

## **CABINET MEETING – 10 FEBRUARY 2016**

### **EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

Revenue Budget and Proposed Council Tax for 2016/2017 and Medium Term Financial Strategy 2016/2017 to 2019/2020

**Authors:**

Interim Head of Paid Service and Director of Finance

**Purpose of Report:**

To report:

- the overall revenue budget position for 2016/2017;
- the projected balances position as at 31st March 2016 and 31st March 2017 and advise on their level;
- a risk analysis of the Revenue Budget 2016/2017;
- a summary of the emerging medium term financial position facing the Council from 2017/2018 to 2019/2020, and associated Council Efficiency strategy;
- any views received from the North East Chamber of Commerce and Trade Unions.

**Description of Decision:**

Members are requested to:

- recommend to Council the proposals set out in the report including the proposed Revenue Budget for 2016/2017 set out at Appendix K;
- recommend to Council the Medium Term Financial Strategy 2016/2017 to 2019/2020 including Efficiency Strategy as set out in Appendix H and the proposed use of Capital Receipts Flexibility set out at section 9 of the report;
- recommend to Council the proposed Council Tax for 2016/2017 at Appendix G (paper to be tabled);
- note the views, if any, expressed by the North East Chamber of Commerce and Trade Unions.

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

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

**Suggested reason(s) for Decision:**

To comply with statutory requirements.

**Alternative options to be considered and recommended to be rejected:**

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

**Impacts analysed:**

**Equality** ☒ **Privacy** ☒ **Sustainability** ☒ **Crime and Disorder** ☒

**Is the Decision consistent with the Council's co-operative values? Yes**

**Is this a "Key Decision" as defined in the Constitution? Yes**

**Is it included in the 28 day Notice of Decisions? Yes**

**REVENUE BUDGET AND PROPOSED COUNCIL TAX FOR 2016/2017 AND  
MEDIUM TERM FINANCIAL STRATEGY 2016/2017 TO 2019/2020**

**Report of the Interim Head of Paid Service and Director of Finance**

**1. Purpose of Report**

**1.1 To report:**

- the overall revenue budget position for 2016/2017;
- the projected balances position as at 31st March 2016 and 31st March 2017 and advise on their level ;
- a risk analysis of the Revenue Budget 2016/2017;
- a summary of the emerging medium term financial position facing the Council from 2017/2018 to 2019/2020 and associated Council Efficiency strategy;
- 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 proposals set out in the report including the proposed Revenue Budget for 2016/2017 set out at Appendix K;
- recommend to Council the medium term financial strategy 2016/2017 to 2019/2020 including Efficiency Strategy as set out in Appendix H and the proposed use of Capital Receipts Flexibility set out at section 9 of the report;
- recommend to Council the proposed Council Tax for 2016/2017 at Appendix G (paper to be tabled);
- note the views, expressed by the North East Chamber of Commerce and Trade Unions.

**3. Introduction**

**3.1 Cabinet will be aware that it approved budget proposals for the purposes of on-going budget consultation at its January 2016 meeting. At that stage there were a number of uncertainties still to be resolved, primarily:**

- the outcome of the final Local Government Revenue Support Grant Settlement for 2016/2017 and related grant announcements;
- the forecast Income from Business Rates;
- the final Collection Fund position for both Council Tax and Business Rates.

3.2 In presenting the Revenue Budget 2016/2017 this report covers the following areas:

- Current Overall Position 2016/2017 to 2019/2020;
- Final position at February 2016;
- Spending Pressures and Commitments;
- Overall Position / Meeting the Budget Gap;
- Proposals To Meet the Funding Gap;
- Workforce Planning, Transformational costs and Capital Receipts Flexibilities
- Medium Term Financial Position and associated Efficiency Strategy;
- Outcome of Budget Consultation;
- Equality and the Budget Proposals;
- Balances and Reserves;
- Detailed Revenue Budget.

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

#### 4. Current Overall Position 2016/2017 to 2019/2020

4.1 The January Cabinet report set out the provisional settlement for the Council and confirmed that when cost pressures were taken into account there was a funding gap £46.60 million in 2016/2017. The report also referred to progress at that stage in relation to proposals to address the funding gap.

The final settlement was not announced at the time of writing this report, but it is not anticipated there will be any changes to the funding position set out in the January Cabinet report. As set out in the January Cabinet report the medium term position has been reviewed in light of four year indicative data presented in the Settlement. The overall position to 2019/20 is set out below with reductions of circa £115m estimated to be required over the four years 2016/2017 to 2019/2020. This is in addition to the £207m already cut over the period 2010/2011 to 2015/2016.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Government Grant Changes	15.00	12.87	5.14	3.69	36.70
Total On-going Spending Pressures	25.81	27.21	12.62	12.89	78.53
<b>Total On-going Funding Gap</b>	<b>40.81</b>	<b>40.08</b>	<b>17.76</b>	<b>16.58</b>	<b>115.23</b>
Safeguarding Pressure (One-Off)	5.79	0.00	0.00	0.00	5.79
<b>Total Funding Gap</b>	<b>46.60</b>	<b>40.08</b>	<b>17.76</b>	<b>16.58</b>	<b>121.02</b>

*\* high level assumptions at this stage*

Paragraph 5 below sets out further information about the grant changes while paragraph 6 sets out the spending pressures and commitments.

## **5. Final Position February 2016**

### **Collection Fund**

- 5.1 The Collection Fund position is reported elsewhere on this agenda. The 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 £2,500,000.

### **Council Tax Base**

- 5.2 The Council, at its meeting on 27th January, 2016, approved the Council Tax Base for the area covered by Hetton Town Council (£3,451) and the City Council area (£67,556).

### **Retained Business Rates**

- 5.3 The NNDR1 form sets out the Business Rate income forecast for 2016/2017 and was submitted to Government on 31st January 2016 in accordance with regulations. This is attached at Appendix A for information. The amount of Business Rates to be retained by the Council for 2016/2017 is forecast to be £44.631m.

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

- 5.4 The final position on the Local Government Finance Settlement for 2016/2017 was not announced at the time of writing this report but it is not anticipated there will be any change to the position set out in the January Cabinet report.
- 5.5 Details of the final settlement will be circulated separately as Appendix B following the Government announcement. Based on the Indicative Settlement the key issues affecting Sunderland are set out below:
- The Councils Settlement Funding Assessment (SFA) level is £135.817m;
  - SFA includes Revenue Support Grant (RSG) of £57.231m in 2016/2017 representing a reduction of £15.538m (21.35%) compared to 2015/2016 adjusted RSG;
  - Sunderland's final baseline funding level is therefore £78.586m. Within this the Government have assessed the level of Retained Business Rates income which the Council will collect and retain as £42.430m (however the Council must determine for itself the level of Business Rate income to take into account in setting its budget as set out at paragraph 5.3 above);
  - The Council will receive Government Top Up Grant of £36.247m representing an increase of £0.299m (0.83%) compared to 2015/2016;
  - The Safety Net Threshold, set by Government at 92.5% of a Council's baseline funding level, equates to £72.692m for Sunderland;
  - The position in respect of changes to other Government funding is set out at section 5.7 and 5.8;
  - The position in respect of schools funding is set out at section 5.9.

## Council Tax

- 5.6 In accordance with the Localism Act the public have the right to approve or veto excessive council tax rises, making this a local decision rather than being dealt with through 'capping'. Government have proposed that a referendum principle will apply to all principal local authorities, Police and Crime Commissioner and Fire and Rescue Authorities.

- In the Provisional Settlement the Government announced that the referendum threshold for 2016/2017 is 2%.
- In addition Social Care councils are able to levy an additional ringfenced social care precept at 2%
- Together this means Government have included assumptions on council tax rises in each of the next four years of up to 4% for social care councils.

Any increase above this level will require a referendum to give the local electorate the opportunity to approve or veto the increase.

## Changes to Grants from 2015/2016

- 5.7 The table below sets out the impact of changes to Council Core Spending Power Calculation which includes Revenue Support Grant, Top up grant, and New Homes Bonus grant compared to 2015/2016 following the final settlement. This shows the reduction to available Spending Power of £9.983m (-4.3% which is higher than the national average reduction of -2.8%).

It is important to note that within this, Revenue Support Grant funding has reduced by £15.538m (-21.35%). This illustrates that the grant element within the funding system which is intended to recognise low income resources and high needs, has again been significantly cut.

It is also noted that the Government's Core Spending Power measure takes into account assumed income generated through the new 2% Social Care Council Tax precept.

Spending Power Components	Adjusted Core Spending Power		Final Core Spending Power 2016-17		Changes	
	£m	£m	£m	£m	£m	%
Council Tax Requirement excluding parish precepts		78.273		80.461	2.188	2.79%
Settlement Funding Assessment (SFA)						
RSG*	72.769		57.231		-15.538	-21.35%
Baseline Funding (Top up Grant)	35.948		36.247		0.299	0.83%
Assumed Business Rates	41.988		42.339		0.351	0.84%
		150.705		135.817	-14.888	-9.88%
Social Care Council Tax precept		0.000		1.589	1.589	100.00%
Provisional New Homes Bonus		3.426		4.555	1.129	32.95%
New Homes Bonus: returned funding		0.000		0.000	0.000	0.00%
<b>Sunderland Total Core Spending Power</b>		<b>232.404</b>		<b>222.422</b>	<b>-9.982</b>	<b>-4.30%</b>

Memorandum - national position

-2.80%

\* A number of previous specific grants have transferred into the RSG from 2016/2017 including Council Tax Freeze grant; Lead Local Flood Authority Grant; Care Act Funding (notionally adj)

## **Impact of Changes to Specific Grants**

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

- The New Homes Bonus Grant is being used to support the overall budget position in 2016/2017 in accordance with the Budget Planning framework with appropriate housing related investment factored into both revenue budget and capital programme proposals.
- A reduction in Housing Benefit Administration grant of £0.105m has been built into the planning assumptions.
- The settlement figures for Sunderland for 2016/2017 no longer include for pooled Better Care Funding (BCF) as this is included in allocations to Health. Sunderland's CCG allocation for 2016/2017 is £22.514m representing an increase of £0.082m over 2015/2016. Pooled BCF budgets are currently being prepared for 2016/2017 with the CCG, which will enable savings to be delivered in line with council wide savings requirements.
- Provision has been included within the Budget Planning Framework for the impact of reduction in funding and academy transfers.

5.9 At the time of preparing this report a number of grant allocations are still to be announced by Government, and have indicated these will be released alongside the Final Settlement in early February. The outcome of allocations for the following grants will therefore be circulated separately as Appendix B once received:

- Public Health Grant
- Local Reform and Community Voices
- Council Tax Administration Grant
- Section 31 Business Rates RPI Cap 2014/15-2015/16 Grant
- Extended Rights to Free Travel
- Independent Living Fund

## **Schools Funding**

5.10 Dedicated Schools Grant

The Dedicated School Grant (DSG) is defined across three separate blocks as set out below. A new National Funding Formula will be introduced in 2017.

- Schools block funding has increased by a net £0.540m, to £160.076m reflecting an increase of 110 pupil numbers. The Government is to continue to apply a national protection arrangement for schools whereby no school will see a per pupil reduction compared to its 2015/2016 budget (excluding sixth form funding) of more than 1.5% before the pupil premium is applied.

- An additional £92.5m has been provided nationally for the high needs block, with Sunderland receiving an additional £0.435m, increasing funding to £23.613m. This will support the increase in the number of pupils receiving Education, Health and Care Plans and requiring specialist education provision.
- Within the Early Years Block, the rates per child are to be maintained at their 2015/2016 level. The provisional allocation for 2016/2017 is £15.776m including £0.333m pupil premium allocation.

#### 5.11 Pupil Premium Funding

The Pupil Premium level of funding for 2015/2016 for Sunderland Schools and Academies is estimated to be £15.224m, based on October 2015 census data. The final allocation, based on the January 2016 pupil census, will be confirmed in September 2016 by the Education Funding Agency.

### 6. Spending Pressures and Commitments

The 2016/2017 budget includes provision for the following spending pressures and commitments:

#### 6.1 Cabinet Secretary

- Pay, Prices and Other Inflationary Cost Pressures

##### Pay and Prices

The Government has indicated a limit on public sector pay increases of 1%. Provision has been built into the budget for 2016/2017.

##### Pensions

The impact of the Actuarial review of the Local Government Pension Scheme 2013 covering the three years to 2016/2017, and the impact of the Pensions Act 2008 (pension scheme auto enrolment) have been factored into the budget.

##### National Insurance

The impact of the Pensions Act 2014, (abolition of contracting out rate for occupational pension schemes) has been reflected in the budget.

##### Other Pressures

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

- Capital Financing

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 to enable strategic priorities of the Council to be addressed.



- **Replacement of One off Resources**  
Provision is included for the replacement of one-off funding utilised in setting the 2015/2016 budget where pressures are of an on-going nature e.g. the Intelligence Hub.
- **Workforce Transformation**  
Latest financial implications associated with workforce transformation have been factored into the budget planning and will be kept under close review, with amendments reported as part of monitoring reports during the year.

One off costs in relation to the workforce transformation process will be met from specific earmarked resources.

- **National Living Wage**  
The government's proposal to implement the national Living Wage of £7.20 from April 2016 represents a significant additional cost pressure for councils as external contract suppliers seek to pass the cost on through increased contract prices, for which Government have not provided any additional funding in 2016/2017. Provision of £3m is included in the budget for the estimated impact in 2016/2017.

The MTFS has been updated to reflect the forecast additional gap compared to available government funding for the period 2017/2018 through to 2019/2020 taking into account the assumed annual stepped increase rising to £9.00 by 2020.

## **6.2 Adults Health and Housing**

- **Adult Services Demand / Demographic Issues**  
The increasing longevity of the national and specifically, the City's, population continues to place significant pressure on Adult Social Care budgets. In addition, client expectations and increasing demand to support clients with complex cases to enable clients to maintain independent living, is requiring reconfigured services and additional investment.

A sum of £0.5m for cost pressures have been factored into the 2016/2017 budget.

## **6.3 Children Services**

- **People - Children's Safeguarding**  
Provision has been included in the 2016/2017 budget in respect of the continued demand pressures in relation to Safeguarding and Looked After Placements reflecting the latest improvement plan requirements. Budget provision includes the use of one-off resources for 2016/2017 with the on-going position fully provided for within the MTFS from 2017/2018. This position will continue to be kept under review and updated as required.

## 7. Overall Position / Meeting the Budget Gap

- 7.1 The overall estimated position is set out below taking into account government funding changes, cost pressures and proposals to meet the funding gap and shows a balanced budget position for 2016/2017.

	2016/17 £m	2017/18 £m
Government Funding Changes and Spending Pressures	46.60	40.09
Total Savings Proposals	-32.51	-19.42
<b>Funding Gap</b>	<b>14.09</b>	<b>20.67</b>
Use of Balances to meet pressures on One-Off Basis	-10.94	0.00
Council Tax Increase or Temporary Use of Balances	-3.15	-3.15
<b>Net Position</b>	<b>0.00</b>	<b>17.52</b>

- 7.2 After taking account of total on-going programmed reductions and use of one off resources for 2016/2017 there remains a funding gap of £3.150m. At this stage it is proposed this gap be met from either council tax increase or use of transitional funding held in balances on a temporary basis.
- 7.3 Further work is continuing to develop a full suite of proposals to meet the 2017/2018 funding gap of circa £20.7m as well as the further savings forecast to be required through to 2019/2020 through continued review of all Council activities.

In addition it is noted that Indicative data released by government through to 2020 assumes Social Care Council's will apply a council tax increase in line with the referendum limit (currently 2%), and apply the 2% social care levy in each of the next four years. While decisions on application of these options will be made as part of the detailed budget planning on an annual basis, application of this in 2017/2018 would reduce the gap to circa £17.5m.

Further updates will be provided to Cabinet in due course and the Medium Term Financial Strategy 2016-2020 will be refined and updated as this work progresses.

## 8. Proposals to meet the funding gap 2016/2017

8.1 As part of the Budget Planning Framework for 2016/2017 Cabinet agreed in October 2015 to meet the funding gap by progressing the existing savings programme and developing a further programme of activity taking into account the strategic vision of the council's role in the future and reflecting the Council's Community Leadership role and Improvement Framework key principles. This involves further transforming service delivery, reducing service standards and commissioned activity and prioritising resources to support statutory requirements and key priorities:

- People - protecting and supporting the most vulnerable adults and children in our communities;
- Place - keeping our communities as safe, clean and well maintained as possible within the resources available;
- Economy - continuing support to the economic regeneration of the city by encouraging businesses and jobs into the city.

8.2 For all service areas this has included consideration of:

- Ensuring resources are targeted on statutory services and protecting key priority services;
- Redesigning and reshaping services to deliver required outcomes at least cost;
- Reduced commissioning and service standards;
- Pressing forward with new alternative models of service delivery (ASDMs) at reduced cost and increasing commercialisation;
- Continued focus on progressing Regeneration, Funding Leverage & Commercial Opportunities.

8.3 The proposed reductions have been prepared in accordance with the above. The Council's Efficiency strategy for the period 2016/2017 to 2019/2020 set out at Appendix Hi) provides further detail on the overall approach.

8.4 Summary of Proposed Reductions 2016/2017 and 2017/2018

Proposed reductions are summarised in the following table together with an indication of plans for 2017/2018.

	2016/17 £m	2017/18 £m
<b>On-going Reductions Plans</b>		
Other Services (Appendix C.1)	4.93	2.57
Contingencies and Central Resources (Appendix C.2)	12.58	1.10
Place and Economy Services (Appendix C.3)	6.32	4.73
People Services - Adults (Appendix C.4)	5.98	7.84
People Services - Children's (Appendix C.5)	2.70	3.18
<b>Total On-going Reductions Plan</b>	<b>32.51</b>	<b>19.42</b>
Use of One-Off Balances	8.94	0.00
Collection Fund Surplus - Council Tax	2.00	0.00
Council Tax Increase or Temporary Use of Balances	3.15	3.15
<b>Total Savings Proposals</b>	<b>46.60</b>	<b>22.57</b>

In relation to 2017/2018 further updates will be provided to Cabinet in due course and the Medium Term Financial Strategy 2016-20 will be refined and updated in parallel as this work progresses.

