting arrangements.

**IMPROVEMENT AND EFFICIENCY**

In the light of the Council's Business Transformation programmes the portfolio is reviewing the provision of services in order to achieve savings.

A Service review of the current planning and environment service is being progressed in order to consider its value for money and effectiveness. The review will examine current performance and assess available options to deliver improvements in conjunction with delivering savings.

The Business Investment Service will be expanded to cover promotion of property development as well as inward investment and sector growth, by bringing together activities into a single place providing a greater focus to deliver improvements. The launch of the economic masterplan has provided the framework for additional capital investment being made available for key city sites.

**PORTFOLIO GLOSSARY**

HCB&IT	Head of City Business and Investment Team
HP&E	Head of Planning and Environment
HSPP	Head of Strategy, Policy and Performance Management



**REVENUE BUDGET 2011/12  
HEALTHY CITY**

**ROLES AND RESPONSIBILITIES**

The Healthy City portfolio provides leadership and support for the council and its partners in securing the social and health care of all adults. The portfolio has responsibility for leading partners to achieve improvements to public health and health awareness in the city.

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

- Adult social care services
- Mental health commissioning
- Housing Related Support including people with disabilities
- Supporting carers
- Strategic partnership with the TPCT and other partners to promote public health and wellness
- WHO EuroHealthyCity Network
- Health awareness
- Healthy lifestyles
- Healthy environment
- Promotion of Decent Homes and good housing standards in private sector housing
- Specialist housing support services and provision.

<b>Strategic Objective: PEOPLE - Raising aspirations, creating confidence and promoting opportunity</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Health Housing and Adult Services:</b> Deliver a range of reablement solutions that focus on learning or relearning skills that assist daily living, improving individual's quality of life and reducing the need for ongoing interventions.	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Helping people exercise choice</li> <li>▪ Create a whole life inclusive city</li> <li>▪ Positive customer experience</li> <li>▪ Personalisation</li> </ul>
<b>Health Housing and Adult Services:</b> Improve care support and daily living solutions to support people at home or in supported accommodation through the development of personalised services including, smarter working with Registered Social Landlords, commissioned care providers, better support for carers and tailored accommodation solutions such as extra care.	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Helping people exercise choice</li> <li>▪ Create a whole life inclusive city</li> <li>▪ Positive customer experience</li> <li>▪ Personalisation</li> </ul>
<b>Health Housing and Adult Services:</b> Review and commission improved supported living pathways for people with mental health needs and learning disabilities to promote independent living. Complete the review of Housing Related Support and recommission services that meet the agreed outcomes.	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Helping people exercise choice</li> <li>▪ Create a whole life inclusive city</li> <li>▪ Positive customer experience</li> <li>▪ Personalisation</li> </ul>
<b>City Services:</b> Develop and deliver a range of commissioned lifestyle intervention programmes to support improvements in life expectancy, promote healthier lifestyles and contribute to the aims of the Healthy City Partnership.	<ul style="list-style-type: none"> <li>▪ Improved access to services</li> <li>▪ Positive customer experience</li> <li>▪ Improving health and wellbeing</li> </ul>
<b>Strategic Objective: CUSTOMER SERVICES</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Health Housing and Adult Services:</b> Work with communities and local agencies such as GP surgeries, to further develop the principles of 'community in reach' to ensure a range of easily accessible preventative advice and support interventions exist that maximise individuals independence and health and well being.	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Helping people exercise choice</li> <li>▪ Create a whole life inclusive city</li> <li>▪ Positive customer experience</li> <li>▪ Personalisation</li> <li>▪ Improved access to services</li> <li>▪ Locality/neighbourhood working</li> </ul>
<b>Health Housing and Adult Services:</b> To continue to work in partnership with Childrens Services to ensure a smooth transition for clients from Childrens Services to Adult Services.	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Improved access to services</li> <li>▪ Streamlined access</li> <li>▪ Helping people exercise choice</li> <li>▪ Create a whole life inclusive city</li> <li>▪ Positive customer experience</li> </ul>
<b>Strategic Objective: ONE COUNCIL</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Health Housing and Adult Services:</b> Work with the wider council to identify and progress opportunities to make better use of assets such as buildings, to best support vulnerable people and achieve value for money.	<ul style="list-style-type: none"> <li>▪ Continuously improving VfM</li> <li>▪ Better use of buildings and asset management</li> </ul>