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

- 8.5 In addition to on-going savings proposals set out at Appendix C, it is proposed to utilise £10.94m of one off funding on a one off basis to support the overall budget position and meet pressures identified at paragraph 6.
- 8.6 As reported as part of the 2015/2016 budget proposals some use of transitional resources is required to allow for the lead in times in delivering a small number of the savings proposals from 2015/2016. It is therefore proposed to utilise £2.9m earmarked transitional funds in 2016/2017 for this purpose.

## **9. Workforce Planning, Transformational costs and Capital Receipts Flexibilities**

- 9.1 One off transformational costs will arise through Workforce Planning project arrangements in order to assist in delivering the on-going reduction proposals for 2016/2017 and 2017/2018. This includes workforce planning costs which will arise in Sunderland Care and Support Limited as the Local Authority Controlled Company transforms service delivery in order to assist in delivering the Council's savings requirements. It is proposed these costs will be reimbursed by the council to the company on an invest-to-save basis.
- 9.2 Earmarked reserves are available to meet the estimated costs arising in 2015/2016 in support of the 2016/2017 savings plans and previous years savings plans.
- 9.3 In relation to costs arising in 2016/2017 in support of both 2016/2017 and 2017/2018 savings plans, it is proposed to ensure maximum flexibility for funding options available by drawing on new flexibilities announced as part of the Provisional Settlement allowing capital receipts generated in the years 2016/2017, 2017/2018 and 2018/2019 to be used to fund transformational costs incurred in those years. In order to comply with the new capital receipts flexibility requirements it is proposed to earmark capital receipts generated in 2016/2017 of £8.8m for this purpose. The council Efficiency Strategy is set out at Appendix Hi), and supports the government requirements in making use of these flexibilities in relation to 2016/2017 and 2017/2018 savings proposals. The requirements in respect of prudential indicators are reflected in the Capital Programme 2016/2017 and Treasury Management Policy and Strategy 2016/2017 Report elsewhere on this agenda.
- 9.4 The position will be kept under review throughout the year as transformational costs and capital receipts generated are finalised. Final arrangements on funding transformational costs arising in 2016/2017 will be considered as part of the outturn position taking account of the overall corporate outturn position, available reserves, and capital receipts availability.

## **10. Medium Term Financial Position**

- 10.1 In considering the Revenue Budget for 2016/2017 the latest information regarding reductions to public spending, and estimated pressures over the medium term were taken into account and summarised in this report. This position is subject to on-going update as information emerges. The latest updated Medium Term Financial Strategy 2016/2017 to 2019/2020 is set out at Appendix H.

## **11. Outcome of Budget Consultation**

- 11.1 The Budget and Policy Framework procedure rules contained within the Constitution of the Council requires consultation on budget proposals to take place. In October 2015 Cabinet approved proposals regarding the consultation strategy and framework for the budget for 2016/2017 involving the following stakeholders:
- Trade Unions;
  - North East Chamber of Commerce/ Representatives of Business Ratepayers;
  - Children's Trust Advisory Network
  - Schools Forum, Head Teachers and Governors
  - Communities including the voluntary sector.
- 11.2 In addition, residents, employees and workshop participants were invited to take part in a self-completion survey in order to ascertain their views about the Council's priorities and establish the acceptability of different approaches to addressing the budget cuts and also how Council services will be provided in future.
- 11.3 To supplement the survey and maximise engagement in the budget consultation process, area based workshops were held using established Area arrangements in the five Areas of the city. The events were open to local residents, VCS and other stakeholders, and an additional workshop was held with the Children's Trust Advisory Network. There were three main objectives to the workshops:
- Increase the number of survey responses.
  - Increase the number of registrations on the Council's consultation web portal (and therefore enable us to re-engage with the participants in the future).
  - Raise awareness of the budget setting process.
- 11.4 Budget consultation with these groups has concentrated on the overall approaches to meeting the budget challenge. Further detailed consultation in relation to the proposals will be undertaken, as appropriate, when the proposals are developed, or service review takes place. The results of this consultation will, in turn, inform the Equality Analysis of the proposals.
- 11.5 At each stage in the budget process Scrutiny Committee is being consulted.

- 11.6 In general the findings of the survey and discussions at the workshops demonstrate general support for the overall approach to meeting the budget challenge and indicate broad agreement with plans for transforming services to reduce costs. More details of the findings of the consultation are included in Appendix E.
- 11.7 All of the feedback from the various consultations has been considered in bringing together the budget proposals in this report.
- 11.8 The Revenue Budget Report to January Cabinet formed the basis for second stage consultation. The notes of the meetings with the representatives of business ratepayers and trades unions to meet statutory obligations to consult on the proposed budget will be tabled at the meeting as Appendix F.
- 11.9 A review of the 2016/2017 Budget Consultation arrangements will be undertaken to help inform proposed arrangements for the 2017/2018 consultation. The review will consider options for seeking to increase participation as well as improving the diversity of respondents to ensure the consultation is as representative of the city's population as possible.

## **12. Equality and the Budget Proposals**

- 12.1 The Equality Act 2010 places a specific duty on Local Authorities through the Public Sector Equality Duty. The Act requires Local Authorities to give 'due regard' to the three aims of the duty to: eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act; advance equality of opportunity between people who share a protected characteristic and those who do not; and to foster good relations between people who share a protected characteristic and those who do not. Understanding the effect of decisions on people with different protected characteristics is an important part of complying with the general equality duty.
- 12.2 The Council continues to seek to meet its obligations in relation to equality and diversity and has procedures in place at both a general and budget specific level to incorporate equality and diversity issues into decision making processes and the assessment of proposals.
- 12.3 Each Directorate has considered the Equality Analysis of their budget proposals. Where it is timely and appropriate an Equality Analysis (EA) has been completed (this is the Council's adopted approach to analysing and recording Equality Analysis). The detail of the analysis is dependent on the nature of the proposal and its stage of development. For those proposals which are not sufficiently detailed to undertake a full Equality Analysis at the present time, an initial consideration of the impacts has been undertaken. In these cases full analysis will be carried out when the proposals are further developed. Throughout the process, scope for mitigating any negative impacts on equality is considered.

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

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8597/Committee/1890/Default.aspx>

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

- 12.5 Further detail on the approach to Equality Analysis and a breakdown of the judgements made against the reduction proposals are set out at Appendix D.
- 12.6 Individual proposals for additional savings are currently at different stages of equality analysis depending on the stage of the development of the proposal. The summary of impacts, by directorate, is outlined below:

	Other Proposals	Central	Place and Economy	People - Adults	People – Children's
Positive impact identified or anticipated	0	0	1	0	1
Negative impact identified or anticipated Note1	0	0	5	0	1
Neutral impact identified or anticipated	1	0	9	4	1
Both positive and negative impacts identified or anticipated Note 1	1	0	0	6	2
Employee implications	11	0	3	3	1
No Equality Analysis needed	5	5	12	3	1
	<b>18</b>	<b>5</b>	<b>30</b>	<b>16</b>	<b>7</b>

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

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

- 12.7 Across the five areas the judgements against the budget proposals are encouraging, with:
- Two proposals considered positive
  - Fifteen considered neutral
  - Six considered negative
  - Nine considered to have both positive and negative outcomes.
  - Eighteen focussed on staffing changes.
  - Twenty-six are considered to need no Equality Analysis. This is largely because the proposal has no service provision or external impact, or due to proposals focussing on income generation / commercial opportunities.
- 12.8 Actions arising from the equality analysis carried out to date will be taken forward by directorates.

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

- 13.1 In considering the level of general balances as part of budget preparation decisions, regard is given to:
- known commitments against balances in future years;
  - financial risks faced by the Council and the measures in place to mitigate them or meet them financially.
- 13.2 The estimated level of general balances as at 31st March 2016 and 31st March 2017 will be circulated separately at the Cabinet with the General Summary Page and proposed contingencies.
- 13.3 As agreed previously savings arising in 2015/2016 from Interest on Balances and Debt Charges, and unutilised contingency provisions will be utilised to fund one off spending pressures and transformational costs associated with implementing the budget proposals for 2015/2016 and 2016/2017.
- 13.4 In accordance with best practice an analysis of the major financial risks has been undertaken in order to inform the level of balances deemed necessary. These are detailed at Appendix I.
- 13.5 The Council has a range of earmarked reserves e.g. the Strategic Investment Reserve. The major earmarked reserves are set out at Appendix Ji) for information.
- 13.6 A review of Reserves held has been undertaken to ensure both the adequacy of the reserves held and identify any which can be released to support the budget for 2016/2017. As a result of the review it is proposed a number of specific purpose reserves as detailed at Appendix Jii) be released on a permanent basis to support the 2016/2017 budget.
- 13.7 In accordance with Part 2 of the Local Government Act 2003 there is a requirement for the Chief Financial Officer (CFO) to report upon the robustness of the estimates and the level of reserves. In making the statement, the CFO places reliance on information provided to her by other officers of the Council as part of the budget setting process. This process involves reasonable checks and other verification, which is undertaken in accordance with the overall system of internal control to validate the information provided.
- 13.8 Based upon the information used in determining this Revenue Budget 2016/2017 report, including specifically:
- the Medium Term Financial Position;
  - the outcome of budget consultation set out at Appendix E;
  - the Statement of General Balances (to be tabled);
  - the Risk Analysis set out in Appendix I;
  - the Major Reserves set out in Appendix Ji.



The Revenue Budget is considered robust and the level of reserves considered to be adequate for 2016/2017 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 2016/2017 are in accordance with the existing policy and are considered prudent and robust given the overall level of reserves.

#### **14. Detailed Budget 2016/2017**

- 14.1 As set out above since the initial budget proposals were formulated, consideration has been given to the outcome of the budget consultation, the final settlement, the collection fund position, the council tax base, the Business Rates income and government guidance in relation to council tax levels.
- 14.2 The Total Budget Requirement to be approved by the Council is funded through:
- Revenue Support Grant
  - Retained Business Rates
  - Top Up Grant
  - any projected surplus on the Collection Fund and
  - Council Tax.
- 14.3 The General Summary page of the Revenue Budget together with details of the proposed contingency will be circulated separately at the meeting of Cabinet on the 10th February 2016.
- 14.4 The formal decisions of the major precepting bodies are awaited regarding their precept proposals for 2016/2017. Consequently, the Proposed Council Tax for 2016/2017 will be tabled as Appendix G to this report at the Cabinet meeting on 10th February 2016.

#### **General**

- 14.5 Appendix K sets out the detailed Revenue Budget 2016/2017 for each Portfolio. All changes with the exception of the adjustments relating to final considerations of the council tax level, have been incorporated into the Budget.

#### **Service Reporting Code of Practice**

- 14.6 The presentation of the budget book shows the full cost of services, including an appropriate share of support service costs. As such support services are shown with a zero budget having been charged out to service users. This approach is consistent with the Service Reporting Code of Practice (SeRCoP) published by CIPFA which must be applied to all Local Government returns and external financial reporting.
- 14.7 It should be noted that variations between the budget for 2015/2016 and 2016/2017 have arisen as a result of:

- The implementation of spending pressures referred to in this report;
- the implementation of the budget reductions referred to in this report;
- a review of charging for central support services - while having no overall impact on the Council budget position, charges to individual services have been realigned;
- technical adjustments in relation to IAS19 pensions accounting and the impact of revaluation of assets.

Members will appreciate that these changes, where applied, do not enable a valid year on year comparison, and some significant variations between years may be apparent.

### **Revised Estimates**

- 14.8 Quarterly budget reports have been presented to Cabinet during the year. The revised estimates reflect changes notified within those reports and a number of technical adjustments e.g. contingency transfers and central support cost adjustments. In addition the revised 2015/2016 position reflects the transfer into relevant base budgets of specific contingency provisions and earmarked reserves in respect of Children's Safeguarding and the in-year impact of Workforce Transformation.

### **15. Suggested Reason for Decision**

- 15.1 To comply with statutory requirements.

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

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

### **Background Papers**

Cabinet Reports 13th January 2016

- Revenue Budget 2016/2017 Proposals and Revenue Support Settlement 2016/2017
- Council Tax Base 2016/2017
- Business Rate Income Forecast 2016/2017 and Projected Business Rates Income Outturn 2015/2016

# Business Rates Income Forecast 2016/2017 and Projected Business Rates Income Outturn 2015/2016 - Final NNDR Form 1

## NATIONAL NON-DOMESTIC RATES RETURN - NNDR1

2016-17

Please e-mail to: [nndr.statistics@communities.gsi.gov.uk](mailto:nndr.statistics@communities.gsi.gov.uk) by no later than 31 January 2016.

In addition, a certified copy of the form should be returned by no later than 31 January 2016 to the same email address

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

Select your local authority's name from this list:

Stroud  
Suffolk Coastal  
Sunderland  
Surrey Heath  
Sutton  
Swale

Authority Name  
E-code  
Local authority contact name  
Local authority contact number  
Local authority e-mail address

Sunderland  
E4505

Please enter the name of your authority contact  
Please enter your authority contact's phone number  
Please enter your authority contact's email address

Ver 1.3

Local Authority : Sunderland

Ver 1.3

### PART 1B: PAYMENTS

This page is for information only; please do not amend any of the figures

The payments to be made, during the course of 2016-17 to:

- i) the Secretary of State in accordance with Regulation 4 of the Non-Domestic Rating (Rates Retention) Regulations 2013;
  - ii) major precepting authorities in accordance with Regulations 5, 6 and 7; and to be
  - iii) transferred by the billing authority from its Collection Fund to its General Fund,
- are set out below

	Column 1 Central Government	Column 2 Sunderland	Column 3	Column 4 Tyne and Wear Fire	Column 5 Total
<b>Retained NNDR shares</b>					
13. % of non-domestic rating income to be allocated to each authority	£ 50%	£ 49%	£ 0%	£ 1%	£ 100%
<b>Non-Domestic Rating Income for 2016-17</b>					
14. Non-domestic rating income from rates retention scheme	£ 44,427,646	£ 43,539,094	£ 0	£ 888,553	£ 88,855,293
15. (less) qualifying relief in Enterprise Zones	£ 34,790	£ 0	£ 0	£ 0	£ 34,790
16. Not used this year					
17. <b>TOTAL:</b>	£ 44,392,856	£ 43,539,094	£ 0	£ 888,553	£ 88,820,503
<b>Other Income for 2016-17</b>					
18. add: cost of collection allowance		£ 342,824			£ 342,824
19. add: amounts retained in respect of Designated Areas		£ 714,465			£ 714,465
20. add: amounts retained in respect of renewable energy schemes		£ 0	£ 0		£ 0
21. add: qualifying relief in Enterprise Zones		£ 34,790	£ 0	£ 0	£ 34,790
22. add: City of London Offset		£ 0			£ 0
23. Not used this year					
<b>Estimated Surplus/Deficit on Collection Fund</b>					
24. Estimated Surplus/Deficit at end of 2015-16	£ 0	£ 0	£ 0	£ 0	£ 0
<b>TOTAL FOR THE YEAR</b>					
25. Total amount due to authorities	£ 44,392,856	£ 44,631,173	£ 0	£ 888,553	£ 89,912,582

### Certificate of Chief Financial Officer / Section 151 Officer

I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates.

Name of Chief Financial Officer  
or Section 151 Officer : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

**Final Settlement 2016/2017**

***To be circulated following Government announcement***

# 1. Other Services Proposals (Saving £4.932m 2016/17 and £2.574m 2017/18)

## 1.1 Full Year Impact of previous year's decisions (Saving - £0.300m 2016/17)

The ICT Unit will continue the consolidation of applications and associated licences, reducing the external spend on application support. This will be coupled with service redesign that will focus on demand management through increased self-service and improved service delivery processes.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: The savings will predominantly be delivered through a review of internal processes, internal support arrangements and restructuring of the workforce in these areas, therefore equality implications will be considered as part of Workforce Planning arrangements	

## Appendix C continued

### 1.2 Undertaking a review of the democratic decision function, member support, community leadership and electoral services arrangements (Saving - £0.271m in 2016/17)

A review of the democratic decision making model in line with Future Council 2020 thinking and member support is underway and proposals will be implemented that will ensure robust, integrated and effective governance arrangements are in place that will deliver the required savings. This will involve: the grouping of member Support Functions to rationalise ways of working and staffing structures,

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: The savings will predominantly be delivered through a review of internal processes, internal support arrangements and restructuring of the workforce in these areas, therefore equality implications will be considered as part of Workforce Planning arrangements	

### 1.3 Corporate ICT – Review of arrangements between ICT and Intelligence functions and seeking out commercial opportunities (Saving - £0.150m in 2016/17 and £0.754m in 2017/18)

A review of the ICT structure, its assets, processes and how it integrates with the Intelligence Function will be undertaken to not only generate the savings required but also cultivate an organisation where information, data and insight flows into and from the council to support the council in fulfilling its key community leadership purpose and has an overall “Service orchestration-type” function connecting demand and supply, underpinned by customer insight and intelligence.

Managing the relationship with the Intelligence and ICT partners (and other commissioned capacity or capability) and the ability to trade will serve the core council and the wider eco-system of public to private enterprise to enable the following:

- Development of a new operating model that ensures the council has a robust and fit for purpose ICT service.
- Development of a new city blueprint - a framework of the essential digital and data skills, innovation processes and technology components.
- Maximisation of integration opportunities with the intelligence work; the developing software market in the city, the alignment with other key partners work in the city.
- Providing a robust business model which represents VFM.
- Ability to attract the right calibre of partner/s to the procurement exercise.
- Developing a strong client unit in the council.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓
No Equality Analysis Required	✓
Additional Comment: This efficiency is based upon staffing changes, which will be considered as part of workforce planning arrangements, and increased income generation by delivering services to a wider range of customers therefore it is considered that no additional equality analysis is required.	

#### 1.4 Review of Business Support arrangements (Saving - £0.848m in 2016/17 and £0.848m in 2017/18)

A full service review of business support arrangements is underway to ensure that they are streamlined to reflect the business support requirements that the future council will require. The review focusses on how to improve internal processes, deliver lower cost alternative delivery methods, manage demand and increase self-service, and reduce the service catalogue and resource ratios all of which will deliver the required efficiency savings.