**REVENUE BUDGET 2011/12  
HEALTHY CITY**

<b>Strategic Objective: PARTNERSHIP WORKING</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Health Housing and Adult Services:</b> Further development of the Home Improvement Agency and improve housing partnership arrangements to better deliver a range of options to enable vulnerable people to improve their homes and achieve decent homes standards.	<ul style="list-style-type: none"> <li>▪ Promoting Quality Physical environments</li> <li>▪ Ensuring Housing Quality and Choice</li> <li>▪ Improving Health and Wellbeing</li> <li>▪ Continuously Improving VfM</li> </ul>
<b>Health Housing and Adult Services:</b> To work alongside partners in the NHS, particularly GP's to implement the Health and Social Care Bill 2011, including the transfer of responsibility for public health to the Local Authority.	<ul style="list-style-type: none"> <li>▪ Improving Health and Wellbeing</li> <li>▪ Continuously improving VfM</li> <li>▪ Sharing a view of success</li> </ul>
<b>Health Housing and Adult Services:</b> To enhance the role of the Tyne and Wear Care Alliance to maximise opportunities for joint working with the independent care sector.	<ul style="list-style-type: none"> <li>▪ Improving Health and Wellbeing</li> <li>▪ Continuously improving VfM</li> <li>▪ Sharing a view of success</li> </ul>
<b>Health Housing and Adult Services:</b> Work with partners, including health and housing partners, to identify and progress opportunities to jointly make better use of resources, through commissioning, to best support vulnerable people and achieve value for money.	<ul style="list-style-type: none"> <li>▪ Sharing a view of success</li> <li>▪ Continuously improving VfM</li> </ul>
<b>Strategic Objective: TRANSFORMATION PROGRAMME</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Health Housing and Adult Services –</b> Re-engineering Adult Services in light of the transition to the Business Operating Model and the Directorates 15 year plan. The organisational redesign work that is required as a result of the creation of Strategic and Shared Support Functions, the centralised customer support function and specific service delivery functions must be managed and supported in a consistent way.	<ul style="list-style-type: none"> <li>▪ Pooling services around need</li> <li>▪ Continuously improving VfM</li> <li>▪ Effective and appropriate performance management</li> </ul>
<b>Strategic Objective: DIRECTORATE IMPROVEMENT/ MODERNISATION AND SERVICE REVIEW PROGRAMMES</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Health Housing and Adult Services:</b> continue with the Directorates 15 year plan to modernise services and deliver Choice and Control, Independent Living, Equal Access for all, Improved Health and Wellbeing, Better Commissioning, Increasing the number of Homes and Homes are of High Quality and Sustainability.	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Helping people exercise choice</li> <li>▪ Create a whole life inclusive city</li> </ul>

**REVENUE BUDGET 2011/12  
HEALTHY CITY**

**FINANCIAL**

**REVENUE BUDGET 2011/2012  
OBJECTIVE SUMMARY**

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
<b>Executive Director of City Services</b>					
1	HCS	13,865	24,417	Meals at Home Trading Service	22,528
		<u>13,865</u>	<u>24,417</u>	<b>Total Executive Director of City Services</b>	<u>22,528</u>
<b>Executive Director of Health, Housing and Adults</b>					
2	HOP	23,910,890	24,974,961	Disability Services	25,637,656
3	HOC&S	1,026,482	1,014,047	Home Improvement Agency/Warm Homes Initiative	1,176,368
4	HOP	4,599,180	4,833,165	Mental Health	4,666,778
5	HOP	36,470,833	38,939,799	Older People Over 65	33,358,875
6	HOSC	550,996	617,966	Performance, Commissioning and Change	308,366
7	HOC&S	0	0	Provider Services	0
8	HOSH	11,733,249	11,461,732	Supporting People	9,633,732
9	HOP&CA	0	0	Business Support and Workforce Development	0
		<u>78,291,630</u>	<u>81,841,670</u>	<b>Total Executive Director of Health, Housing and Adults</b>	<u>74,781,775</u>
		<u>78,305,495</u>	<u>81,866,087</u>	<b>TOTAL BUDGET</b>	<u>74,804,303</u>

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review
- Transfers to base budget of £2.7m of previously agreed resources in respect of Health Housing and Adults 15 year modernisation plan
- Technical adjustments of £4.4m in respect of FRS 17 pensions accounting arrangements.

**IMPROVEMENT AND EFFICIENCY**

The continued modernisation of services within the portfolio is ensuring value for money and efficiency savings are being achieved. This includes implementation of actions arising through directorate efficiency initiatives, the Council's Business Transformation programmes and Service Reviews.

Significant efficiencies will be realised following a redesign and recommissioning of services and contracts including those for Advocacy, Home Care, Companionship, Housing Related Support, Welfare Rights, Benefits and Assessments and Residential and Nursing Care. This will ensure that services better support the needs of individuals and are delivered as efficiently as possible.

The ongoing modernisation of care services will improve opportunities for people to continue to live at home through investment in preventative services such as reablement and other equipment.

Smarter working, including the automation of processes and procedures using Information Technology, will result in more flexible working opportunities such as home and mobile working. This supports the Council's approach to property rationalisation.

A review of staffing resources and general running costs will deliver more efficient and streamlined service delivery. This will be achieved by redesigning and restructuring existing services, most significantly the Care Management and Assessment process, which will ensure the approach and services are tailored to individual client needs.

Efficiencies will be realised by maximising opportunities to work with partners including Health, the Third Sector and the Private sector. Opportunities to maximise external funding available will also be taken forward, including through working with Health partners to secure access to new Government funding streams.

**REVENUE BUDGET 2011/12  
HEALTHY CITY**

Additional one-off savings will arise following a managed delay and cessation of lower priority revenue and capital projects.

**PORTFOLIO GLOSSARY**

HCS	Head of Community Services
HOP	Head of Personalisation
HOSC	Head of Strategic Commissioning
HOC&S	Head of Care and Support
HOSH	Head of Strategic Housing
HOP&CA	Head of Partnership & Corporate Affairs

**REVENUE BUDGET 2011/2012  
SAFER CITY AND CULTURE**

**ROLES AND RESPONSIBILITIES**

The Safer City and Culture Portfolio provides leadership for the council and its partners in order to make Sunderland a safe city.

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

- Section 17 of the Crime and Disorder Act 1998 responsibilities
- Safer Sunderland Partnership
- Anti-social behaviour
- Drugs awareness, prevention and treatment
- Local Multi-Agency Problem-Solving Groups (LMAPS)
- Emergency planning and local resilience
- Licensing, licensing regulation and controlled drinking zones
- Trading standards
- Public and environmental health
- Cultural strategy and initiatives
- Heritage and design champion
- Libraries
- Museums
- Coroner
- Registrars
- Events.