##### Equality Analysis

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



### 1.5 Review of the Transformational Change Team (Saving - £0.244m in 2016/17)

A review of the Transformational Change Team is underway with a view to transforming it into a model that best serves the requirements of the future council. The service will be redesigned to focus resource on high value/risk priorities and will therefore no longer support low value/risk activity.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: A significant element of the above savings relates to staffing changes which will be considered as part of the Workforce Planning Project. In developing future lists of projects that the Transformation Change Team are involved in, due consideration will be given to the impact of each project in relation to the protected characteristics.	

## Appendix C continued

### 1.6 Integration of the Strategy Team and Partnership Team (Saving - £0.289m in 2016/17 and £0.050m in 2017/18)

A review will be undertaken to redesign a smaller, leaner Policy, Strategy and Partnership Team which can work more collaboratively with partners to maximise the efficiency, skills and value of the participating organisations whilst sourcing external expertise if needed. It will provide clear direction and common purpose and delivery support through the formulation of partnership-based strategy and relevant performance management arrangements within the council through to action and evidenced results.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	✓
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: Some of the savings will need to come from the service review to redesign a smaller and leaner team, these workforce changes will need to be considered as part of the Organisational Workforce Planning arrangements. Some of the savings will need to come from non-staffing costs such as partnership and community safety activity, corporate subscriptions and the commissioning of specialist consultants, for example, for economic studies. The equality impact of stopping partnership and community safety activity will require equality analysis. There may be opportunity to realise positive equality impacts through aligning our work with the work of our partners and the Equality Forums, this will be explored as part of the Equality Analysis process.	

## 1.7 Migration of HR and OD into separate delivery model (Saving - £0.300m in 2016/17 and £0.100m in 2017/18)

It is proposed that HR and OD will transfer initially into a LATC which will allow it to trade in the private sector. By definition, ASDMs will be more commercially minded and will be focussed on growing the business beyond the core commission. In addition to increasing income, the creation of the LATC will assist in reducing future costs. Recognising that the Council transfer of assets such as staff, systems and knowledge will be critical in actually forming the business, it is assumed in return that increased income generated by any new ASDM through business growth for the period up to 2020 will be passported back to the authority by way of a reduction in the value of the core commission.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	✓
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: It is considered that an equality analysis is required as this efficiency will be achieved through the creation of a new delivery model for HR&OD services focussing on savings from changes to staffing arrangements and conditions. The equality analysis will be carried out at an appropriate time when options for future terms and conditions can be considered alongside the make up of the workforce that would be TUPE transferring (N.B. any revised terms and conditions will only affect new starters).	

## 1.8 Review of Corporate Affairs and Communication arrangements (Saving - £0.836m in 2016/17 and £0.038m in 2017/18)

By 2020 the council will need a different sort of Corporate Affairs and Communications service to reflect its smaller size and its changed role of being more of a facilitating and enabling commissioner of services. In order to ensure the Council continues to have an effective media relations, corporate communications and reputation and influencing corporate affairs resource, going forward, the team will be re-organised with responsibilities being realigned. We will also start to devolve the People, Place and Economy marketing communications to the service areas in readiness for moving to alternative delivery models. In addition to the restructure a proportionate reduction in non-staff spend reflecting changing priorities / size and shape of the future council will be managed out.

### Equality Analysis

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

**1.9 Review of Tourism arrangements (Saving - £0.024m in 2016/17)**

A proportionate reduction in non-staff spend, i.e. marketing and publicity materials will be implemented in order to contribute to savings targets.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: As the modest saving relates to publicity and marketing materials it is felt that no equality analysis is required.	

## Appendix C continued

### 1.10 Review of Events Core Programme funding arrangements and income generation (Saving - £0.150m in 2016/17 and £0.100m in 2017/18)

The Sunderland Live Team has been in existence for three years now and it is felt that the organisation is now mature enough that the Council's contribution to the Events Core Programme can be reduced. The reduction in the Council contribution will be matched by external funding arising from greater encouragement of event sponsorship and also increased income opportunities.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment The saving is based upon reducing the funding that the Council contributes towards the Events Core Programme by increasing the level of external funding sourced for events and also maximising income generation opportunities through the events themselves therefore it is felt that no equality analysis is required.	

### 1.11 Review of Legal Services arrangements and Governance Services (Saving - £0.213m in 2016/17 and £0.037m in 2017/18)

A review of Legal & Democratic Services is under way to ensure the team is organised to support the on-going requirements of the council, through the transformation process and beyond, at the same time ensuring we can ensure compliance with legal requirements and reduce the risk of legal challenge. This review will therefore focus on a structural review of the Legal Services teams and further integration of work.

A review of the Governance Service function has been undertaken and has identified that savings can be generated by reducing the types of meetings that are serviced by the Governance Services Team to only formal Cabinet, Council, Committee, etc. Meetings, combining support to the corporate complaints and information governance functions, and on-going income generation. In addition to this, consideration will be given to how the number of meetings and the decision making and recording process could also be streamlined. These changes will be accommodated in a reconfiguration of Governance Services, Information and Complaints functions.

#### Equality Analysis

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

## Appendix C continued

### 1.12 Assurance, Procurement and Projects Review (Saving - £0.329m in 2016/17 and £0.145m in 2017/18)

The service will reduce the level of audit, risk and project support available for transformational change and service delivery. Alongside the reduction in audit and risk support, managers across the Council will have access to further guidance so that they are able to self-serve for those areas that have not been prioritised. In addition to resource reductions, the service area will seek to further increase income generated for liability claims handling for external organisations.

In order to generate savings, the procurement service will look to greater use of national and regional framework procurement contracts which will reduce the resource required on developing and managing Council procurement exercises. The level of procurement support offered to commissioners \ managers will also be reviewed whilst at the same time additional focussed support on contract management will be provided. All central support and oversights for procurements up to £10,000 will be removed and managers across the Council will be expected to self-serve in line with corporate guidelines. Increased income will be generated from procurement rebates received from NEPO contracts.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓
No Equality Analysis Required	✓
Additional Comment: A significant element of the above savings relates to staffing changes which will be considered as part of the Workforce Planning Project. There is an element of income generation covered within the proposal but this has no impact on front line services therefore it is considered that equality analysis is not required. Equality is already written into the procurement process and managers will be expected to continue to follow this process	



## Appendix C continued

### 1.13 Review of Financial Resources arrangements, including transactional services (Saving - £0.328m in 2016/17 and £0.502m in 2017/18)

Financial Resources will reconfigure the service to reflect the reducing customer base (e.g. leisure JV and other potential ASDMs), and the increased focus on commissioning services. A core team will be developed in Financial Resources which ensures that the Council benefits from any savings prior to the likely creation of ASDMs. This approach will also ensure that a sustainable, quality, flexible and efficient resource is in place whilst ensuring financial stability and minimising the risk to the Council in the future.

The Council has been extremely successful in applying for external funding streams from both the Government and the European Union. It is envisaged that the success that the Council has enjoyed will continue and as a consequence management fee income for the External Funding Unit are expected to increase.

A review of Transactional Services will lead to a restructured service based upon the following key areas:

- Reviewing and improving processes around the whole procure to pay cycle including the use of technology to automate activity and maximise efficiency.
- Considering level of support that the reduced Council will require.
- Increasing officer self-service relating to the ordering function.
- Reviewing and improving processes around the whole sales to cash cycle including the use of technology to automate activity and maximise efficiency.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓
No Equality Analysis Required	✓
Additional Comment: A significant element of the above savings relates to staffing changes which will be considered as part of the Workforce Planning Project. One saving relates entirely to increased management fees arising from successful grant applications therefore it is considered that no equality assessment is required.	

## Appendix C continued

### 1.14 General Review of Management Arrangements (Saving - £0.650m 2016/17)

Review of structures to ensure meets needs going forward.

#### Equality Analysis

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

## Appendix C continued

### 2. Contingencies and Central Resources (£12.572m 2016/17 and £1.100m 2017/18)

#### 2.1 Review of Corporate Allocations - Debt Charges Provision (£8.056m in 2016/17)

A review of debt charge provision based on existing capital programme, and reflecting the on-going work to accelerate capital receipts realisation to support the capital programme which also facilitate private sector residential and commercial development in the city.

In addition, consistent with many other Local Authorities, a new approach to the annual repayment of borrowing - the minimum revenue provision - is being considered. The proposed approach would change the repayment to an annuity basis, from the current practice of Equal Instalment of Principal repayments. This change is deemed more prudent. The financial impact of this change is reflected in the debt charge provision.

#### Equality Analysis

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

## 2.2 Business Rates Growth (£0.700m 2016/17 and £0.500m 2017/18)

The anticipated increase in Business Rates growth over and above normal inflationary increases, taking into account planned developments in the city, RPI adjustments and Section 31 grant income provided as a consequence of various government reliefs introduced. The exact amount of growth will be confirmed upon completion of the NNDR1 form for 2016/17.

### Equality Analysis

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

### 2.3 Council Tax Growth and New Homes Bonus (£2.178m 2016/17 and £0.600m 2017/18)

Increase in Council tax Base and New Homes Bonus), reflecting known and planned increases to residential property in the city.

#### Equality Analysis

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

### 2.4 NECA – ITA Transport Levy (£0.542m in 2016/17)

This saving will arise through the proposed reduction to the Tyne and Wear Transport Levy for Sunderland in 2016/2017.

#### Equality Analysis

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

## 2.5 Review of Corporate Allocations - Contingencies (£1.096m in 2016/17)

A review of contingencies has freed up savings, particularly in relation to utilities and fuel. The current low oil and gas prices, couple with extensive property rationalisation and energy efficiency work, has allowed for the release of contingencies earmarked for utility and fuel inflation. In addition, further in depth review of contingencies, has freed up further resource no longer required.

### Equality Analysis

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

**3. Place and Economy (Saving - £6.323m 2016/17 and £4.726 2017/18)**

**3.1 Full Year Impact of previous year's decisions (Saving - £1.207m 2016/17)**

Proposals Agreed as part of last year's budget setting, in relation to:

**Street Scene Citywide - £0.842m**

Continuation and introduction of a range of measures to maximise income from waste collection, including through reviewing existing charges and introducing new charging, specifically in relation to garden waste.

Reducing demand to enable the reduction of staff through natural turnover and workforce planning.

Increased income from Bereavement Service to be realised by increasing charges by 5%, which, analysis of neighbouring authorities charges, highlights will still be comparable.

**Street Scene Highways, Transportation and Network Management - £0.005m**

Increased fee income associated with skip permits and Traffic Regulation Orders.

**Street Scene Responsive - £0.350m**

Continued savings following the service re-design undertaken during 2015/2016 that reduces the cost of operational supervision with staff released through workforce planning with fixed term staff and apprentices integrated into core to facilitate continuity of service.

Continual reduction and transfer of responsibility to the community / community organisations focussed on horticultural activity.

**Design Services – review of operational costs / income - £0.010m**

The maximisation of income earning opportunities will be delivered, with the emphasis on project management and building management, to a range of clients including through increased charges to the capital programme and schools.

## Appendix C continued

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓ (3)
No Equality Analysis Required	✓ (1,2,4)
<p>Additional Comment:</p> <p>These savings represent the full year effect of savings commenced part of the way through a year. Equality Analysis was undertaken as part of the 2015/16 budget setting process regarding these proposals the most notable of which revealed the following:</p> <p>1 Waste Collection income - The Council collects garden waste from approximately 80,000 residential households on a fortnightly basis. It is proposed that residents will have the option to pay an annual fee to continue with the service or they can opt out of the service but will be able to use either alternative free recycling services (self-serve delivery) or use their green residual waste bin which will continue to be collected free of charge. Assisted collections for aged and infirm residents in relation to garden waste will continue and refuse collection frequencies will not change.</p> <p>2 Other Waste Collection initiatives– A number of initiatives do not require Equality Analysis as they are either back office functions, changes to existing work practices to extract more value across the board price increase for existing trade waste customers, including:</p> <ul style="list-style-type: none"> <li>• Increased recycling by improved investment in waste communications</li> <li>• More in house waste skip reductions</li> </ul> <p>3 Review of RLS operations - A significant element of this saving relates to staffing changes which were considered as part of the Workforce Planning Project.</p> <p>4 A review of income earning potential has been undertaken in Design Services which has revealed that income can be increased through a greater emphasis on project management and building management, to a range of clients including through increased charges to the capital programme and schools. This element of proposal does not affect any front line service users therefore no Equality Analysis is required.</p>	



### 3.2 Place Management - Cost Reductions through ASDM (Saving - £1.025m in 2016/17, £1.075m in 2017/18)

It is proposed that Place Management related services will transfer initially into a LATC which will allow it to trade in the private sector and beyond Sunderland's boundaries. In addition to increasing income, the creation of the LATC will assist in reducing future costs in these broad areas:

- Improved productivity – An element of employee ownership or interest is proven to lead to improved productivity growth and efficiency resulting in a smaller overall workforce and reduction in non-staff related costs. These savings typically range from between 1% to 5% of expenditure.
- Rationalised management and supervisory arrangements – The amalgamation of a broad range services from different parts of the current organisation into a single coherent Place Management service along with the contraction in scale of the services provided will promote a rationalisation of management and supervisory structures.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	✓
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: It is considered that an equality analysis is required as this efficiency will be achieved through the creation of a new delivery model for place based services focussing on savings from improved productivity and staffing arrangements. The equality analysis will be carried out in the later half of 2016 when options for the composition of the LATC are clearer and can be considered alongside the make up of the workforce that would be TUPE transferring.	

### 3.3 Place Management - Business growth through ASDM (Saving - £0.097m in 2016/17, £0.350m in 2017/18)

By definition, ASDMs will be more commercially minded and will be focussed on growing the business beyond the core commission. Recognising that the Council transfer of assets such as staff and operational depots will be critical in actually forming the business, it is assumed in return that increased income generated by any new ASDM through business growth for the period up to 2020 will be passported back to the authority by way of a reduction in the value of the core commission.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: This efficiency is based upon increased income generation by delivering services to a wider range of customers therefore it is considered that no equality analysis is required.	

### 3.4 Responsive Local Services (Saving - £2.350m in 2016/17)

Place Boards and Area Committees will be involved in defining the specification for Responsive Local Services, but with a much reduced level of resource. The 2020 budget setting process determines the budget reduction (£2.35m) and the available budget for 2016/17 onwards (£4.065m).

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	✓
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: Although the impact on groups with protected characteristics will be identified when the detail of the revised patterns of service delivery is established, it is inevitable that there will be a reduction in the frequency and availability of some areas of service delivery which may affect those categories that are "less" mobile i.e. the young, the aged, disabled persons and pregnant \ maternity characteristics. Mitigating actions to minimise the negative impact will be considered when the Equality Analysis is undertaken	

## Appendix C continued

### 3.5 Parking Services (Saving - £0.080m in 2016/17, £0.350m in 2017/18)

Efficiencies will be delivered through the expansion of measures in the Parking Plan. These measures can be summarised as follows:

- Annual increases in parking tariffs of 10p per hour.
- Charging for a number of car parks situated near or adjacent to retail/business areas which are currently free
- Increasing the number of on-street parking bays
- Increasing the cost of staff parking permits
- Increasing the charge for parking waivers

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	✓
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
<p>Additional Comment:</p> <p>The Parking Plan 2014 to 2020 identifies the approach that the Council will take to parking provision and management during the course of the next 4 years. It identifies guiding principles and policies that inform the approach to parking management arising from the changing need brought about by the City's economic development and regeneration plans. An Equality Analysis which evaluates the Parking Plan as regards its potential impact on future parking provision and management in the City has been undertaken and has identified the following positive impacts:</p> <ul style="list-style-type: none"> <li>• All age groups will benefit from delivery of priorities that support improvements in road safety and accessibility arising from effective parking management and enforcement activity.</li> <li>• Disabled persons, pregnant people and parents using pushchairs are likely to benefit from effective enforcement that reduces obstructions caused by parked vehicles to pavements.</li> </ul> <p>The initiatives that are outlined in the report, and are proposed to be implemented between 2016 and 2018, reflect the principles of the Parking Plan, therefore it is felt that they are covered by the Equality Analysis relating to the Parking Plan.</p>	

### 3.6 Highways Maintenance (Saving - £0.150m in 2016/17 and £0.150m in 2017/18)

The revenue element of the highways budget funds day to day maintenance of the asset and reactive repairs. As a consequence of previous budget reductions only urgent reactive work is currently undertaken. It is proposed to reduce reactive activity further which will impact on: road and footway maintenance, guardrail and safety fence maintenance, road marking and emergency repair standards.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	✓
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: The proposal is based predominantly upon reducing the revenue funding for highways maintenance and mitigating the impact of this by taking a more focussed approach to the prioritisation of work in order to maintain service levels as much as possible within the constraints of the funding. Equality Analysis has identified that whilst all road and footpath users will be affected, there may be an increased likelihood of a negative impact on the elderly, very young, disabled, pregnant people and parents with pushchairs as the volume of maintenance and repairs decreases. The Impact of this however will be offset to a certain extent by maximising benefits derived from capital investment and schemes.	

### 3.7 Bereavement (Saving - £0.040m in 2016/17 and £0.150m in 2017/18)

The Bereavement Service will continue to contribute to council efficiencies through modest annual increases in the fees for burial and cremation and developing an improved range of options for memorialisation services available to residents to purchase. The future focus of the bereavement service will be around improving operational efficiency, income, and service to users.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	✓
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
<p>Additional Comment:</p> <p>Bereavement and Registration Fees have been Equality Analysed and although any cost increases will impact on everyone who uses the service, it has been deemed that there is a neutral impact as it does not have a disproportionate impact on any of the protected characteristic groups.</p> <p>Bereavement Services will continue to provide for Contract Funerals, with dedicated times established daily in the cremation and burial diaries to accommodate such requests. In order to alleviate the financial pressures of funerals, the Dignity group currently hold the Contract Funeral contract, and DWP will continue to make provision in the form of a bereavement payment to families who are deemed to be in hardship and qualify for the allowance.</p>	

**3.8 Security Services (Saving - £0.078m in 2016/17 and £0.094m in 2017/18)**

It is proposed that a range of security service commissioned activity will be stopped as follows:

Stop the park and cemetery gates opening and closing service - This would create an open park policy 24/7 and remove the park wardens at Barnes Park, Mowbray Park and the mobile service, whilst security requirements for events will be paid for by the organisers. Communities in the vicinity of parks will be given the option to open and close park gates if they consider it a priority.