<b>Strategic Objective: PEOPLE - Raising aspirations, creating confidence and promoting opportunity</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
Complete council wide Anti Social Behaviour Review and implement recommendations to better target resources across council and partners to maximise impact of ASB strategies.	<ul style="list-style-type: none"> <li>▪ Supporting and challenging communities, families and individuals</li> <li>▪ Ensuring safe communities</li> </ul>
<b>Achieving Independence:</b> Create a Social Inclusion gateway for Young people, single people with complex needs, families experiencing homelessness, and Families experiencing domestic violence.	<ul style="list-style-type: none"> <li>▪ Supporting and challenging communities, families and individuals</li> </ul>
<b>Strategic Objective: PLACE - Leading the investment in an attractive and inclusive city and its communities</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
Undertake a review of Regulatory Services.	
Developing capacity in the contact centre systems to deliver against the recording of anti social behaviour incidents against individuals.	<ul style="list-style-type: none"> <li>▪ Ensuring safe communities</li> </ul>
<b>Heritage:</b> Identify additional resources to support increased activity these may includes Area Committees, Heritage Lottery Fund and English Heritage	<ul style="list-style-type: none"> <li>▪ Promoting quality physical environments</li> <li>▪ Building and sustaining a sense of Community</li> </ul>
<b>Strategic Objective: ONE COUNCIL</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
Improved security measures in more public buildings.	<ul style="list-style-type: none"> <li>▪ Better use of buildings and asset management</li> </ul>
<b>Strategic Objective: PARTNERSHIP WORKING</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
Provide an improved greater level of support to area based working and problem solving.	<ul style="list-style-type: none"> <li>▪ Ensuring safe communities</li> <li>▪ Locality/neighbourhood working</li> </ul>
<b>Strategic Objective: DIRECTORATE IMPROVEMENT/ MODERNISATION AND SERVICE REVIEW PROGRAMMES</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
Undertake a Neighbourhood Services Review that includes: <ul style="list-style-type: none"> <li>▪ Tourism and Library Service</li> <li>▪ Core events programme</li> <li>▪ Arts &amp; Creative Development</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improved access to services</li> <li>▪ Streamlined access</li> <li>▪ Positive customer experience</li> <li>▪ Continuously improving VfM</li> </ul>

**REVENUE BUDGET 2011/2012  
SAFER CITY AND CULTURE**

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
<b>Office of the Chief Executive</b>					
1	HL&P	0	(36,177)	Cash In Transit	(23,272)
2	HL&P	290,935	295,453	Civil Contingencies	266,698
3	HL&P	1,011,340	818,558	Safer Communities	904,370
4	HL&P	116,426	81,521	Security Services	190,725
		<b>1,418,701</b>	<b>1,159,355</b>	<b>Total Office of the Chief Executive</b>	<b>1,338,521</b>
<b>Executive Director of City Services</b>					
5	HSS	642,426	649,047	Coroners Court	619,016
6	HSS	642,745	656,178	Environmental Health	791,184
7	HSS	0	0	Environmental Health Support	0
8	HSS	644,865	666,875	Food and Health and Safety	671,884
9	HSS	(130,299)	(114,286)	Licensing	(108,761)
10	HSS	639,542	722,051	Pest Control and Enforcement	989,963
11	HSS	297,595	313,819	Registrars	243,102
12	HSS	651,326	672,908	Trading Standards	679,460
13	HCT	973,377	1,057,201	Arts and Creative Development	774,280
14	HCT	0	0	Culture and Tourism Support	0
15	HCT	766,659	1,095,434	Events	728,760
16	HCT	111,996	111,996	Grants to Community Projects and Miscellaneous Contributions	86,996
17	HCT	167,804	163,164	Heritage (including Fulwell Mill)	174,417
18	HCT	5,383,202	5,426,795	Libraries	5,180,510
19	HCT	1,602,460	1,598,362	Museums and Archives Service	1,467,990
20	HCT	784,802	800,183	Resorts	716,307
21	HCT	757,036	757,036	Theatre	786,147
22	HCT	510,119	525,827	Tourism	309,714
		<b>14,445,655</b>	<b>15,102,590</b>	<b>Total Executive Director of City Services</b>	<b>14,110,969</b>
<b>Executive Director of Health, Housing and Adults</b>					
23	HOSH	94,853	181,432	Anti Social Behaviour	86,055
24	HOP	234,476	262,070	Drug Awareness	190,001
		<b>329,329</b>	<b>443,502</b>	<b>Total Executive Director of Health, Housing and Adults</b>	<b>276,056</b>
		<b>16,193,685</b>	<b>16,705,447</b>	<b>TOTAL BUDGET</b>	<b>15,725,546</b>

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review
- Transfers to base budget of previously agreed resources in respect of Environmental Enforcement Officers and the Family Intervention Project £0.3m
- Technical adjustments of £1.2m in respect of FRS 17 pensions accounting arrangements.

## REVENUE BUDGET 2011/2012 SAFER CITY AND CULTURE

### IMPROVEMENT AND EFFICIENCY

Savings have been achieved through the modernisation of services within the portfolio, the Council's Business Transformation projects and Service Reviews as outlined below.

Efficiencies are being delivered through service redesign where services are being reconfigured to better meet requirements whilst also delivering efficiency savings. The Neighbourhood Services Review is delivering a gradual move towards 2015/16 when a completely revised and reconsidered range of services and delivery mechanisms will be in place.

Efficiencies through service redesign are also being delivered in a number of other areas, including:

- The Resorts service.
- Arts and Creative Development.
- Tourism and Heritage services.
- Museums service.
- The Registrars and Coroners service will improve resource management to enable more flexible and efficient working arrangements be put in place.