Remove the subsidy of the Taxi Marshalling Service - This service was originally provided by Northumbria Police and was joint-funded with a contribution from the council. The Police have since withdrawn funding. The service currently operates Friday, Saturday & Monday nights between the hours of 23.00 - 05.00. The removal of Council subsidy would result in either the service stopping, or preferably, the required funding being made up by partners benefiting from it including taxi firms and licensed premises operators. The current contract has two years still to run, therefore, this would come into effect in mid-2017/18.

Rationalise CCTV and alarms panel monitoring - The City Alarm & Emergency Centre has increasingly supported a range of partner organisations as their funding has diminished. It is proposed to rationalise the number of CCTV cameras being monitored through dialogue with partners or transferring responsibility or costs back to them. The reduction would include Northumbria Police City Centre system, street cameras and would enable a reduction in staffing levels and / or removing certain shifts.

## Appendix C continued

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	✓1
Equality analysis is planned and a neutral impact is anticipated	✓3
Equality analysis is complete and a negative impact has been identified	✓2
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
<p>Additional Comment:</p> <p>1 Stopping the park gates opening and closing service and removing the park warden patrols will have a universal impact on all people who visit or pass through the Council's Parks. Past experience of removing the park warden patrols in Roker Park and Thomson Park in 2010 has revealed that there was no significant increase in incidents or anti-social behaviour. Security for Mowbray Park has already been reviewed and we have improved levels of security by installing 4G cctv cameras and columns whilst also improving sightlines by removing large areas of overgrown shrubbery. Consideration will be given to implementing a communication campaign on safety awareness, tailored to the needs of all visitors, whilst using the parks.</p> <p>2 All those who use taxi rank facilities in the City Centre will be affected by the withdrawal of the taxi marshal funding. However, incident logs demonstrate that the small amount of incidents reported largely involve incidents with young males. Therefore there may be a slightly larger impact on these groups. The views of partner organisations on the potential impact of removing the Taxi Marshall service in relation to the protected characteristic groupings will be sought in due course and mitigating actions will be considered if necessary.</p> <p>3 Prior to the removal of any cameras, a risk assessment will be undertaken which will take into account not only the number of incidents but also the demographics of the area.</p>	



### 3.9 Pest Control and Dog Warden Service (Saving - £0.060m in 2016/17)

Charges were introduced for pests other than rats in 2014/15. It is proposed that either charges will be applied for rats in 2016/17 to fully recover the cost of the service or the service will be stopped and residents would then be signposted to private providers.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	✓
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: The introduction of charges will have the same impact on all people who would use the service as it will be universally applied, therefore there is no disproportionate impact on any of the protected characteristic groups.	

### 3.10 Place Shaping - Cost Reduction through ASDM (No Saving in 2016/17 and £0.790m in 2017/18)

It is proposed that Place Shaping related services will transfer into an ASDM(s) which will allow it to trade in the private sector and beyond Sunderland's boundaries. In addition to increasing income, the creation of the ASDM(s) will assist in reducing future costs in these broad areas:

- Improved productivity – An element of employee ownership or interest is proven to lead to improved productivity, again resulting in a smaller overall workforce and reduction in non-staff related costs. These savings typically range between 1% to 5% of expenditure.
- Rationalised management and supervisory arrangements – The amalgamation of a broad range services from different parts of the current organisation into a single coherent Place Shaping service along with the contraction in scale of the services provided will promote a rationalisation of management and supervisory structures.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	✓
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment It is considered that an equality analysis is required as this efficiency will be achieved through the creation of a new delivery model for place shaping based services focussing on savings from improved productivity and staffing arrangements. The equality analysis will be carried out in late 2016 early 2017 when options for the composition of the ASDM(s) are clearer and can be considered alongside the make up of the workforce that would be TUPE transferring	

### 3.11 Place Shaping - Business growth through ASDM (Saving - £0.100m in 2016/17 and £0.100m in 2017/18)

By definition, ASDMs will be more commercially minded and will be focussed on growing the business beyond the core commission. Recognising that the Council transfer of assets such as staff and operational depots will be critical in actually forming the business, it is assumed in return that increased income generated by any new ASDM through business growth for the period up to 2020 will be passported back to the authority by way of a reduction in the value of the core commission.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: This efficiency is based upon increased income generation by delivering services to a wider range of customers therefore it is considered that no equality analysis is required.	

### 3.12 Highways, Transportation and Network Management (Saving - £0.150m in 2016/17 and £0.240m in 2017/18)

The focus is on maximising fee-earning whilst evaluating the impact and contribution of non-statutory and non-fee earning activity, principally in respect of road safety, and minimising the cost of this as far as possible. Although some road safety activity such as cycle / pedestrian training is part-funded by fees, not all costs are covered and these activities will be stopped.

Increased fee earning opportunities - Additional income will be generated through a more proactive approach to working with developers to support the design and delivery of highways improvements required by new planning permissions. The cost of statutory advertisements will be reduced and charges for permits will be increased.

Rationalise the School Crossing Patrol service - It is proposed to carry out a risk assessment on all crossing patrol sites to identify sites where existing traffic controls, e.g. pedestrian crossings, are sufficient to allow safe movement, or where the installation of such measures could reduce the need for school crossing patrols. Schools will be involved in the process.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	✓
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: Prior to any service reduction being implemented on a school crossing patrol, a risk assessment will be undertaken taking into account all relevant intelligence related to accidents involving children and other user groups.	

**3.13 Building Control (Saving - £0.100m in 2016/17 and £0.100m in 2017/18)**

Income will be increased through a more proactive approach to engaging developers at the pre-application stage in planning and expanding the geographical coverage of building control through partnership arrangements.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: This efficiency is based upon increased income generation by delivering services to a wider range of customers therefore it is considered that no equality analysis is required.	

### 3.14 Development Control (Saving - £0.100m in 2016/17 and £0.100m in 2017/18)

It is proposed to create a Major Development team (from existing staff) which will focus on attracting business via the pre-application process so that strategic and major developments within the City can be effectively project managed through the use of Planning Performance Agreements.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓
No Equality Analysis Required	✓
Additional Comment: This efficiency is based upon amalgamating various planning related functions together which will allow for efficiencies to be realised through workforce planning arrangements as well as increased income generation by delivering services to a wider range of customers therefore it is considered that no equality analysis is required.	

## Appendix C continued

### 3.15 Public Protection and Regulatory Services (Saving - £0.105m in 2016/17 and £0.090m in 2017/18)

Savings will be made through integrating the statutory housing environmental health and licensing functions into the broader public protection structure and embedding the housing renewal function into the new Planning and Regeneration service with a renewed focus on developing and delivering the broader housing strategy.

The service will focus on high risk \ priority work with lower risk \ priority work being undertaken on a reduced reactive basis. In general terms, the service will need to further concentrate on matters affecting broad sectors of the populace.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	✓
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
<p>Additional Comment:</p> <p>The saving arises from integrating the statutory housing environmental health and licensing functions into the broader public protection structure and embedding the housing renewal function into the new Planning and Regeneration service which will allow for a reduction in staff numbers. The reduction in staffing numbers will reduce the number of interventions, however this will be mitigated through the targeting of interventions on those areas of highest risk. The integration will however, increase the pool of people from a similar specialism which should assist in improving overall resilience of the service.</p> <p>The focus on a risk based approach will impact on all service users equally; therefore a neutral impact is envisaged.</p>	

## Appendix C continued

### 3.16 Asset Management (Saving - £0.050m in 2016/17 and £0.050m in 2017/18)

Savings will be realised via a review of the Council's statutory responsibility for asbestos management, electricity at work, water hygiene etc. as well as the Estates Surveying function which would be retained as part of potential overall package of services likely to benefit from commercial opportunities.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: This efficiency is based upon amalgamating various statutory and estates related functions together which will allow for increased income generation by delivering services to a wider range of customers therefore it is considered that no equality analysis is required.	



### 3.17 Miscellaneous Land and Property and Industrial Units Review Saving - £0.050m in 2016/17 and £0.050m in 2017/18)

A review of miscellaneous land and property and industrial units holdings, rents and leases will be undertaken to identify increased income opportunities and options for disposing of property that does not meet corporate priorities or provide an acceptable return.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: A review of holdings is currently being undertaken by CIPFA which will highlight where income opportunities exist in relation to miscellaneous land and property and industrial units. The saving will have no impact on protected characteristics therefore an equality analysis is not required.	

**3.18 Waste Disposal (Saving - £0.085m in 2016/17 and £0.311m in 2017/18)**

The cost of waste disposal will be reduced by encouraging the public to cut the amount of waste they produce and divert as much as possible into the blue recycling bin. This approach will use secured external funding to deliver a planned programme of targeted incentives and marketing. Recycling will be included in the trade waste offer.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: This saving relates to an on-going campaign in which the public are encouraged to separate out more of their waste for recycling than they have been doing previously therefore no equality analysis is required.	

## Appendix C continued

### 3.19 Registrars (Saving - £0.050m in 2016/17 and £0.050m in 2017/18)

Fees will be reviewed and increased in line with regional trends projected to be around 5% per annum.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	✓
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
<p>Additional Comment:</p> <p>Registration Fees have been Equality Analysed and although any cost increases will impact on everyone who uses the service, it has been deemed that there is a neutral impact as it does not have a disproportionate impact on any of the protected characteristic groups.</p> <p>Many of the fees and charges levied by the Registration Service are statutory fees determined by central government legislation. Fees for birth, death, marriage and civil partnership certified copy certificates are set by statute. Other statutory fees include the notice of marriage / civil partnership fee and the statutory marriage / civil partnership fee for Register Office ceremonies. Many customers who use the Registration Service require a statutory service, and are therefore charged accordingly. The proposed increases are on fees that are optional to customers, i.e. non statutory for which the customer can chose not to take up the offer.</p>	

**3.20 The Port (Saving - £0.100m in 2016/17 and £0.100m in 2017/18)**

The Port of Sunderland will improve its trading position through a combination of reduced operating costs and increases in income primed by investments made in port infrastructure and preparing sites within the estate for development.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The saving will be realised through improved trading at the Port therefore it is considered that no Equality Analysis is required as no protected characteristic groups will be affected.	

### 3.21 Street Lighting (No Saving in 2016/17 and £0.150m in 2017/18)

A programme of changing conventional lighting to LEDs in residential areas to reduce energy costs is programmed to start in 2015/16 and resulting savings are already accounted for. It is proposed to expand this approach to highways lighting in 2017/18, by which time it is judged that the cost of the technology for these large lamps will fall within the scope of capital invest to save.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	✓
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
<p>Additional Comment:</p> <p>The proposal is to replace approximately 48,000 lighting columns on highways with energy efficient LED lighting (22,000 for implementation on 2017/18) which will result in lower energy costs and lower carbon emissions. Residents and visitors to areas where the new lighting installed should be impacted upon positively as the new LED lighting actually provides a white light source with better night-time colour recognition and concentrates the light onto the road and footway where it is needed, with less light pollution into homes and gardens.</p> <p>Feedback from the initial pilot LED scheme in Farringdon has been very positive in relation to the impact and effect that the scheme has had in concentrating a better quality of light onto the road and footway. Conversely there was some very limited negative feedback relating to people that preferred the “benefits” of light pollution into their gardens and onto their property.</p>	

### 3.22 Business Investment, including International Development (Saving - £0.196m in 2016/17 and £0.176m in 2017/18)

It is proposed that the revenue grants provided to SMEs by reduced on the following phased basis: 25% in 2016/17, 25% in 2017/18 and 50% in 2018/19 in order to remove the £0.238m budget allocation by April 2019. The proposal excludes any changes to the revenue software grants budget which is needed as match-funding to support an ERDF application to fund Sunderland Software City.

The phasing should allow most existing commitments to be maintained and implementation of the reductions will be managed carefully to minimise impact on the businesses community. Wherever possible, an attempt is made to support companies to access other sources of funding including national and European funding sources.

The proposed savings also take account of continuing the excellent performance of the Evolve Business Centre, and further development of occupancy rates at Software Centre, with assumed occupancy of 55% through 2016/17, 70% through 2017/18, 80% through 2018/19 and 90% through 2019/20.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	✓
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: The proposal relates to a reduction in the financial incentives scheme budget and the introduction of income targets at Evolve and the Software Centre. Equality Analysis has been undertaken in relation to the proposal and it is felt that there will be a negative impact on males between the age of 25-49 who make up 61% of the grant beneficiaries where details have been provided. We will continue to develop a more focused financial incentives offer, directed at stimulating growth and job creation in agreed priority sectors, including strengthening links to support city businesses in accessing other funding opportunities. We will also look at opportunities to identify appropriate external funding which can assist the Council in providing financial support to businesses. We will strengthen relationships with colleagues internally and externally to maximise the potential for all Sunderland residents to be able to take up job opportunities that are created.	

### 3.23 Fleet (Saving - £0.150m in 2016/17 and £0.250m in 2017/18)

The Fleet and Transport review will continue to capture further efficiencies as the council reduces in size over the next 5 years. Fleet will work with other areas to maximise vehicle reductions as part of planned service reconfigurations.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The Transport and Fleet Review proposes a continuation of the rationalisation of the number of vehicles the Council operates, by ensuring that excess vehicle capacity is eradicated. Fleet is a support service and any reduction in vehicles is generated by changes in service areas across the Council and it is at these points that service areas would consider the equality impacts of their proposals. Where directorates come up with specific proposals which could impact on service users or staff, these will be subject to a further Equality Analysis at the appropriate time.	

**4. Peoples (Adults) (Saving £5.981m 2016/17 and £7.838m 2017/18)**

**4.1 Full Year Impact of previous year's decisions (Saving - £0.553m 2016/17)**

As part of the 2015/16 budget proposals a number of proposals were agreed that delivered efficiencies over a longer period. These included the implementation of the LATC 2 Business Plan through service review.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: Equality analysis has previously been undertaken	



## 4.2 Adults Social Care – Older Persons (Cost £0.336m 2016/17 and Saving £0.289m 2017/18)

Support for Older People – An annual reduction of 4% in the use of residential care to reflect more appropriate accommodation and support independence and choice. This will be supported by extra investment and better targeting of accommodation in Extra Care as an alternative. In total a net saving of £1.464m by 2020 will be achieved.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	✓
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: The reduction in the use of residential care will occur naturally as more service users are better supported within Extra Care (semi-independent living). No existing residents of residential care homes will be required to move out of residential care as a result of this initiative and new customers will continue to be able to access residential care if this is agreed as being the best way to support their assessed care needs. Through carrying out assessment and better aligning need with intelligence there should be no negative impacts.	

### 4.3 Support for Vulnerable Clients – Home Care (£0.447m saving 2016/17 and £0.424m saving 2017/18)

5% reduction in each of the next 2 years by working more flexibly with providers to commission support focused on outcomes as opposed to tasks.

Plans are in place to support them to work more flexibly in meeting client outcomes within a locality. This will include more discussion with clients as to how they would wish support to be delivered in meeting outcomes and needs and will allow providers to plan their support more effectively, thereby delivering savings on block contracts.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	✓
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: Plan is to re-model service offer but to still meet needs of eligible clients in line with the requirements of the Care Act. It is anticipated that, overall, the impact of the proposal will be neutral but it may vary depending on the individual clients. For example, some clients may experience a positive impact through a more flexible and targeted approach but until we have a better understanding of how the commissioned services will meet individual needs, we can't fully assess the impacts.	

#### 4.4 Reablement at Home (£0.200 saving 2016/17)

Review and reduction of hourly rate paid to Sunderland Care and Support for delivery of this service.

There will be a review of how the current service is delivered including consideration of the outcomes achieved. The current cost of this service is higher than benchmark comparisons and higher than the cost for other services delivered by SCAS and this will be addressed.

##### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: Unit cost issue with contracted provider. No impact on service users	

#### 4.5 Community Equipment Service (Saving - £0.200m in 2016/17 and £0.200m in 2017/18)

A full review of the Equipment Service will be undertaken with the intention of providing a more effective and efficient service, particularly for smaller equipment. This will involve better signposting and opportunities to purchase equipment directly thereby removing delay caused by the need for an eligibility assessment.

##### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	✓
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment:  RPIW event planned for February to look at model of service. This may result in restrictions to certain items of equipment and moving to a retail model. Although people will still get the small equipment they need based on assessment, they may get equipment sooner if they choose to buy it (positive impact) but they may also pay for equipment that they could have received for free if they had waited for an assessment (negative impact). To get a full understanding of the impact, equipment data will be examined to understand for example, who had made requests, the equipment provided and the number of assessments that resulted in no further action.	

**4.6 Adults with Learning Disabilities and Physical Disabilities – Support for those living in Residential Care and those receiving short breaks (Saving - £0.451m in 2016/17 and £0.292m in 2017/18)**

Residential Provision currently registered as care homes will be de-registered. This will support the independence of residents and allow them to claim housing benefit to contribute to the rent costs of their accommodation.

Support for those receiving full-time residential care will be reviewed to ensure there is no duplication of provision.

Opportunities to reduce the average number of short break nights individuals living in the community receive will be considered as appropriate

**Equality Analysis**

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	✓
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
<p>Additional Comment:</p> <p>The changes relate mainly to services provided to people with learning disabilities.</p> <p>The deregistrations programme is already underway and impact is positive. This is due to individuals gaining greater tenancy rights and more independence.</p> <p>Duplication for support in full-time residential care can occur when the council pays for a client to be in residential care and then pays again for the client to access day services. This should be something that the residential care provider offers, There is a potential negative impact if the residential care provider doesn't offer the same quality of access to day services. This will be looked at on an individual basis to ensure impacts are understood.</p> <p>There is a large difference in numbers of short break nights provided for individuals to allow that carers use for respite. This will be assessed on an individual basis to make sure the breaks are aimed at meeting the carers' needs. If this review results in less respite days being awarded, because they were being used to support the individual's enjoyment, as opposed to meeting the needs of the carer, there is a possible negative effect for the individual.</p>	

#### 4.7 Adults with Learning Disabilities and Physical Disabilities - Review of Day Care opportunities (Saving - £1.500m in 2016/17 and £1.041m in 2017/18)

An increasing number of clients are seeking alternatives to building based day care and opportunities to increase the availability of such provision will be pursued. This will lead to a reduction in existing building based provision.

##### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	✓
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: The changes relate mainly to services provided to people with learning disabilities. Current council commissioned day care activities tend to be building based. If activities tailored to the individual are more frequently provided, this will have a positive impact on people with learning disabilities. However, there are possible negative impacts if this results in a reduction of building based provision and some clients still want to access that provision	

#### 4.8 Adults with Learning Disabilities and Physical Disabilities – Sunderland Care and Support (Saving - £1.000m in 2016/17)

The unit costs of delivery for this client group are higher than for other client groups and those paid to some other providers locally and regionally. Opportunities to reduce the cost of this provision will be implemented.

##### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: Currently looking at staffing structures and unit costs to meet reduction targets within SCSL. Figures and plans will be updated following outcome of workforce transformation project.	

#### 4.9 Review of Staff Requirement in Adult Social Care – (No Saving 2016/17 and £0.250m in 2017/18)

Review of staffing structures and requirements in the light of reductions undertaken.

##### Equality Analysis

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

#### 4.10 Review of Grant Funding to VCS – (Saving - £0.200m in 2016/17)

All grant funding will be reviewed to ensure that those organisations receiving support are delivering a service which supports the achievement of agreed outcomes.

##### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	✓
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment:	
Scoping of review to start in January 2016.	



#### 4.11 All client groups - Demand Pressure to be contained within base budget (Saving - £0.554m in 2016/17)

Financial planning takes account of demand pressures in Adult Social Care. This is estimated to require a budget increase of up to an additional £3m per annum. By implementing the proposed reductions, an element of this financial pressure will be absorbed.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: Demand pressures will be managed through greater use of universal community support, provision of reablement support to maximise people's independence, support to carers and ensuring appropriate levels of support for any on-going care needs. The impacts of this way of working are reflected in other proposals. If demand increases in the future, alternatives will be considered and an Equality Analysis will be completed.	

## Appendix C continued

### 4.12 Culture and Activity – Development of a Cultural Offer for the City (Saving - £0.987m in 2016/17 and £2.598m in 2017/18)

The cultural offer which includes museums, arts, heritage and libraries as well as other activities will be combined to deliver efficiencies but retain the most appropriate offer for the City which can be offered in partnership with other organisations.

Currently the Council provides financial support to a range of organisations and the basis for and value received from, these arrangements varies and needs review. The review will seek to minimise any future contribution and maximise value from the arrangements, whilst recognising any legal and contractual arrangements.

The Active Sunderland Strategy is in place, and will link to the Leisure JV arrangements and opportunities to build on this approach. The role within the LA will consist of an “intelligent commissioner” with a limited increase in commissioning and contract management arrangements in order to deliver this reduction. External Funding will be sought to ensure continuation of certain activities.

With regard to Sunderland Museums pending consideration of future service delivery options, it is proposed that additional activity to reduce costs is implemented, including a review of opening times and charging for more exhibitions. Any change to delivery model including partnership working will be brought forward as appropriate.

Review of the Library service to reflect actual costs incurred pending further future efficiencies as part of the cultural offer.

The Empire Theatre receives a financial contribution from the Council with the current agreement until 2029 and discussions are progressing with ATG to remove the subsidy and deliver additional benefits.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	✓ (16/17)
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	✓ (17/18)
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓ 1
No Equality Analysis Required	
Additional Comment 1 – some of the savings will come from staffing changes 16/17 proposals are being met largely through removal of subsidies to a number of services. It is not anticipated that this will have a disproportionate impact on any particular group. 17/18 proposals may have a larger range of impacts but more work is needed to understand what these will be, Equality Analysis will be completed at the appropriate time.	

## Appendix C continued

### 4.13 Housing Related Support Review — (No Saving in 2016/17 and £2.539m in 2017/18)

A review will commence in 2016/17 with the intention to cease contracts from July 2017 recognising that a change in emphasis onto prevention as well as improving integrated approaches to working with vulnerable service users will need to continue.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	✓
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment As work is further developed the equality considerations for 17/18 will be considered.	

## Appendix C continued

### 4.14 Review of Specialist Advice Function — (Saving £0.225m in 2016/17 and £0.205m in 2017/18)

The review will include a reduction in first tier provision by increased self-serve and supported self-serve, a review of management and staffing across the service and move to an alternative delivery model.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	✓
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment	
Review has now been scoped and Equality Analysis is planned.	

## Appendix C continued

### 5 People (Children's) Proposals for Reductions (Saving £2.703m 2016/17 and £3.180m 2017/18)

#### 5.1 Children Remaining with Families (Saving - £1.000m in 2016/17 and £0.317m in 2017/18)

As part of the 2015/16 budget proposals a number of proposals were agreed that delivered efficiencies over a longer period. These include the move to more integrated delivery of support from Early Help to statutory intervention services. These continue to be progressed where appropriate, although the timescale has been delayed to allow a focus on improving child protection services.

Delivery will be linked to the Early Help Strategy that describes a tiered response to meeting need and sets out guidance on thresholds for access to the tiers of support. The proposal will take advantage of opportunities linked to commissioning of health visitor services. The new offer will commence from September 2017 at the latest. One-off funding of £1m from Troubled Families Grant is to be used in 2016/17.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	✓
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: A new model will mean a more streamlined delivery with continuous and seamless transfer between services which will have a positive impact on service users. The service will retain a range of support from universal delivery through to specialist support and will therefore be equally accessible to all for universal provision. However some existing and future service users could be affected if, as expected, there is a reduction in the scale of the service and the service becomes more targeted to need (this may include some people becoming non-eligible for the service and/or experiencing longer waits to be seen.)	

## 5.2 Looked After Strategy – Review and reduce the number of children in the care of the Local Authority (Saving - £1.427m in 2016/17 and £2.003m in 2017/18)

Plans are in place to review, develop and implement a more localised offer to respond to both the increases in older children and the number of external placements. A root and branch review will be carried out of our needs, the existing options that exist with an emphasis on developing a more local offer that meets the diverse needs that are presented. The review will involve engaging with staff and children and also looking at best practice elsewhere.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	✓
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: The review will develop and implement a more localised offer to respond to both the increases in older children and the number of external placements. If the number of looked after children can be reduced it is likely that those children will also have better outcomes. It is also positive if children who are looked after can be looked after more locally. Work will be done to analyse data in relation to looked after children and their families to further determine impacts.	

### 5.3 Services for Disabled children – Review of delivery and staffing (Saving - £0.150m in 2016/17 and £0.300m in 2017/18)

Review short break support including transferring Sea View Road to the management of SCAS and explore the benefits of collaboration with key partners. Redesign current service offer and explore alternative delivery model alongside possible options for the wider children's services social care.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	✓
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: An existing example of transferring management of respite care to LATC has not demonstrated any negative impacts. More work is needed to analyse the impact of further proposals.	

#### 5.4 Youth Provision – Review of provision and commissioned contracts (No Saving in 2016/17, £0.560m in 2017/18)

A full review of the Youth Offer commenced in 2015/16 seeking to take advantage of partnership opportunities and delivery by VCS and other organisations.

##### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	✓
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: Whilst the review will consider the fundamental questions of what outcomes we are seeking to achieve from youth delivery and determine the most appropriate way to achieve the outcomes, this particular efficiency impacts on existing delivery pending the review with reduced funding and required outcomes from current contracted delivery. There may be a risk to continued delivery by some organisations and a reduction in provision. Data will be analysed to better understand the detailed impacts.	



## 5.5 Review of School Improvement Service – (Saving - £0.100m in 2016/17)

Review the service in light of the greater autonomy of schools and to broker effective partnerships between schools to effect school improvement. Income will be maximised through provision of training courses provided to schools and academies.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: Schools will have the same responsibilities to comply with in relation to provision of training,. This proposal means schools will have to identify an alternative training provider.	

## 5.6 Derwent Hill – Deliver Break-Even (Saving - £0.026m in 2016/17)

Review of delivery model, costs and maximisation of income opportunities to deliver at least a break-even position.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	✓
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore equality implications will be considered as part of Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: Achieving a break even position through maximising income will not impact upon the accessibility of the service for children and young people	

## Equality and the Budget Proposals

### 1 Equality in Decision Making

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

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

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

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

### 2 How equality analysis has fed into the budget-setting process

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

### 3 Consultation

- 3.1 The city-wide Equality Forums were invited to area based events, and then encouraged to complete the questionnaire. The Equality Forums cover a range of protected characteristics including disability, sexuality, faith and belief, race and age. Although we did have some respondents from these groups, unfortunately numbers are too small to break down the results by characteristic and draw any clear conclusions.

### 4 Key Messages

- 4.1 Individual proposals for additional savings are currently at different stages of equality analysis depending on the stage of the development of the proposal. The equality considerations can be summarised as follows:
- Equality Analysis, whether complete or at initial consideration, has identified or anticipated positive impacts.

- Equality Analysis, whether complete or at initial consideration, has identified or anticipated negative impacts. Where negative impacts are identified, it is the responsibility of the services to minimise these as far as possible. Some proposals have already identified possible ways to mitigate against potential impacts.
- No impacts have been identified or are anticipated.
- The proposal has potential employment impacts, or the saving will be partially made from staffing changes. Where there are impacts for the Council as an employer, equality considerations will be made as part of the Workforce Planning Project.
- No equality analysis is needed. This is generally where the proposal will have no impact on service users / employees or where the proposal is focused on income generation.

The summary of impacts by area, is outlined below.

	Other Proposals	Central	Place and Economy	People - Adults	People – Children's
Positive impact identified or anticipated	0	0	1	0	1
Negative impact identified or anticipated Note 1	0	0	5	0	1
Neutral impact identified or anticipated	1	0	9	4	1
Both positive and negative impacts identified or anticipated Note 1	1	0	0	6	2
Employee implications	11	0	3	3	1
No Equality Analysis needed	5	5	12	3	1
	<b>18</b>	<b>5</b>	<b>30</b>	<b>16</b>	<b>7</b>

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

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

## 4.2 Other Proposals

There are a total of fourteen 'Other' proposals, five of which had more than one aspect to consider in relation to equality. Of the fourteen proposals, the largest impact is clearly on employees (eleven proposals). Employee equality implications will be assessed by ensuring fair and lawful HR processes are followed, that do not result in any discrimination on the grounds of any protected characteristics. If additional service based implications arise through re-design, equality analyses will be completed. One proposal identifies a neutral impact because the service (HR & OD) will be delivered through a new model. One proposal acknowledges that changes to funding and the way work is delivered may have both positive and negative impacts. Two proposals don't need an equality analysis and a further three proposals have additional elements that are not judged as needing equality analysis.

### 4.3 Central Proposals

There are a total of five 'central' proposals. None of these need an equality analysis because there will be no change to service provision or the workforce.

### 4.4 Place and Economy Proposals

There are a total of twenty-three place and economy proposals with thirty judgements of equality impact. Three have staffing impacts, which will be addressed as outlined in 4.2 above. Twenty-one of the proposals either don't require equality analysis or have (or are expected to have) a neutral impact. Only one proposal has a positive impact because it is designed within the principles of the parking strategy which aims to increase road safety and accessibility. Five remaining proposals have (or are expected to have) negative impacts. Two of these have the potential to negatively impact on people who are less mobile or who use pushchairs (responsive local services and highway maintenance), two are expected to impact on males (removal of taxi marshals and review of business investment) and one could impact on children (school crossing patrols). In all instances, work is already underway to consider how impacts can be mitigated, or in the case of the school crossing patrols, individual assessments will ensure impacts are kept to a minimum.

### 4.5 People (Adults) Proposals

There are fourteen 'Adults' proposals with sixteen judgements. An equality analysis was not considered necessary for three of the proposals, and a neutral impact judgement was made for another four. For those where an impact was identified or anticipated, three related to workforce issues (and will be dealt with as outlined in 4.2) and six identified the potential for both positive and negative impacts. In some cases, this was because the impact would vary according to individual circumstances and preferences. In other cases more work is needed to understand what the impacts will be but it is likely, given the client group, that both negative and positive impacts will be identified. In all cases, either more work will be done to understand the impacts, or more work will be done on an individual level to mitigate against impacts.

### 4.6 People (Children) Proposals

There are six 'Children' proposals. One doesn't need an equality analysis and one has a neutral assessment. One proposal will see positive impacts on looked after children whilst one will see a negative impact on young people due to a reduction to current contracted youth delivery. Two proposals will potentially have both positive and negative impacts, in one case, more work is needed to understand what this might be, and in the other (children remaining with families) there is a recognition that the service may see a reduction in scale and the service could become more targeted to need (this may include some people becoming non-eligible for the service and/or experiencing longer waits to be seen). However, duplication will be removed to have a positive impact on families who have been dealing with multiple agencies in the past. This proposal also has additional staffing implications (and will be dealt with as outlined in 4.2).

## **5. CONCLUSIONS**

- 5.1 The Council continues to seek to meet its obligations in relation to equality and diversity and has procedures in place at both a general and budget specific level to incorporate equality and diversity issues into decision making processes and the assessment of proposals.
- 5.2 Where analysis does highlight some equality implications, services and directorates will be responsible for assessing how these can be mitigated during the development of the detailed proposals. Where a proposal includes a review of services a full and/or updated version of equality analysis will be undertaken and presented to decision makers as proposals are shaped.

### Budget Consultation Results

#### 1. Introduction

The budget consultation for 2016/2017 was undertaken within the context of further public spending reductions and the need for the Council to potentially achieve £110m of savings by 2020 with at least an additional £40 million of savings required for 2016/2017 at that time. The budget consultation process therefore had the following objectives:

- To improve people's knowledge and understanding of the £207m savings achieved since 2010 through the Council's improvement programme and of the future budget challenge facing the council
- To gain people's views on the acceptability of different approaches to providing Council services in the future
- To gain people's views on which priorities are most important to them in the light of the limited funding the Council will have left
- To explore views on what the Council is doing/planning to do, what else it can do to meet the budget challenge and areas for improvement.

#### 2. Background

The annual budget consultation took place during November/December 2015, comprising of stakeholder consultations a survey and workshops.

Presentations on the financial context of the budget and the councils approach to meeting the challenge were made to a range of stakeholder groups in accordance with the approach to budget consultation agreed by Cabinet in October 2015, and feedback was noted.

The following stakeholder groups were also consulted:

- Trade Unions
- North East Chamber of Commerce
- Children's Trust Advisory Network
- Schools Forum, Governors and Head Teachers.

In addition, residents employees and workshop participants were invited to take part in a self-completion survey to ascertain their views on the issues set out in section 1 above. The survey was available in a paper and online format and promoted to the general public through a range of methods as follows:

- The Council's consultation web portal
- Advertising and availability of paper surveys in libraries; completed surveys could be returned via the libraries too
- Area events, with invites sent to existing networks including Equality Forums
- The Council website (the page was viewed 557 times)
- A front page article in the Sunderland Echo and coverage in the Journal, Chronicle website and Sun FM website
- The Leader of the Council's Facebook blog
- A number of tweets through Twitter.

The survey was also promoted to Council employees, through manager's briefings, Workwise Bitesize, the Hub and pop-ups.

To supplement the survey and maximise engagement in the budget consultation process, area based workshops were held using established area arrangements in the five areas of the city. The events were open to local residents, VCS and other stakeholders, and an additional workshop was held with the Children's Trust Advisory Network. There were three main objectives to the workshops:

- Increase the number of survey responses.
- Increase the number of registrations on the Council's consultation web portal (and therefore enable us to re-engage with the participants in the future).
- Raise awareness of the budget setting process.

### **3. The survey**

A total of 444 respondents completed. This was an increase on the number of respondents last year, suggesting the range of methods used reached a wider audience.

### **4. Workshops**

Area based workshops were held with residents and representatives from the VCS.

The workshops comprised:

- An overview on the financial context for the 2016/2017 budget and the outlook through to 2020, as well as the Council's approach to budget reductions over the last 5 years
- Topic discussions covering the proposed approaches to meeting the challenge were facilitated by Council officers on:
  - Services that maintain and improve where you live
  - Services provided for adults, children and families.

A total of 55 participants including representatives from the VCS, participated in the workshops. The topic discussions provided participants with an opportunity to speak directly with Heads of Service and express their views on current activity and proposals for securing future savings.

A further workshop took place with the Children's Trust Advisory Network (CTAN), in order to get insight into the views of the city's young people.

### **5. The findings**

Findings of the survey and discussions at the workshops are summarised below. In general the survey respondents provided feedback to each question that strongly identified the direction of travel they felt the Council should take. At the workshops there was an appreciation of the difficult financial situation the Council faces and the challenges ahead. Attendees also identified the need for continued community participation and partner engagement in making savings.



In the context of the significant and on-going budget challenge faced by the Council, the survey asked respondents to consider a range of services provided by the Council, specifically place based services that maintain and improve where residents live and also services provided for adults, children and families. Respondents were asked to choose alternative ways of providing and funding services from a range of multiple choice answers, as well as providing their own views. They were also asked to suggest ways in which residents themselves could help reduce demand on Council services as well as what the Council could do differently to support residents to help themselves.

## **5.1 Broad approach to Council service delivery**

In order to get an understanding of how survey respondents feel generally about how the Council should approach future service delivery, they were asked to identify a preferred service delivery method from a range of options provided.

The acceptability of different options is shown in the table below.

<b>Options</b>	<b>Total %</b>
Deliver services for less cost	55.86%
Ask people to do more for themselves	24.55%
Increase the use of volunteers	8.78%
Find ways to cut quality and quantity of services	6.53%
No Response	4.28%

The table shows that over half of respondents most preferred option is for services to be 'delivered for less cost', with around half again feeling that 'asking people to do more for themselves' was a good idea. There was a significantly lower preference for the remaining options.

In relation to delivering services for less cost we have entered into the Leisure Joint Venture arrangements which ensure leisure facilities are in place but at little or no cost to the Council, as well as introducing a community library provision which has ensured access to library services are available at a reduced cost. Similar opportunities across other services are currently being considered.