Opportunities for joint and partnership working are being developed in a number of areas to improve working arrangements and outcomes. Examples include:

- Festivals and Events service working with partner agencies to maximise output.
- The National Glass Centre and the liaison with the University of Sunderland.
- Public Protection.

Across a number of services, a refocus on service priorities and outcomes has been undertaken that will deliver efficiency savings, including:

- Public Protection, where resources are being refocused on statutory health promotion.
- A refocused event programme and delivery budget.
- A review of grants.

### PORTFOLIO GLOSSARY

HCT	Head of Culture and Tourism
HL&P	Head of Land and Property
HOP	Head of Personalisation
HOSH	Head of Strategic Housing
HSS	Head of Street Scene

**REVENUE BUDGET 2011/2012**



**REVENUE BUDGET 2011/2012  
ATTRACTIVE AND INCULSIVE CITY**

**ROLES AND RESPONSIBILITIES**

The Attractive and Inclusive City 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:

- Neighbourhood environmental services and street scene
- Highways, traffic and transportation
- Highways maintenance
- Parking and road safety
- Facilities management
- Grounds and building maintenance
- Refuse collection
- Coastal protection
- Sport
- Wellness
- Aquatics
- Play.

<b>Strategic Objective: PEOPLE - Raising aspirations, creating confidence and promoting opportunity</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>City Services - Street Scene:</b> Prioritise traffic and road safety schemes using an effective evaluation system to ensure that interventions are targeted to where they will have the most positive impact on accident key performance indicators. The new structure increases capacity to undertake effective evaluation of road traffic accidents and other data.	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Targeted activity in priority neighbourhoods</li> <li>▪ Ensuring safe communities</li> <li>▪ Improving the transport network</li> <li>▪ Pooling resources around need</li> <li>▪ Improving the transport network</li> </ul>
<b>Strategic Objective: CUSTOMER FOCUS</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>City Services - Street Scene:</b> Consolidation of the Bereavement Service and development of clear policy and standards of customer service in this area	<ul style="list-style-type: none"> <li>▪ Simplified customer journeys</li> </ul>
<b>City Services - Street Scene:</b> Reorganise the refuse, recycling and garden waste collections into a fully integrated service, utilising intelligent route planning systems.	<ul style="list-style-type: none"> <li>▪ Improved access to services</li> <li>▪ Streamlined access</li> <li>▪ Positive customer experience</li> <li>▪ Continuously improving VfM</li> </ul>
<b>Strategic Objective: PARTNERSHIP WORKING</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>City Services – Community Services:</b> Implement the findings from the Facilities Management Review	<ul style="list-style-type: none"> <li>▪ Streamlined access</li> <li>▪ Continuously improving VfM</li> </ul>
<b>City Services:</b> Depending on the outcomes of Sport and Leisure's service assessment a range of significant, strategic and alternative improvement for Service delivery will be developed as below : <ul style="list-style-type: none"> <li>▪ Development of alternative management models to deliver enhanced services</li> <li>▪ Further cross directorate working with HHAS and Children Services to ensure delivery of sport, leisure and physical activity opportunities meet customer needs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sharing a view of success</li> <li>▪ Continuously improving VfM</li> <li>▪ Sharing a view of success</li> <li>▪ Shared outcomes</li> <li>▪ Combining resources</li> <li>▪ Sharing intelligence</li> <li>▪ Unique contribution to partnership working</li> <li>▪ Consideration of alternative providers</li> </ul>
<b>Strategic Objective: DIRECTORATE IMPROVEMENT/ MODERNISATION AND SERVICE REVIEW PROGRAMMES</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>City Services - Street Scene:</b> Sunderland Strategic Transport Corridor Phase 3 - St. Mary's Way/High Street West/West Wear Street Junction.	<ul style="list-style-type: none"> <li>▪ Improving the transport network</li> <li>▪ Develop a prosperous, connected waterfront city</li> </ul>
<b>City Services:</b> will work through a programme of improvement and modernisation to undertake changes associated with leisure facilities.	<ul style="list-style-type: none"> <li>▪ Streamlined access</li> <li>▪ Strong community leadership</li> <li>▪ Greater trust</li> <li>▪ Greater levels of engagement at a community level</li> </ul>

**REVENUE BUDGET 2011/2012  
ATTRACTIVE AND INCULSIVE CITY**

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
<b>Street Scene</b>					
1	HSS	(170,941)	(157,247)	Bereavement	(9,582)
2	HSS	(65,000)	26,807	Building Maintenance Trading Service	(100,000)
3	HSS	0	0	Building Services Surveying	0
4	HSS	0	0	Fleet	0
5	HSS	0	0	Highways and Building Maintenance Overheads	0
6	HSS	5,829,551	6,253,662	Highways Asset Management	6,099,706
7	HSS	1,073,106	943,756	Highways Engineering	992,020
8	HSS	3,401,206	3,418,492	Highways Operations	2,591,662
9	HSS	(35,000)	10,453	Highways Trading Service	(50,000)
10	HSS	2,908,051	2,908,051	Highways Verges - Maintenance and Cleaning	2,693,857
11	HSS	2,778,728	2,837,385	Network Operations	3,286,389
12	HSS	633,775	658,729	Network Strategic	793,338
13	HSS	2,833	15,405	Network Technical Services	30,658
14	HSS	320,156	213,876	Parking Services Trading Service	277,840
15	HSS	4,858,869	4,907,106	Parks and Allotments	4,470,863
16	HSS	935,306	896,876	Recycling Collection	1,610,077
17	HSS	4,482,331	4,643,575	Refuse	4,980,590
18	HSS	361,886	366,025	RLS - Public Conveniences	345,396
19	HSS	4,748,040	4,877,594	RLS - Street Services	4,942,747
20	HSS	1,558,416	1,626,275	Transportation	1,972,529
		<b>33,621,313</b>	<b>34,446,820</b>	<b>Total Street Scene</b>	<b>34,928,090</b>
<b>Community Services</b>					
21	HCS	0	47,100	Cleaning Services to Schools and Civic Buildings	0
22	HCS	0	22,490	Commercial Catering Trading Service	13,429
23	HCS	0	0	Facilities Management Support	0
24	HCS	6,861,975	6,947,468	Sport and Leisure Facilities	7,798,184
25	HCS	971,618	1,046,893	Sports Development	1,295,897
26	HCS	444,588	514,484	Young Peoples Play and Urban Games	713,839
		<b>8,278,181</b>	<b>8,578,435</b>	<b>Total Community Services</b>	<b>9,821,349</b>
<b>Support Services</b>					
27	HoPSD	0	0	Central Support Services	0
		<b>0</b>	<b>0</b>	<b>Total Support Services</b>	<b>0</b>
		<b>41,899,494</b>	<b>43,025,255</b>	<b>Total Executive Director of City Services</b>	<b>44,749,439</b>