Respondents were also asked to suggest their own ideas about how services could be provided in future. The most frequently occurring ideas put forward are:

- More efficient working procedures / not use consultants
- Reduce staff and / or salaries
- Reduce hospitality, expenses and allowances for Councillors
- Encourage residents / businesses to participate in the upkeep of their area and help neighbours
- Reduce the number of councillors.

## How are we responding?

While significant reductions have been delivered in support services and back office costs and staff numbers over the last few years, the savings proposals set out at Appendix C1 include further rationalisation and reconfiguration planned during 2016/2017 and 2017/2018 which will further reduce costs and staff numbers.

### 5.1.1 Services provided for adults, children and families

From a list of options survey respondents were asked to prioritise how these services could be provided in future. The acceptability of different options for these services is shown in the table below.

Options	Facilities and activities for children and young people	Support to vulnerable children and families	Support to vulnerable adults and older people
Further target preventative work to people who would most benefit	18.88%	23.23%	20.89%
Deliver more services locally	18.39%	16.71%	17.64%
Look to join up with other services (e.g. Health)	24.88%	28.42%	27.86%
Try to get others to deliver the help and services people need	17.33%	11.61%	13.37%
Make sure that those who deliver services on our behalf give more people more say over the support they receive	17.62%	17.37%	17.73%
No response	2.90%	2.66%	2.51%

The option of 'look to join up with other services' is clearly the most preferred option by respondents for all services. Both 'Support to vulnerable adults and older people' and 'Support to vulnerable children and families', have a clear second preference which is to 'Further target preventative work to people who would most benefit'. 'Try to get others to deliver the help and services people need' is the least preferred option from respondents for all services.

In the workshops, CTAN discussed charging for home to school transport services and ability to pay. The cost effectiveness of school transport was also referred to in the area workshops. At the area workshops, social care and services for older people and children were felt to be a priority, however it was highlighted that some people were provided with an intensive level of resource where this might be required. In relation to the new Community Integrated Teams, while these were considered to be working well from a provider perspective, we needed ensure this was also the case for service users.

In the context of the Council delivering services differently, such as the leisure partnership with Everyone Active and delivering library services through community venues, respondents were asked to choose their preferred method of providing three types of service. The table below shows that opinion is, broadly, evenly split across the three suggested options. 'Look at ways to deliver the service in the community' was marginally the most preferred option from respondents for 'encouraging people to be active' and 'Libraries'. 'Increase the use of volunteers' was the most preferred appropriate option from respondents for 'Arts and Museums'.

Options	Identify a partner to deliver the service for less cost	Look at ways to deliver the service in the community	Increase the use of volunteers	No response
Encouraging people to be more active	31.55%	34.73%	29.67%	4.05%
Arts and Museum	31.47%	27.69%	37.52%	3.32%
Libraries	25.51%	37.10%	34.02%	3.37%

Respondents were also asked to provide their own ideas about how money could be saved in these service areas. The most frequently occurring ideas put forward are:

- Greater voluntary sector role/volunteering
- Encourage greater community and individual resilience/ responsibility/ involvement.

At their workshop CTAN highlighted the Council's bid to be the City of Culture and the need to ensure a cost efficient approach is taken.

#### **How are we responding?**

- In line with the preference expressed of joining up with other services, the Council has recently moved its Adult Social Care staff into localities working alongside other health professionals. Also, alongside its health and other partners, the Council is exploring closer integration and delivery of services for older people, people with physical disabilities and those with mental health and learning disabilities. This should lead to services being delivered by a single provider rather than different providers giving simpler access to services and meaning individuals come into contact with fewer different professionals. A national scheme is in place known as Vanguard which aims to accelerate models of integration at a local level. Sunderland is one of the national vanguard sites and this is supporting and promoting greater integration of service delivery. New arrangements should be in place during 2016 and the effectiveness of all arrangements will be reviewed, including from a service user perspective.
- Through consultation it was suggested that some individuals are receiving support which isn't required. The support for all individuals is currently being reviewed in line with the requirements of the Care Act. This full review will be completed early in 2016/17.
- Interest was expressed in school transport in a number of consultation forums. The Council has already made changes to the types of school

transport which receive financial support. A further review is underway and should conclude during 2016/17. This will influence the cost and delivery of the remaining statutory transport provision.

- There is recognition that the services supporting vulnerable adults and children remain a priority and the Council is continuing to improve the targeting of services to those who need them most. Alongside this there is also recognition of the wider benefits offered by other services which may be described as “cultural” services including libraries, arts, museums and a more active community. Opportunities to influence the increased availability of these services are being considered and these take account of the views expressed in both working with partners to deliver the services at less cost to the Council and participants, and encouraging more community involvement in delivery.

### 5.1.2 Services that maintain and improve where you live

From a list of options survey respondents were asked to prioritise how a range of environmental services could be provided in future. The acceptability of different options for these services is shown in the tables below.

Options	Reduce Frequency or standard of service provided	Get someone else to deliver the service for less cost	Introduce/ Increase charges	Increase the use of volunteers	No response
Neighbourhood Services - e.g. litter picking, graffiti removal, bulb planting	15.87%	35.79%	10.68%	35.50%	2.16%
Grounds maintenance of parks, open spaces and sports pitches	16.33%	36.30%	11.52%	32.94%	2.91%
Car parking	19.53%	39.84%	33.33%	N/A	7.3%
Environmental protection services including environmental health, trading standards and pest control	14.97%	43.71%	32.73%	N/A	8.59%
Registrars and Cemetery and Crematoria Services	11.92%	36.97%	41.82%	N/A	9.29%
Refuse collection	48.02%	45.53%	N/A	N/A	6.45%
Blue bin recycling services	40.52%	50.86%	N/A	N/A	8.62%
Maintenance of roads, pavements and cycleways	21.10%	67.69%	N/A	N/A	11.21%
Street cleaning	26.51%	63.36%	N/A	N/A	10.13%
Street lighting	30.65%	58.91%	N/A	N/A	10.44%

The above table suggests respondents prefer that:

- Both neighbourhood and grounds maintenance services should be provided by either 'increasing the use of volunteers' or by 'getting someone else to deliver the service for less cost'
- Both environmental protection services and car parking should be 'delivered by someone else at less cost', though a sizeable percentage of respondents felt that 'introducing / increasing charges' was a good option
- Registrars, Cemetery and Crematoria Services should 'introduce / increase charges', though this was closely followed by 'getting someone else to deliver the service for less cost'
- Refuse collection should have a 'reduced frequency or standard of service', though this was closely followed by a preference for 'someone else to deliver the service for less cost'
- Blue bin recycling should be 'provided by someone else for less cost', though a sizeable percentage of respondents preferred a 'reduced frequency or standard of service'
- Maintenance of roads, pavements and cycle-ways, street cleaning, and street lighting, should be provided by 'someone else for less cost'.

Respondents were also asked to provide their own ideas about how these services could be provided in future. The most frequently occurring ideas put forward are:

- Cut wages, expenses, management, back office working, number of Councillors
- Reduce the frequency of the green bin collection
- Encourage residents to do more and give them more influence (including offenders / unemployed)
- Increase the size of the recycling bin and provide more recycling facilities.

There was little discussion about these issues at the workshops (feedback about bins is provided later), though discussions did highlight car parking in the city centre was becoming an issue with city centre workers and commuters parking in residential areas. It was suggested that Sunderland should have a Park and Ride scheme.

In a second question about environmental services survey respondents were asked about specific services they would prefer, from the list provided, to be reduced. Based on respondents first choices the table below shows a strong preference to 'reduce the number of flower beds', 'to ask people to do more themselves' and for 'the grass on open spaces and/or in parks to be cut less often'. There was a significantly lower preference for the remaining options.

Option	Total %
Reduce the number of flower beds	31.98%
Ask people to do more themselves	27.93%
Cut the grass on open spaces and/or in parks less often	24.32%
Reduce the number of formal parks and/or sports pitches provided	6.98%
Collect litter less often	2.48%

Take longer to clear up fly tipping	0.90%
No response	5.41%

Respondents were also asked to provide their own ideas about how these services could be provided in future. The most frequently occurring ideas put forward are:

- Enforcing (tougher) penalties for fly tipping and litter dropping
- Neighbourhood and community groups to provide a solution to cuts
- Using offenders groups to undertake community work i.e. litter picking, graffiti clearing
- Replacing flower beds with wild flowers to attract wildlife.

In a further question about environmental services, survey respondents were asked for their views about the frequency of (green bin) refuse collections in the context that weekly collections will no longer be affordable once the government grant ends in March 2017.

The acceptability of different options for refuse collection services is shown in the table below. This shows that from the options provided there is an overwhelming preference from respondents for refuse to be collected fortnightly. There were extremely low preferences from respondents for the options of collecting refuse every four weeks and collecting refuse every three weeks.

<b>Options</b>	<b>Total %</b>
Collect refuse fortnightly	80.63%
Collect refuse every four weeks	8.78%
Collect refuse every three weeks	5.86%
No response	4.73%

Respondents were also asked to provide their own ideas about how refuse collection could be provided in future. The most frequently occurring ideas put forward are:

- Educate and encourage recycling and composting
- Provide bigger bins
- More accessible refuse points (recycling and refuse).

There was a good deal of feedback from the area workshops and CTAN about bin collections. Both expressed concern about the potential for increased fly tipping (leading to increased costs) and both felt that consideration should be given to providing additional or bigger bins to larger families. In general it was felt that encouraging a culture shift through education would be a key driver to a successful move to fortnightly collections e.g. recycling tips and how best to pack the bins. At the area workshops it was suggested that up-cycling should be encouraged, as well as community pride and responsibility for neighbourhood cleanliness, including through school and youth groups (for example, there are currently 20 litter pick groups in Washington but they need support).

### **How are we responding?**

- The Council intends to set up Alternative Service Delivery Models (where services are commissioned by, but not directly delivered by the Council) for place management services. This reflects the strong preference for 'get someone else to deliver the service for less cost'. This is likely to take the form of an arms length Local Authority Trading Company in 2016, but with all options being evaluated thereafter.
- Charges for registration and bereavement services will be increased by 5% per annum, again in line with the broad preference expressed. The charges will remain comparable or better than most other Council's in the region.
- The reshaping of local environmental services in line with budget reductions will take account of the preference to reduce flower beds and maintain parks over reducing core cleansing and fly tip removals. More spaces will be changed from being formally maintained to those that support wildlife.
- We will place greater emphasis on supporting existing, and establishing new community groups to take more responsibility for maintaining local neighbourhoods and green spaces. The Council already accesses restorative justice to undertake some activities and greater use of this will be explored with the appropriate agencies.
- Reflecting the preference for increased car parking charges, these will be reviewed annually with average annual increases anticipated around 10p per hour. Opportunities to provide new car parks and on street parking where charges apply will be identified and charging for existing car parks which are currently free will be considered.

- Faced with the grant for weekly refuse collections ending in March 2017 and the strong preference expressed for fortnightly collections to deal with this, during 2016 we will plan and consult upon the introduction of an alternate weekly collection service (refuse one week, recycling the other). Specifically in respect of recycling we intend to complement the current scheme promoting recycling across the City by funding community groups in each Area to develop incentive schemes tailored to local communities to increase participation in recycling.

### **5.1.3 How local people can help reduce Council costs?**

Survey respondents were posed a further two questions that examined what local people could do to help reduce Council costs.

Survey respondents were provided with some examples of how local people could help reduce demand for services which would then reduce council costs. They were then asked to suggest other ways in which their family or community could help to make a difference, with the most frequently occurring ideas put forward being:

- Reduce / Reuse / Recycle, with the Council providing more bins and enabling more community recycling
- Penalise those people that don't Reduce / Reuse / Recycle
- Look after local area (e.g. litter picking, bulb planting, grass cutting).

At the area workshops there were a number of discussions about using volunteers as a resource that could help reduce the impact of the cuts. It was felt that volunteers could be a viable alternative in some instances but that they should not be used as a substitute for professional services; the Council should build on the existing volunteer movement in the city; a supporting infrastructure was needed and the cost of this needed to be clarified.

Survey respondents were asked for examples of what the council or others in the city could do differently to support individuals, families and local communities to help themselves. The most frequently occurring ideas put forward are:

- Provide better information
- Improve recycling / refuse / litter collection
- Support greater community resilience
- Promote volunteering opportunities
- Improve engagement and consultation
- Nothing.

### **5.1.4 Council Tax and the Council Tax Support Scheme**

The survey posed three questions about Council Tax and the Council Tax Support Scheme.

In the context of Council Tax having not increased since 2010/2011 and services now under threat of being cut, respondents were asked whether an increase in Council Tax within the government referendum limit would be acceptable – 78.15% agreed, 18.47% disagreed while 3.38% did not respond.



The survey explained that the Council Tax support scheme supports Council Tax payers in need of financial help. The main feature of the current scheme is that working age people who receive help pay a minimum of 8.5% of their Council Tax bill. 48.42% of respondents agreed that the scheme should continue, 30.18% disagreed, 20.05% neither agreed nor disagreed, while 1.35% did not respond. 61.6% of respondents making a positive response agreed with continuing with the current scheme with 38.4% disagreeing.

Respondents were asked in the event of them disagreeing with the Councils current scheme, whether the minimum payment required under the Council Tax Support Scheme should be raised to 10% or 12.5%. Overall 17.12% agreed with a 10% rise, 27.70% agreed with a 12.5% rise while 55.18% did not respond.

Respondents were also asked to provide their own ideas about a preferred scheme. The most frequently occurring ideas put forward are:

- Everyone should pay the same amount of Council Tax, other than those in genuine poverty and the disabled, elderly etc.
- Focus on tackling people that access the scheme fraudulently as well as tackling those that commit Council Tax benefit fraud and other benefit fraud
- Increase the minimum payment by at least 12.5%
- Cut Council costs first i.e. reduce the salaries of senior staff, reduce Councillor allowances and streamline services more effectively.

The Council's response to this feedback about the scheme was reported to Cabinet in January 2016, and it is proposed that the scheme remains unchanged.

## Appendix F

**Notes of Budget Consultation meetings between representatives of the Council and Chamber of Commerce held at Sunderland Civic Centre on Tuesday 2<sup>nd</sup> February 2016**

*To be tabled at Cabinet meeting*

## **Appendix F**

**Notes of Budget Consultation meetings between representatives of the Council and the Trade Unions held at Sunderland Civic Centre on Tuesday 2<sup>nd</sup> February 2016**

*To be tabled at Cabinet meeting*

**Proposed Council Tax for 2016/2017**

*Paper to be tabled at meeting*

## Medium Term Financial Strategy 2016/2017 – 2019/2020

### Report of the Director of Finance

#### 1 Purpose of the MTFS

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

- To ensure the continued strong financial resilience of the authority
- To identify and draw together strands of activity that will meet the reductions requirement
- To continue to facilitate investment in regeneration activity and key priorities and alternative forms of service delivery.

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

- 1.2 While the following MTFS has been updated to reflect the indicative data up to 2019/2020 released by Government as part of the 2016/2017 Settlement, there is considerable uncertainty over the impact of the Business Rates Review, move to 100% rates retention and 2017 rates revaluation. The strategy will be kept under review and updated as further details emerge.

#### 2 National Funding Position

##### 2.1 Deficit Reduction Plan

- 2.1.1 The Government confirmed in the Spending Review 2015 statement (SR15) that Government economic policy remains unchanged. A budget surplus of £10.1bn is now expected in 2019/2020.

##### 2.2 Funding

- 2.2.1 The SR15 included key announcements affecting Local Government funding through to 2020 including a 'flat' cash settlement for councils by comparing 2019/2020 with 2015/2016 after taking into account grant funding and locally raised income.

*However the 'flat cash settlement by 2019/20 uses assumptions on the level of income growth that councils can generate locally through business rates and council tax, with an assumed average 21.9% increase over the period. This will be difficult for councils with low tax bases such as Sunderland to achieve.*

## Appendix H (continued)

- 2.2.2 The Settlement announcement includes a '4 year settlement' showing the provisional settlement for 2016/2017 and indicative funding levels for each year up to 2019/2020. The Settlement consultation document states:

'Government is making a commitment to provide central funding allocations for each year of the Spending Review period, should councils choose to accept the offer and if they have published an efficiency plan.'

*It is not yet clear exactly what the Government mean by the 'offer', what the 'acceptance' entails, or what form / period of cover the efficiency plan which must be published has to take. Attached at Appendix Hi) is the Councils Efficiency Strategy for the period 2016/2017 to 2019/2020.*

- 2.2.3 While the Government have published indicative figures through to 2019/2020, figures beyond 2016/2017 take no account of the proposed Business Rates Review and the move to 100% Retained Business Rates. The indicative figures, and the Governments 'offer' therefore need to be treated with extreme caution at this stage until further details are known.

*The outcome of the proposals to change the way local government is funded with 100% retention of business rates, full cessation of RSG, and a transfer of new responsibilities (such as public health) which will need to be funded from retained business rates will be critical to the future sustainability for Council services.*

- 2.2.4 Based on the current Business Rates Retention mechanism the key funding elements to support the Council revenue budget under the Business Rates Retention mechanism are:

- 2.2.5 Core Spending Power

This measure introduced from 2016/2017 includes:

- Settlement Funding Assessment (SFA) comprising Revenue Support Grant (RSG), Retained Business Rates; and Top Up Grant;
- New Homes Bonus;
- Local Government share of the Better Care Fund (from 2017/2018);
- Council Tax Income (assuming cpi increases and that the 2% precept to support social care is taken up in full).

*For Sunderland, Core Spending Power will reduce by 2.79% over the period which is five times higher than the national average reduction of 0.5%. This reflects the inability for councils with low council tax bases to raise significant additional income from council tax.*

## Appendix H (continued)

### 2.2.6 Settlement Funding Assessment (SFA)

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

- Relative Needs Assessment
- Relative Resources Assessment;
- Central Allocation - a fixed amount per head of population;
- Floor Damping
- Grants Previously Rolled in to Revenue Support Grant and new grants rolled in for 2015/16

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

Until 2016/2017 all councils bore a share of reductions in total funding in direct proportion to their original Start-up Funding Assessment. Therefore those councils originally assessed with a higher needs / low relative resources assessment (such as Sunderland) bore a greater funding reduction than those with lower needs / higher relative resources.