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review
- Transfers to base budget of £1.2m previously agreed resources, for example, in respect of the Blue Bin recycling service, Play Parks Strategy, fuel price increases and the Transport and Engineering review
- The inclusion of provision for additional cost pressures of £0.6m for 2011/2012 including the impact of the economic downturn on income generation and new responsibilities in respect of Local Transport Services

**REVENUE BUDGET 2011/2012**  
**ATTRACTIVE AND INCULSIVE CITY**

- Technical adjustments of £5.1m in respect of FRS 17 pensions accounting arrangements and revaluation of assets.

**IMPROVEMENT AND EFFICIENCY**

Savings have been achieved through the modernisation of services within the portfolio, the Council's Business Transformation projects and Service Reviews as outlined below.

Efficiencies are being delivered through service redesign where services are being reconfigured to better meet requirements whilst also delivering efficiency savings. The Facilities Management Review has focused on opportunities to increase the level of partnership working, refocus service standards on front facing service delivery and increase service productivity. Specific efficiencies that will be delivered in 2011/12 arising from this review include:

- Implementation of new service standards across a range of disciplines.
- An organisation redesign of Responsive Local Services focusing on better alignment of service delivery to local priorities.
- An organisation redesign of the Building Maintenance service.

Efficiencies through service redesign are also being delivered in a number of other areas, including:

- Network Management and overnight security arrangements.
- Savings will be achieved in Support Services through a number of targeted cost reduction measures, including a review and an amalgamation of the Transport and Engineering administration arrangements.
- Revised Public and Bank Holiday operating arrangements introduced at Leisure Centres.
- Development of alternative management arrangements for the changing pavilions.

In partnership with the Corporate Procurement section, efficiencies arising from improved procurement arrangements are being delivered across a number of service areas. Some examples of this approach are reflected below:

- Carriageway reconstruction and surfacing
- Building maintenance contractor and materials
- Vehicle contract hire arrangements
- Reduced spend on verge cutting
- One-off savings are being realised in relation to the capital financing costs.

Smarter Working, including the automation of processes and procedures using Information Technology, will result in more flexible working opportunities such as home and mobile working. Savings are being realised by adopting and implementing a plan to use Council buildings more effectively.

In relation to IT developments, efficiencies are being realised by Responsive Local Services and Building Maintenance sections through the deployment of hand-held ICT equipment, piloted in the graffiti and refuse collection service.

Opportunities for joint and partnership working are being developed in a number of areas to develop improved working arrangements and outcomes and to facilitate the achievement of efficiency savings. Opportunities to maximise funding will also be taken forward, including reviewing charging arrangements and maximising external funding opportunities. This includes:

- A review of sub-regional partnership contributions.
- Increased income from third party trading to be achieved by marketing and pricing the service more effectively.
- Improved income generation arrangements within the Parking service, including additional parking bays in the central car park.

Across a number of services, a refocus on service priorities and outcomes has been undertaken that will deliver efficiency savings during 2011/12, including the rationalisation of the waste collection service and revised operating hours for leisure sites.

Additional one-off savings will be realised following a managed delay and cessation of low priority revenue and capital projects.

**REVENUE BUDGET 2011/2012  
ATTRACTIVE AND INCULSIVE CITY**

**PORTFOLIO GLOSSARY**

HCS	Head of Community Services
HSS	Head of Street Scene
HoPSD	Head of Performance and Service Development

**REVENUE BUDGET 2011/2012  
SUSTAINABLE COMMUNITIES**

**ROLES AND RESPONSIBILITIES**

The Sustainable Communities portfolio is responsible for promoting effective partnership action within a clear policy framework to build communities that are sustainable in every sense. The portfolio ensures that today's actions do not store up environmental issues for future generations.

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

- Developing an integrated strategy in support of Sustainable Communities objectives
- Housing strategy
- Environmental policy
- Housing renewal
- Strategic relationships with Registered Social Landlords and private sector housing providers
- Homelessness and housing advice
- Recycling
- Strategic waste management
- Carbon management
- Cohesive and inclusive communities.