For 2016/2017 settlement the government has amended the grant distribution methodology with the aim of applying equal percentage reductions in settlement core funding for each type of Authority. This aims to ensure councils delivering the same set of services receive the same percentage change to their Settlement Core funding

*Sunderland's Settlement Funding Assessment will reduce by 25% over the period compared to a national average reduction of 32%;*

### 2.2.7 The Settlement Funding Assessment allocated to individual councils comprises:

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

*The amount of Revenue Support grant to be received by Sunderland is reducing by 21.35% in 2016/2017 and based on the indicative 4 year information will reduce by 64% (£45m) by 2020 compared to a national average reduction over the period of almost 79%.*

## Appendix H (continued)

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

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

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

Sunderland is a Top Up council, receiving £36.2m in 2016/2017. Top Up grant is increased annually by RPI.

*The Government has indicated that a system of Top up and Tariffs will continue following the Business Rates Review in order to ensure a degree of equalisation in the allocation of resources across councils. The outcome of this will be critical for Sunderland in understanding its future funding.*

- **Section 31 Grant - Cap on Business Rates RPI increase**  
The government placed a cap on the annual increase in Business Rates at 2% in both 2014/2015 and 2015/2016. They will reimburse councils for the consequential shortfall in income through a section 31 grant which is estimated at £507m for Sunderland for 2016/2017. At this stage there is no indication whether this approach is to continue in future years.

### 2.2.8 Other Core Grant and Revenue Funding

- Social Care authorities are to receive £1.5bn of additional Better Care Funding (BCF) by 2019/20 which the Government indicated is to 'enable Council's to continue to focus on core services and increase the prices they pay for care including covering the cost of the National Living Wage'. However allocations are to back loaded with limited additional funding in the first 2 years. For Sunderland the indicative data:

○ 2016/17	Nil
○ 2017/18	£1.802m
○ 2018/19	£6.742m
○ 2019/20	£5.802m
Total	£14.346m



## Appendix H (continued)

However these figures are subject to change as the method to distribute the improved BCF funding is to be consulted upon. The government has indicated that it will be targeted towards those authorities with lower council tax bases to ensure a fairer distribution of the grant in future.

Of additional concern, of the total £1.5bn additional funding, £0.8bn is a transfer from a review of the New Homes Bonus grant funding system and therefore cannot be considered additional funding to the total quantum available to the council.

- **New Homes Bonus**  
New Homes Bonus (NHB) will remain unchanged for 2016/17. Beyond this it is to be continued although it is to be reviewed in order to divert £0.8bn of funding to Better Care Fund authorities. It will also change from a six year cycle to 4 year cycle. The government is consulting on delivering a revised Scheme in the spring.

Government will also reduce its contribution to the NHB scheme by £40m pa, to £210m with the remaining funding to come from top slicing existing local authority funding.

Best estimates of the potential impact on New Homes Bonus funding has been factored into the mtf's and the position will be kept under review.

- **Public Health Grant**  
At the time of writing the report allocations for Public Health Grant are still to be announced for 2016/2017. However the government has indicated in the Spending Review that funding is to be cut by 3.9% in each of the next 5 years which for Sunderland equates to a cut of approximately £1m in each year on the current funding received. However, this takes no account of the proposed changes to the allocation formula which the Government recently consulted on. If implemented this will have significant re-distributional impact and result in significant resources moving away from high need authorities such as Sunderland to more affluent areas.

Provision for the potential impact has been factored into the MTFS from 2017/2018.

The government will also consult on options to fully fund local authorities' public health spending from their retained business rates receipts, as part of the move towards 100% business rate retention. This position will need to be kept under review.

- **Pooled Better Care Fund**  
Pooled Better Care Fund has been included in Health allocations for 2016/2017 at a broadly standstill position. For the purposes of medium term planning no changes are assumed to the level of available pooled Better Care funding as the funding is ringfenced for the purposes of Health and Social Care commitments.

## Appendix H (continued)

- Education Support Services Grant  
A reduction in Education Support Services Grant to reflect the forecast transfer of maintained schools to academies has been reflected in the Medium Term Planning.

### 2.2.9 Council Tax

In the Provisional Settlement the Government announced a referendum threshold for 2016/2017 of 2%. In addition Social Care councils are able to levy an additional ringfenced social care precept at 2%.

Indicative data released by government through to 2020 assumes Social Care Council's will apply a council tax increase in line with the referendum limit and apply the 2% social care levy in each of the next four years. Decisions on application of these options will be made as part of the detailed budget planning on an annual basis.

### 2.2.10 Business Rates

The forecast Business Rates for 2016/2017 was reported to Cabinet in January 2016. This report referred to the fact that the outcome of valuation appeals continues to be a difficult area to forecast, with a significant number of lodged appeals remaining outstanding with the Valuation office. Successful appeals reduce the base income collectable for future years with the Council losing income to the value of 49% of the value of successful appeals.

2.2.11 The Government will only fund losses on business rate collection through the Safety Net mechanism after a certain level of loss has been incurred. Based on our assumptions on business rate income collection, income retained by the Council could fall by up to £8.330m in 2016/2017 before the Government will provide 100% safety net funding. This means that business rates collected would have to fall by £17.00m before the threshold is triggered and the Council receives any safety net funding.

2.2.12 In addition to the Business Rates review referred to elsewhere, a review of the valuation list is scheduled to take effect from 2017. The impact of this review and how it is reflected through any baseline adjustment is not yet clear and potentially represents a significant risk to the council's financial position.

## 3.0 Summary Position

### 3.1 Government Funding

Taking into account the issues set out in section 2, the overall position for government grant income changes for Sunderland are set out below:

	2016/17 £m	2017/18* £m	2018/19* £m	2019/20* £m	Total £m
Government Grant Changes	15.00	12.87	5.14	3.69	36.70
* High Level Assumptions					

## Appendix H (continued)

### 3.2 Spending Pressures and Commitments

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

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
<b>On-going Spending Pressures</b>					
Pay, Prices and Other Pressures (including Pensions Actuarial Review 2017/18)	8.47	9.05	6.78	7.05	31.35
Living Wage Contract Inflation	4.00	3.10	3.34	3.34	13.78
NI - End of contracted-out rate	2.46	-	-	-	2.46
Pensions Automatic Enrolment	-	1.00	-	-	1.00
People - Adults Demand Pressures	0.50	0.50	0.50	0.50	2.00
People - Children's Demand Pressures External Placements	6.38	4.00	-	-	10.38
Intelligence Hub	0.50	-	-	-	0.50
Living Wage and Workforce Transformation	2.50	1.50	-	-	4.00
Apprenticeship Levy		0.71			0.71
Capital Financing	1.00	2.00	2.00	2.00	7.00
Replacement of one off Use of Resoruces		5.35			5.35
<b>Total Estimated On-going Pressures</b>	<b>25.81</b>	<b>27.21</b>	<b>12.62</b>	<b>12.89</b>	<b>78.53</b>
Safeguarding Pressure (One-Off)	5.79				5.79
<b>Total Pressures</b>	<b>31.60</b>	<b>27.21</b>	<b>12.62</b>	<b>12.89</b>	<b>84.32</b>

In addition to the detail in relation to spending pressures included in section 6 of the main Cabinet report provision is included in respect of:

- the Apprenticeship Levy to be introduced from April 2017 for large employers (over 250 employees). The levy is anticipated to be 0.5% of gross pay incurred. For Sunderland, this equates to an additional pressure of £0.710m. Whilst money will be recycled into apprenticeship provision for all employers (not just those paying the levy), at this stage it is unclear to what extent or value the Council will benefit from these returned funds. Pending more clarity, the full value of the levy will be included in planning.
- Provision for the revenue implications of the Capital programme

### 3.3 Overall Local Position 2016/2016 to 2019/2020

The Local Government Finance settlement for 2016/2017 confirmed an on-going savings requirement of £46.6m for 2016/2017 when spending pressures are taken into account. Based on high level assumptions the on-going savings requirement for 2016/2017 to 2019/2020 is likely to be in the region of £115million. However, this position is likely to change given the Government review of Business rates and the move to 100% business rates retention.

As full data was not included within the 2016/2017 4 year indicative data best estimates have been made for 2017/2018 and beyond.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Government Grant Changes	15.00	12.87	5.14	3.69	36.70
Total On-going Spending Pressures	25.81	27.21	12.62	12.89	78.53
<b>Total On-going Funding Gap</b>	<b>40.81</b>	<b>40.08</b>	<b>17.76</b>	<b>16.58</b>	<b>115.23</b>
Safeguarding Pressure (One-Off)	5.79	0.00	0.00	0.00	5.79
<b>Total Funding Gap</b>	<b>46.60</b>	<b>40.08</b>	<b>17.76</b>	<b>16.58</b>	<b>121.02</b>

*\* high level assumptions at this stage*

### 4.0 Meeting the Funding Gap - Efficiency Strategy 2016/2017 to 2019/2020

4.1 As part of the Budget Planning Framework for 2016/2017, Cabinet agreed in October 2015 to meet the funding gap by progressing the existing savings programme and developing a further programme of activity taking into account the strategic vision of the council's role in the future and reflecting the Councils Community Leadership role and the Improvement Framework key principles. This involves further transforming service delivery, reducing service standards and commissioned activity and prioritising resources to support statutory requirements and key priorities:

- People - protecting and supporting the most vulnerable adults and children in our communities;
- Place - keeping our communities as safe, clean and well maintained as possible within the resources available;
- Economy - continuing support to the economic regeneration of the city by encouraging businesses and jobs into the city.

For all service areas this has included consideration of:

- Ensuring resources are targeted on statutory services and protecting key priority services;
- Redesigning and reshaping services to deliver required outcomes at least cost;
- Reduced commissioning and service standards;
- Pressing forward with new alternative models of service delivery (ASDMs) at reduced cost and increasing commercialisation;
- Continued focus on progressing Regeneration, Funding Leverage & Commercial Opportunities.

## Appendix H (continued)

- 4.2 Proposed reductions are summarised in the following table together with an indication of plans for future years. Further details are set out at Appendix C of the Cabinet report.

	2016/17 £m	2017/18 £m
<b>On-going Reductions Plans</b>		
Other Services (Appendix C.1)	4.93	2.57
Contingencies and Central Resources (Appendix C.2)	12.58	1.10
Place and Economy Services (Appendix C.3)	6.32	4.73
People Services - Adults (Appendix C.4)	5.98	7.84
People Services - Children's (Appendix C.5)	2.70	3.18
<b>Total On-going Savings Programme</b>	<b>32.51</b>	<b>19.42</b>
Use of One-Off Balances	8.94	0.00
Collection Fund Surplus - Council Tax	2.00	0.00
Council Tax Increase or Temporary Use of Balances	3.15	3.15
<b>Net position after Proposals</b>	<b>46.60</b>	<b>22.57</b>

- 4.3 Appendix H i) sets out the details of the Councils Efficiency Strategy for the period 2016/2017 through to 2019/2020 which sets out the approach to continuing work to develop a full suite of proposals to meet the remaining 2017/2018 funding gap of circa £20m as well as the further savings forecast to be required through to 2019/2020 through a review of all Council activities. The aim of the approach is to inform budget planning proposals over the medium term and enable Members to prioritise savings proposals as funding becomes clearer for each financial year.

Further updates on the Efficiency Strategy will be provided to Cabinet in due course and the Medium Term Financial Strategy 2016-2020 will be refined and updated as this work progresses.

## 5 Capital and Prudential Borrowing

- 5.1 The revenue implications of the Council's Capital Programme are considered as part of the process for setting the Capital Programme. The revenue impact of the Capital Programme is reflected in the MTFS, in particular the costs associated with the level of prudential borrowing required to deliver the Capital Programme.
- 5.2 The four year Capital Programme for 2016/2017 to 2019/2020 was set to take account of the reductions in available external funding and the increased pressure on the Council's resources.
- 5.3 A number of proposed capital schemes are currently being considered to ensure that the Council continues to achieve and promote economic regeneration and other key priorities. The borrowing strategy sets out parameters to ensure VFM considerations are safeguarded.

## **6 Reserves and Balances**

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

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

## **7 Reserves Policy**

The Council's policy on reserves is as follows:

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

Other than General Reserve, all reserves are earmarked for specific purposes.

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

## **8 Budget Consultation and Equality Analysis**

- 8.1 The annual budget consultation commenced during October / November 2015 comprising a survey and workshop. In general, the findings demonstrate continuing support for the Council's overall approach to meeting the budget cuts and indicate broad agreement with plans for further transformation of services.
- 8.2 The Council continues to fully consider the impact of its plans by following a robust approach to equalities analysis. The Council continues to seek to meet its obligations in relation to equality and diversity and has procedures in place at both a general and budget specific level to incorporate equality and diversity issues into decision making processes and the assessment of proposals.

## **9 Risk Assessment**

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

**10 Conclusion**

- 10.1 The Government has announced funding levels for 2016/2017, including indicative levels through to 2019/2020. The reductions outlined in the provisional settlement and four year indicative data, when combined with significant unfunded spending pressures imply the four year on-going savings requirement for 2016/2017 to 2019/2020 is likely to be in the region of £115m. This is in addition to the £207m savings already achieved in the period 2010/2011 to 2015/2016.
- 10.2 However, there remains significant uncertainty due to the proposed changes to the way Local Government is funded with 100% rates retention and the proposed cessation of RSG. The impact of the proposed changes to the local government funding system will be critical to understanding the future sustainability of services within Sunderland. All opportunities will be taken to influence government thinking in this regard.
- 10.3 It is clear that funding of local government over the medium term will be subject to significant change both in terms of sustained reduced funding from central government and the shift towards local self-sufficiency. It is clear that significant cuts are likely to continue resulting in fundamental change to the way the council operates.
- 10.4 In addition to reductions in revenue funding, Government and regional support for capital investment will also be more restricted over the life of the MTFS. If the Council wants to continue to invest in capital projects to deliver priorities it will need to be even more self-sufficient and raise income or reduce service costs to support borrowing. There will be an increased focus on use of alternative funding models to support priorities and future service provision.
- 10.5 It is clear that it is no longer possible for the Council to continue to protect frontline services from the impact of the government cuts. In seeking to minimise the impact on residents and the city, the Council, through its Community Leadership role will increasingly need to take a citywide approach with partners in health, education and the business sector together with our communities to collectively reshape services to enable the best response for the city. The Council's role will increasingly need to shift from delivering services to enabling individuals, communities and other organisations in the public, private and voluntary sectors to work together to address the needs of the city in new ways and to encourage people to be more self-supporting.
- 10.6 In the short term, all funding options, including budget savings and council tax levels, will be considered to allow a balanced and sustainable budget to be considered by Council on 2 March 2016.

## Efficiency Strategy 2016/2017 to 2019/2020

The following strategy sets out the proposed overarching Council approach to meeting the reductions challenge arising from the SR15.

### 1 Purpose

- 1.1 The Efficiency Strategy 2016/2017 to 2019/2020 sets out the overall approach to the delivery of the required savings to address the reductions in funding and spending pressures during the period.

### 2 Objectives of the Strategy

- 2.1 The strategy is intended to
- enable a balanced budget to be achieved throughout the period of the CSR15
  - ensure the best use of resources available
  - ensure the financial resilience of the Council is maintained
  - comply with government requirements in relation to proposed use of Capital Receipts Flexibility.
- 2.2 Sunderland City Council is committed to delivering continual improvement and to providing services that represent good Value for Money to its residents. Through planning and financial and performance management arrangements the council ensures that value for money is embedded into the culture of the council's activities and its arrangements with partners.
- 2.3 The approach set out in this strategy reflects the Council's Community Leadership approach and arrangements for medium term financial planning.

### 3 Context - The Community Leadership Council

- 3.1 This strategy integrates the principles of the Community Leadership Council approach whereby the Council is committed to strengthening its Community Leadership role in the city. As a democratically elected body, the Council will continue to be:
- a champion and advocate for Sunderland communities and interests;
  - a focal point of leadership for partners to work together to deliver on priority outcomes:
    - Economy - ensuring the optimal conditions for investment and growth to create more and better jobs for Sunderland.
    - Health- improving the health and wellbeing of our residents, through the integration of health and social care and supporting our communities to support themselves
    - Skills and Education - Through the skills strategy aligning education, training and jobs to help both our residents and businesses achieve their full potential.



## Appendix Hi) continued

- 3.2 The approach includes working with partners in getting closer to communities, to understand and interpret needs and local priorities and in developing innovative means of addressing those needs and priorities. The approach continues to focus on:
- understanding the priorities of communities, using intelligence and evidence to focus attention on the right priorities and decisions;
  - shaping the most appropriate response to needs;
  - developing relationships with partners, and communities to promote self-help and self-reliance and maximising the contribution of communities;
  - harnessing the potential contribution from other organisations and individuals in achieving key outcomes;
  - promoting Sunderland's interests at sub-regional, regional, national or international levels.

## 4 The Financial Challenge - Medium Term Financial Plan

- 4.1 The MTFS set out at Appendix H shows savings requirements through to 2020 as follows:

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Government Grant Changes	15.00	12.87	5.14	3.69	36.70
Total On-going Spending Pressures	25.81	27.21	12.62	12.89	78.53
<b>Total On-going Funding Gap</b>	<b>40.81</b>	<b>40.08</b>	<b>17.76</b>	<b>16.58</b>	<b>115.23</b>
Safeguarding Pressure (One-Off)	5.79	0.00	0.00	0.00	5.79
<b>Total Funding Gap</b>	<b>46.60</b>	<b>40.08</b>	<b>17.76</b>	<b>16.58</b>	<b>121.02</b>

On-going savings of £115m are estimated to be required over the four years to 2019/2020. This is in addition to the £207m savings already achieved in the period 2010/2011 to 2015/2016.

- 4.2 The Revenue Budget and Proposed Council Tax for 2016/2017 report sets out proposals to meet the funding Gap for 2016/2017 and an indication of existing plans for future years. Section 5 below sets out the approach to develop a full suite of proposals to meet the 2017/2018 remaining funding gap as well as the further savings forecast to be required through to 2019/2020.