<b>Strategic Objective: PLACE - Leading the investment in an attractive and inclusive city and its communities</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<p><b>Strategic Waste:</b> Effectively manage interim waste and recycling contracts to minimise costs.</p> <p>Secure the long term provision of Strategic Waste Management facilities to ensure service provision is appropriate for council needs and is located accordingly (development of facilities for PFI contract).</p> <p>Refine and improve kerbside recycling services to encourage residents' participation in the services and improve customer satisfaction.</p> <p>Review current operation and delivery model of Beach Street and related recycling services.</p>	<ul style="list-style-type: none"> <li>▪ Promoting quality physical environments</li> <li>▪ Improving health and wellbeing</li> <li>▪ Continuously improving VfM</li> <li>▪ Better use of buildings and asset management</li> <li>▪ Utilising customer insight</li> <li>▪ Improved access to services</li> <li>▪ Positive customer experience</li> <li>▪ Sharing a view of success</li> <li>▪ Shared outcomes</li> <li>▪ Combining resources</li> </ul>
<b>Strategic Objective: PARTNERSHIP WORKING</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<p><b>Health Housing and Adult Services:</b> Ensure the council works with its partners to:</p> <ul style="list-style-type: none"> <li>▪ Improve the choice of type, location and price of housing to enable residents to access a home of their own based upon individual need, including fully embedding Choice Based Lettings across the city and development of affordable opportunities in new development sites.</li> <li>▪ Intervene in areas that are showing symptoms of decline reversing housing market failure and supporting sustainable communities. This includes ensuring that housing stock in the city across all tenure types is fit for human habitation achieves decent home standards and is well managed and maintained through rolling out 'hot spot' locality management of housing not meeting these standards.</li> <li>▪ To deliver the priorities set out in the Housing Priorities Plan and maximise investment in to housing in the city.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensuring quality and choice of housing</li> <li>▪ Improving health and wellbeing</li> <li>▪ Helping people exercise choice</li> <li>▪ Reducing poverty, inequality and deprivation</li> <li>▪ Promoting quality physical environments</li> <li>▪ Building and sustaining a sense of community</li> <li>▪ Developing quality district and neighbourhood centres</li> </ul>

**REVENUE BUDGET 2011/2012  
SUSTAINABLE COMMUNITIES**

<p><b>Health Housing and Adult Services:</b> Work with partners, including health, housing partners, Homes and Communities Agency, to identify and progress opportunities to jointly make better use of resources, to best support vulnerable people and achieve value for money.</p>	<ul style="list-style-type: none"> <li>▪ Sharing a view of success</li> <li>▪ Continuously improving VfM</li> <li>▪ Sharing intelligence</li> </ul>
<p><b>Health Housing and Adult Services:</b> Provide advice and information about homelessness prevention and Homelessness in line with advice services in the city. Develop a Strategic Tenancy Policy that will allow a better approach to the allocation of rented housing to be achieved</p>	<ul style="list-style-type: none"> <li>▪ Ensuring housing quality and choice</li> <li>▪ Improving health and wellbeing</li> <li>▪ Helping people exercise choice</li> <li>▪ Continuously improving VfM</li> </ul>
<p><b>Planning and Environment:</b> Contributing to the Heritage Lottery funded Limestone Landscapes Partnership in a long-term and purposeful way to significantly enhance both the quality of the environment of the East Durham Limestone Plateau, and the quality of life of its communities.</p>	<ul style="list-style-type: none"> <li>▪ Sharing a view of success</li> <li>▪ Shared outcomes</li> <li>▪ Combining resources</li> <li>▪ Sharing intelligence</li> <li>▪ Unique contribution to partnership working</li> </ul>
<p><b>Planning and Environment:</b> Facilitate the delivery of the council's 5 year Carbon Plan.</p> <p>Manage delivery of the city's Climate Change Action Plan and produce annual progress reports.</p> <p>Develop a comprehensive adaptation strategy to tackle all weather and climate risk.</p> <p>Ensure that the council's key decisions reflect best practice in relation to the use of natural resources.</p>	<ul style="list-style-type: none"> <li>▪ Promoting quality physical environments</li> <li>▪ Improving health and wellbeing</li> <li>▪ Position the city as a national hub for the low carbon economy</li> </ul>
<p align="center"><b>Strategic Objective: DIRECTORATE IMPROVEMENT/ MODERNISATION AND SERVICE REVIEW PROGRAMMES</b></p>	
<p><b>Activity</b></p>	<p><b>Strategic Outcome</b></p>
<p><b>Health Housing and Adult Services:</b> continue with the Directorates 15 year plan to modernise services and deliver Choice and Control, Independent Living, Equal Access for all, Improved Health and Wellbeing and Better Commissioning, Increasing the number of Homes and Homes are of High Quality and Sustainability.</p>	<ul style="list-style-type: none"> <li>▪ Improving health and wellbeing</li> <li>▪ Helping people exercise choice</li> <li>▪ Create a whole life inclusive city</li> </ul>

**REVENUE BUDGET 2011/2012  
SUSTAINABLE COMMUNITIES**

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
<b>Office of the Chief Executive</b>					
1	ACE	376,979	376,979	Cohesive and Inclusive Communities	260,774
2	ACE	179,435	175,598	Sustainability	125,000
		<b>556,414</b>	<b>552,577</b>	<b>Total Office of the Chief Executive</b>	<b>385,774</b>
<b>Executive Director of City Services</b>					
3	HSS	0	0	Centralised Depot	0
4	HSS	0	0	Depots	0
5	HSS	0	0	Performance	0
6	PDSW	92,580	142,395	Recycling	149,213
7	PDSW	9,045,319	9,053,337	Strategic Waste	7,864,835
		<b>9,137,899</b>	<b>9,195,732</b>	<b>Total Executive Director of City Services</b>	<b>8,014,048</b>
<b>Executive Director of Health, Housing and Adults</b>					
8	HOSH	1,043,632	1,122,655	Housing Renewal	1,300,189
9	HOSH	1,506,409	1,493,781	Housing Strategy / Advice and Homelessness	1,586,336
		<b>2,550,041</b>	<b>2,616,436</b>	<b>Total Executive Director of Health, Housing and Adults</b>	<b>2,886,525</b>
		<b>12,244,354</b>	<b>12,364,745</b>	<b>TOTAL BUDGET</b>	<b>11,286,347</b>

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review, and savings arising on waste disposal costs of £0.9m as a result of reductions in disposal tonnages and revised ancillary waste management contracts
- Transfers to base budget of previously agreed resources, for example, in respect of Recycling Bring Sites and Empty Property Officer funding
- Technical adjustments of £0.3m in respect of FRS 17 pensions accounting arrangements and revaluation of assets.

**IMPROVEMENT AND EFFICIENCY**

The 2011/2012 budget has been set taking account of efficiency savings achieved through the continued modernisation of services within the portfolio, the Councils Business Transformation projects and Service Reviews. This includes a review of staffing resources and general running costs, which has been achieved by redesigning and restructuring existing services.

Additional one-off savings will arise following a managed delay and cessation of lower priority revenue and capital projects.

The successful renegotiation of ancillary waste management contracts has introduced savings in respect of recycling and composting schemes.

A reconfiguration of the Beach Street Waste Reception site will result in efficiencies being achieved through the replacement of containers with those that can be serviced by less specialised, multi-purpose vehicles.

A reconfiguration of Waste Disposal arrangements at South Hylton depot has rationalised the number of skips being used and has enabled better resource management at the site.

**REVENUE BUDGET 2011/2012  
SUSTAINABLE COMMUNITIES**

**PORTFOLIO GLOSSARY**

ACE	Assistant Chief Executive
HSS	Head of Street Scene
PDSW	Project Director – Strategic Waste
HOSH	Head of Strategic Housing



**REVENUE BUDGET 2011/2012  
RESPONSIVE LOCAL SERVICE AND CUSTOMER CARE**

**ROLES AND RESPONSIBILITIES**

The Responsive Local Services and Customer Care 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 and improvements in the responsiveness of services to local needs and customer feedback. The portfolio is also responsible for developing the community's capacity to engage in the shaping, delivery and review of services.

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

- Area Committees
- Area Partnerships
- Local Area Plans
- Area Budget policy framework
- Area Budgets including the community chest
- Customer care policy and practice
- Improving the responsiveness of neighbourhood services and facilities to local circumstances and customer feedback
- Improving the responsiveness of personal services to customer feedback
- Contact Centre and Customer Services Network
- Community development
- Adult and community learning
- Community Assets

<b>Strategic Objective: CUSTOMER FOCUS</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Transactional Services:</b> Continue to engage in intelligent commissioning by further engagement with customers and reviewing in house functions to ensure this is the most efficient delivery model.	<ul style="list-style-type: none"> <li>▪ Utilising customer insight</li> <li>▪ Streamlined access</li> <li>▪ Simplified customer journeys</li> </ul>
<b>City Services:</b> Delivery of revised Customer Service Strategy to ensure a culture of excellent customer service.  Using new technology to support customer services and improve customer access.  Development of a city centre Customer Service Centre	<ul style="list-style-type: none"> <li>▪ Positive customer experience</li> <li>▪ Simplified customer journeys</li> <li>▪ Improved access to services</li> <li>▪ Streamlined access</li> </ul>
<b>Head of Project &amp; Service Development:</b> Undertake customer satisfaction surveys to provide insight to inform the delivery of Registration Services in communities and ensure that the outstation facilities continue to meet the needs of their local community.	<ul style="list-style-type: none"> <li>▪ Utilising customer insight</li> </ul>
<b>Head of Standards:</b> Full integration of Education Psychology Service into locality based teams, with reduced requirement for central base for specialist equipment and resources and client information.	<ul style="list-style-type: none"> <li>▪ Locality/neighbourhood working</li> </ul>
<b>Safeguarding:</b> Move Case Management to locality based working.	<ul style="list-style-type: none"> <li>▪ Locality/neighbourhood working</li> </ul>
<b>City Services:</b> Community Services - Develop and agree a corporate approach to grants, supported by a single application form for all Council grants and a centralised information management system. Develop a single entry point into the Council / a single window for the Council to engage with VCS.	<ul style="list-style-type: none"> <li>▪ Improved access to services</li> <li>▪ Simplified customer journeys</li> <li>▪ Streamlined access</li> <li>▪ Positive customer experience</li> </ul>

**REVENUE BUDGET 2011/2012  
RESPONSIVE LOCAL SERVICE AND CUSTOMER CARE**

<b>Strategic Objective: ONE COUNCIL</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>City Services</b> - Community Services: Continual review of catering service offer and the extension of vending provision.	<ul style="list-style-type: none"> <li>▪ Continuously improving VfM</li> </ul>
<b>Project and Service Development:</b> Consider the impact of new legislation (national coronial service) on service delivery in Sunderland.	<ul style="list-style-type: none"> <li>▪ Effective and appropriate performance management</li> </ul>
<b>Community Leadership Programme:</b> Implement agreed Area Policy: <ul style="list-style-type: none"> <li>▪ Increase number of community-engaged problem-solving exercises</li> <li>▪ Review and develop Committee capacity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong community leadership</li> <li>▪ Greater Trust</li> <li>▪ Greater levels of engagement at community level</li> </ul>
<b>Community Leadership Programme:</b> Extend 1 <sup>st</sup> Wave Responsive Services: <ul style="list-style-type: none"> <li>▪ Fully functioning Intelligence Hub</li> <li>▪ Expand range of RLS services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong community leadership</li> <li>▪ Greater Trust</li> <li>▪ Greater levels of engagement at community level</li> <li>▪ Positive customer experience</li> </ul>
<b>City Services</b> - Street Scene: Embedding the new RLS way of working with Area Committees.	<ul style="list-style-type: none"> <li>▪ Strong community leadership</li> <li>▪ Greater Trust</li> <li>▪ Greater levels of engagement at community level</li> </ul>
<b>Positive Contribution and Economic Well Being:</b> <ul style="list-style-type: none"> <li>▪ Integrating Youth and Adult Guidance Services</li> <li>▪ Merging with neighbouring Local Authority Guidance Services</li> <li>▪ Job Linkage outlets used to provide IAG service to 16-18 NEET young people</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pooling Services around need</li> </ul>
<b>Area Co-ordination:</b> <ul style="list-style-type: none"> <li>▪ Increased emphasis on role of team being developing and implementing Area Arrangements</li> <li>▪ Improve linkages between LSP and Area Committees</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong community leadership</li> </ul>
<b>City Services</b> <ul style="list-style-type: none"> <li>▪ Migration of all customer contact to the Customer Service Network</li> </ul>	<ul style="list-style-type: none"> <li>▪ Positive customer experience</li> <li>▪ Simplified customer journeys</li> <li>▪ Improved access to services</li> </ul>
<b>Strategic Objective: PARTNERSHIP WORKING</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>City Services</b> - Community Services: At a geographic level, support more responsive services by bringing the Council closer to both the VCS and the community.	<ul style="list-style-type: none"> <li>▪ Greater levels of engagement at a community level</li> </ul>
<b>City Services</b> - Community Services: Maximise the opportunity for community based facilities to deliver positive outcomes for the community.	<ul style="list-style-type: none"> <li>▪ Sharing a view of success</li> <li>▪ Shared outcomes</li> </ul>
<b>City Services</b> - Community Services: Support communities to engage with and shape solutions/ decision making processes by working in partnership with the VCS.	<ul style="list-style-type: none"> <li>▪ Sharing a view of success</li> <li>▪ Unique contribution to partnership working</li> </ul>
<b>Strategic Objective: TRANSFORMATION PROGRAMME</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Community Leadership Programme:</b> The CLP supports key aspects of the BTP. The CLP Joint Leadership Project will include activity to re-fashion Officer and Member development activity with a curriculum supportive of the SWOW.	<ul style="list-style-type: none"> <li>▪ Developing our workforce to improve services</li> </ul>
<b>Strategic Objective: COMMUNITY LEADERSHIP PROGRAMME</b>	
<b>Activity</b>	<b>Strategic Outcome</b>
<b>Head of Project and Service Development:</b> Develop and deliver tailored interventions (Responsive Local Services Project) that meet locally identified priorities: <ul style="list-style-type: none"> <li>▪ Further services added to the scope of the RLS project</li> <li>▪ Extend the RLS model to people/facility based services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improved access to services</li> <li>▪ Strong community leadership</li> </ul>

**REVENUE BUDGET 2011/2012  
RESPONSIVE LOCAL SERVICE AND CUSTOMER CARE**

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
<b>Office of the Chief Executive</b>					
1	ACE	290,396	326,344	Democratic Process - Area Coordination	249,516
2	ACE	2,582,996	2,547,246	Strategic Initiatives Budget	2,530,009
		<b>2,873,392</b>	<b>2,873,590</b>	<b>Total Office of the Chief Executive</b>	<b>2,779,525</b>
<b>Executive Director of City Services</b>					
3	HCS	0	0	Area Facilities	0
4	HCS	1,354,270	1,351,011	Community Development	1,192,370
5	HoCSD	0	0	Customer Service Network	0
6	HoPSD	0	0	Project and Service Development	0
		<b>1,354,270</b>	<b>1,351,011</b>	<b>Total Executive Director of City Services</b>	<b>1,192,370</b>
<b>Executive Director of Children's Services</b>					
7	DEDoCS	49,214	74,860	Family, Adult & Community Learning	19,840
		<b>49,214</b>	<b>74,860</b>	<b>Total Executive Director of Children's Services</b>	<b>19,840</b>
		<b>4,276,876</b>	<b>4,299,461</b>	<b>TOTAL BUDGET</b>	<b>3,991,735</b>

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from the implementation of the Strategic and Shared Services Review,
- Technical adjustments of £0.3m in respect of FRS 17 pensions accounting arrangements and revaluation of assets.

**IMPROVEMENT AND EFFICIENCY**

Savings have been achieved through the modernisation of services within the portfolio, the Council's Business Transformation projects and Service Reviews as outlined below.

Smarter Working, including the automation of processes and procedures using Information Technology, will result in more flexible working opportunities such as home and mobile working. This supports the Council's approach to property rationalisation.

Efficiencies will be achieved through the BTP Customer Services project, including:

- internal efficiencies in the Customer Services Network through transforming the way of working and making better use of technology and more flexible working arrangements.
- channel shift, which includes migrating customers from the more costly methods of customer contact, e.g. from face to face to telephony, whilst retaining customer choice.
- self service, where opportunities for web self service are developed.
- where appropriate, the migration of customer contact and some assess and decide activities to the Customer Services Network.

Efficiencies have also been realised following a redesign of the Community Development service.

**PORTFOLIO GLOSSARY**

ACE	Assistant Chief Executive
HSED	Head of Strategic Economic Development
HCS	Head of Community Services
HoCSD	Head of Customer Service and Development
HoPSD	Head of Project and Service Development
DEDoCS	Deputy Executive Director of Childrens Services