## 5 The Approach to meeting the funding gap

- 5.1 To deliver the scale of reductions faced by the council over the medium term it is necessary to radically reconsider the role of the council as fundamental change will be required to the way the council operates in the future. This will inevitably impact on the services provided to communities.
- 5.2 This will involve further transformation of service delivery, reducing service standards and commissioned activity and prioritising resources to support statutory requirements and key priorities:

## Appendix Hi) continued

- People - protecting and supporting the most vulnerable adults and children in our communities;
- Place - keeping our communities as safe, clean and well maintained as possible within the resources available;
- Economy - continuing support to the economic regeneration of the city by encouraging businesses and jobs into the city.

### 5.3 The Council will continue to use innovative approaches to address priority needs through:

- development of improved customer and service insight and intelligence to provide the Council and partners with information necessary to understand and prioritise what it needs to do and ensure it is doing the right things;
- implementing strategies and policies that enable the Council to manage demand and facilitate those services which make a difference in the most effective way. The Customer Service Network continues to be the focus as the gateway for demand and supply for services, encouraging and supporting self-help where appropriate;
- developing alternative models for service delivery and increasing commercialisation to ensure the most effective and efficient models of service provision.
- further and continual review of Strategic Services and fixed assets to meet the future needs of the Council and its communities;
- intelligent strategic commissioning, using improved intelligence and strong performance management to ensure the council commissions services in the most cost effective way.

### 5.4 Programme of activity

#### 5.4.1 There will be a continued and iterative development of a programme of activity to address the gap taking into account the strategic vision of the council's role in the future and reflecting the Improvement Framework key principles.

For all service areas this includes consideration of:

- Ensuring resources are targeted on statutory services and protecting key priority services with a focus on need rather than want.
- Redesigning and reshaping services to deliver required outcomes at least cost. There will be a focus on commissioning, shifting from the council directly delivering services, to a role of shaping, facilitating and enabling services. This will draw on the work of the Intelligence Hub to ensure a sound evidence base for desired outcomes from commissioned activity.
- Reduced commissioning and service standards to enable key priorities to be met with appropriate services commissioned at lower cost.
- Pressing forward with new models of service delivery at reduced cost and increasing commercialisation. The Council has already successfully achieved this with Sunderland Care and Support Ltd, and the Leisure Joint Venture. Future plans include consideration of a new trading company to deliver 'place' services, alternative ICT arrangement and new arrangements for Children's Services.

## **Appendix Hi) continued**

- Ensuring opportunities for collaboration with partners to deliver key outcomes that matter to the city.
- A reduction in Strategic and support services which will be proportionately reduced as the Council reduces in size and headcount. Appropriate but reduced levels of strategic and support service capability will transfer with alternative delivery models as these are developed.
- Continued focus on progressing Regeneration, Funding Leverage and Commercial Opportunities.

### **5.5 Income maximisation**

In addition to pursuing service related activity strategies as set out at paragraph 4.4, focus will also be made on maximising income levels:

#### **5.5.1 Retained Business Rates**

Under the Retained Business Rates mechanism for funding local Government, the Government makes assumptions about the level of Business Rates which will be achieved and retained by a Local Authority in determining its Settlement Funding Assessment. However the Council must determine for itself the anticipated level of Business Rate Income collection. The Business Rate income for 2016/2017 to be retained by the Council is forecast to be £44.631m.

Monitoring and management of the various strands that impact on levels of income collection are focussed and robust and involves collaboration across the Council to gain insight and intelligence about potential growth or reduction in the business rate base, performance and trends in terms of collection as well as gaining external intelligence from the Valuation office.

The impact of the Regeneration activity (see 5.7) and the Councils Capital Strategy will help grow the business rates base within the city. This takes on even greater relevance in light of the government proposed moves to 100% retained business rates by 2020.

#### **5.5.2 Council Tax**

Recent years have seen sustained growth in the council tax base as new houses have been built, bringing with it benefits in terms of both increased council tax income and New Homes Bonus grant. The impact of the Regeneration activity (see 5.7) and Capital Strategy will further help grow the availability of housing in the city resulting in additional Council Tax income which will assist in meeting the cost of services. Over the medium to long term there are a number of proposed residential developments including Siglions proposed developments at Seaburn and Chapelgarth and in the longer term the South Sunderland Growth Area.

## **Appendix Hi) continued**

Such development activity will take on even greater importance as the government removes core grant funding in favour of local self-sufficiency.

The Local Government settlement for 2016/2017 and indicative data through to 2019/20 includes assumptions that councils will raise council tax annually in line with the level allowed without a local referendum (currently 4% including social care levy). The council will consider the position regarding Council Tax as part of each annual budget process.

### **5.5.3 Fees and Charges**

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

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

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

### **5.6 Commercial activities - Trading Operations**

- **Port**  
Over the last 12 months, the regional market for the provision of general port services and infrastructure has become increasingly competitive; this is linked to events such as the closure of the SSI steel works in Redcar and also low oil price levels leading to the suspension of infrastructure works in the North Sea basin. This over capacity of service provision is impacting on operating margins as competition grows for remaining commercial opportunities. The Port has undertaken a mid-term review and update of its Business Plan, in recognition of the challenging market conditions.

Notwithstanding the above, the Port has managed to grow turnover, improve its ratio of contracted trade to spot trade and increase profit levels over recent years. This has been supported by continued capital investment in plant and infrastructure, allowing the Port to support new areas of trade and react to these in a timely manner.

In addition the strategic rationalisation of the Port estate has continued, although this has produced short term revenue pressures, it will improve the Port's ability to positively react to large scale investment enquires as they arise.

## **Appendix Hi) continued**

- **Local Authority Trading Companies**

The Council established two Local Authority trading companies in 2013 as part of its transformational approach to service delivery.

A) Sunderland Care and Support Ltd is in its third year of operation in 2016/17 and is focused on improving its market share through increased productivity and review of cost base to improve the value for money to the council. The company is in the process of updating its Business Plan with the aim of delivering significant costs savings in order to support the Council in delivering the reductions required.

B) Sunderland Live Ltd is continuing into its fourth year of operation in 2016/17 and is focussed on delivering further growth in income whilst also managing costs in order to further reduce the management fee to support the Councils savings plans

### **5.7 Capital Programme and Regeneration Activity**

5.7.1 The council's capital programme encompasses the aims and priorities set out in the Council's refreshed Economic Master Plan ("EMP") and underlying detailed strategies on regeneration (including Housing and Transport) and Culture. It is focused on key priorities of creating the conditions for economic regeneration through investing in strategic regeneration sites, enhancing infrastructure and public realm and improving transport connectivity. A key priority with the Capital programme 2015/16 to 2019 /20 is to continue to support plans for the regeneration of the City Centre, River Corridor and Enterprise Zone and to support housing growth.

5.7.2 The council will continue to take an increasingly commercial approach to securing capital investment in the city in order to deliver growth and jobs. The council will increasingly work with partners to continue to invest in the regeneration of the city to maximise the use of resources available and delivery of outcomes.

5.7.3 The Capital programme will be kept under review in light of delivery of savings plans proposals and associated transformational costs arising. The programme may need to be revised to enable utilisation of capital receipts flexibilities or realignment of earmarked capital reserves to meet transformational costs or to support the overall budget position.

### **5.8 Leverage of External Funding**

Despite further reductions in public expenditure the council continues to maximise external funding opportunities to support its economic development, education and skills, and health and well-being priorities.

In recent years, the council has been particularly successful in securing significant levels of external funding for example in relation to Advanced Manufacturing Park and construction of the New Wear Crossing.

## **Appendix Hi) continued**

The development of the North East Local Enterprise Partnership's (NELEP) Strategic Economic Plan in 2014 and the European Structural and Investment Fund (ESIF) strategy in 2015 signify two major external funding opportunities for the NELEP area, from 2015/16 to 2021/22. The allocation to the NELEP area under the ESIF programme is c. £380m, with the programme launching its first call for projects in early 2015. A number of Sunderland based proposals from applicants are currently being assessed.

The NELEP's Strategic Economic Plan, which will be reviewed in 2016, sets the strategic economic framework for both the ESIF programme and the Local Growth Fund (LGF). Following the Spending Review and Autumn Statement on 25 November 2015, a second round of LGF bidding and negotiation will take place in the first half of 2016. This will offer further opportunities for the council and partners to pursue their economic regeneration priorities, including to support the International Advanced Manufacturing Park.

Over the medium term, there will be further opportunities to secure external funds from a variety of sources including Government departments and Lottery funding distributors on a competitive basis, as well as resources provided to the North East Combined Authority through any devolution agreement. Other sources of European transnational funding will also be explored, working with local partners where appropriate, in order to maximise external funds for the council and its partners.

### **5.9 Other Options for Future Funding**

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

- Capital Funding - Bonds, TIF, asset backed partnerships, European support; joint working with partners
- Trading opportunities
- Alternatives to revenue funding

This will be used as a checklist for the council and services to maximise opportunities for funding priority spending. Some avenues have already been explored and implemented for example the formation of Care and Support Sunderland Limited, a local authority trading company, the formation of a Local Asset Backed Vehicle (Siglion) to bring forward and develop priority regeneration sites, the formation of Sunderland Lifestyle Partnership to develop, manage and operate a number of leisure facilities across the city. Other opportunities will continue to be explored and proactively developed as part of improvement planning activity in order to enable the council to meet the on-going challenges.

**5.10 Partnership / Collaboration / Joint working Activity**

The Council's Councils Community Leadership programme places increasing focus on working in partnership with public, third sector and private partners to deliver city-wide aims, priorities and strategies.

This will include consideration of how public money is spent across the city and regionally and working with partners to ensure combined spending generates the best possible value for the city in terms of both the city's infrastructure and asset base and services delivered to residents.

- The Capital Programme reflects on-going work with key partners to review physical assets on a city-wide basis and maximise the potential benefits and opportunities of wider capital and infrastructure planning (including health sector partners, the University, and Gentoos);
- the council is progressing work with Health partners as part of the Better Care Fund arrangements to enable greater integration of service delivery through the Community Integrated Team approach which is improving outcomes for patients and social care users while reducing cost.

Opportunities for joint working and collaboration with other Local Authorities to reduce costs will also be considered where appropriate.

**5.11 Devolution**

All opportunities to maximise the potential benefits of the Region's devolution agenda and delivery mechanisms will be explored to ensure that these benefit people and businesses in the City;

**5.12 Reserves and Balances**

Regular review of all commitments against reserves is undertaken. Reserves earmarked for specific purposes may be reprioritised in light of the delivery of savings plans proposals with consideration given to the release of such reserves to support the overall budget position and transformational costs as necessary.

**5.13 General on-going actions**

The following actions are embedded within the Budget management responsibilities of accountable officer to ensure savings are maximised at all stages:

- Continuous review of costs and planned spend to minimise non-essential spend and maximise savings
- Understanding that Spending pressures are to be contained within directorate existing budgets;
- Annual refresher with Budget Managers to ensure their roles and responsibilities as Budget Managers are clearly understood.

**6 Invest-to-Save proposals linked to delivery of savings plans**

- 6.1 On occasion proposals for savings may require some initial up-front investment to enable savings to be delivered. Such Invest to save proposals are considered on a case by case basis and subject to development of a business case with the investment recouped through savings generated over a period of time.

**6.2 Use of Capital Receipts Flexibility to support transformational costs**

- 6.2.1 As part of the Provisional Settlement, the Government have introduced new flexibilities allowing capital receipts generated in the years 2016/2017, 2017/2018 and 2018/2019 to be used to fund transformational costs incurred in those years.
- 6.2.2 One off transformational costs will arise through the Workforce Planning project arrangements in order to assist in delivering the on-going reduction proposals for 2016/2017 and 2017/2018. This includes workforce planning costs which will arise in Sunderland Care and Support Limited as the Local Authority Controlled Company transforms service delivery in order to assist in delivering the councils savings requirements. These costs are to be reimbursed by the council to the company on an invest-to-save basis.
- 6.2.3 Earmarked reserves are available to meet the estimated costs arising in 2015/2016 in support of the 2016/17 savings plans and previous years savings plans.
- 6.2.4 Paragraph 9.3 of the Revenue Budget and Proposed Council Tax for 2016/2017 report sets out proposals to utilise the capital receipts flexibility to fund transformational costs incurred in 2016/2017 to support the achievement of the 2016/2017 and 2017/2018 savings plans.
- 6.2.5 At this stage, it is estimated that the Workforce Planning project will incur £15.5m of transformational costs associated with reducing the workforce to deliver £24.14m of planned savings relating to 2016/2017 and 2017/2018. This represents a payback period of 0.6 years.
- 6.2.6 Currently the phasing of these costs is such that £6.7m is likely to fall in 2015/2016 financial year, prior to the period when the use of capital receipts is allowable. As such, at this stage it is planned to use previously earmarked provision within the Strategic Investment Reserve, and underspend on the overall revenue budget position at outturn 2015/2016 to meet these costs.
- 6.2.7 The balance of £8.8m, at this stage is anticipated to be met from capital receipts generated in 2016/2017. The impact on prudential indicators has been reflected in the Capital Programme 2016/2017 and Treasury Management Policy and Strategy 2016/2017.



## **Appendix Hi) continued**

- 6.2.8 The position will be updated and reported upon during the year as clarity around the costs incurred and their phasing is achieved, in addition to certainty around the level and timing of capital receipts realised.
- 6.2.9 The Capital programme will also be kept under review in light of delivery of savings plans proposals and associated transformational costs arising. The programme may need to be revised as appropriate to enable utilisation of capital receipts flexibilities or realignment of earmarked capital reserves to meet transformational costs.
- 6.2.10 Final arrangements on funding transformational costs arising in 2016/2017 will be considered as part of the outturn position taking account of the overall corporate outturn position, available reserves, and capital receipts availability.

## **7 Governance and Monitoring arrangements**

The strategy will be robustly managed to ensure financial resilience is maintained. Progress against on the delivery of savings required will be closely monitored and reported upon. The arrangements include:

- The Cabinet Secretary is Member Champion for efficiency;
- All initiatives proposed for inclusion in the programme to deliver the savings requirement are subject to scrutiny at all stages during the budget process prior to final inclusion in the programme, to ensure realistic likelihood of realisation, existence of baseline information, impact on outcomes, and assessment of risks;
- All detailed initiatives / actions have a nominated Directorate lead officer who is accountable for ensuring successful implementation and delivery in accordance with timelines and financial savings
- Monthly monitoring of delivery of savings at Directorate level is embedded as part of the routine budget monitoring processes with exception reporting to Directorate Senior management teams and Portfolio Holders
- Delivery Board oversee progress on implementation and delivery with regular reporting to EMT
- Monitoring arrangements to be incorporated into revised corporate performance management arrangements
- Reporting to Cabinet on progress on delivery of annual savings on a quarterly basis.

## MTFS 2016/2017 to 2019/2020 Risk Assessment

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Management</b>
1. Future available resources less than notified. Beyond 2016/17 while indicative data has been released this is subject to impact of Government review of Business Rates and impact of Business Rates Revaluation. This is likely to be key impact on the level of funding available in future	Likely	High	Settlement confirms funding for 2016/17. Assumptions beyond 2016/17 are based on indicative data released by Government as part of the 2016/2017 settlement adjusted for best local knowledge and information available and will be updated regularly for impact of government reviews of funding and related announcements. Annual review of reserves and reserves policy to identify available future resources.
2. Changes to Government and/or policy.	Possible	High	Current government in place until May 2020. Source alternative funding options including short term use of reserves. Pressures factored into MTFS. Latest funding cut indications reflected in MTFS
3. Pay Awards and price inflation higher than assumed.	Possible	Low	Pay award affecting 2016/2017 - government have indicated continued limitation to public sector pay increases. Central contingency budget for pay and price increases set on the basis of the best available evidence.
4. Future spending plans underestimated.	Possible	Medium	Service planning process identifies future budget pressures.
5. Anticipated savings/efficiencies not achieved.	Possible	High	Regular monitoring and reporting take place but the size of the funding cuts increase the likelihood of this risk into the future. None achievement of savings would require compensating reductions in planned spending within services. Principles to maintain General Reserve at £7.5m. Availability of Transitional Funding

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Management</b>
6. Revenue implications of capital programmes not fully anticipated.	Unlikely	Low	Revenue impacts considered in framing the capital programme. Given reduced availability of funding new projects primarily invest to save or regeneration activity with limited revenue cost impacts. Capital programme links to council priorities
7. Income Targets for Business Rates and Council Tax not achieved	Possible	High	Prudent approach taken in setting the forecast income levels. Rigorous monitoring processes in place to identify forecast shortfall and remedial action will be taken. Provision exists to meet any shortfall in business rate income above the safety net threshold.
8. Other Miscellaneous Income targets not achieved	Possible	Medium	Economic climate potential impact, mitigated by planned short term use of reserves. Regular monitoring / reporting and review of fees and charges undertaken.
9. Budget monitoring not effective	Unlikely	High	Regular monitoring and reporting in line with corporate framework. Action plans developed to address problem areas.
10. Exit strategies for external funding ceasing/tapering not met.	Possible	Medium	Regular monitoring and reporting. Government policy has largely removed ring fencing providing greater flexibility. External Funding Strategy in place.
11. Loss of principal deposit.	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which focus on security of deposit rather than returns. Impact limited due to the strategy of a diverse portfolio and top rated institutions and greater use of low risk debt management approach
12. Interest rates lower than expected.	Unlikely	Low	Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2016/17 onwards factored into the MTFS.
13. All MTFS risks not adequately identified.	Unlikely	Low	Council's Risk Management Profile ensures all operational and strategic risks identified as part of annual service planning process.

## **General Balances – Financial Risk Analysis**

### **Inflation**

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

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

- the Government has indicated that public sector pay restraint will continued until at least 2019;
- CPI fell to 0.2% and RPI to 1.2% in December 2015. Both are anticipated to remain low for some time;
- 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 including the impact of the National Living Wage, changes in NI contracted out rates and LOCAL Government pension Scheme auto enrolment;
- expenditure in respect of most budgets can be either influenced or controlled;
- separate provision has been made for fuel and utility costs, which have been subject to significant price fluctuations over recent years. Council procurement officers continuously monitor price changes in order to take advantage of any purchasing opportunities that may arise.

### **Debt Charges**

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

This is very unlikely to arise due to:

- a prudent provision has been made to enable potential borrowing under the prudential framework with some limited headroom for unplanned borrowing;
- the market consensus regarding the economic outlook for the year ahead is reflected in planning for debt charges;
- 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 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 2016/2017;
- the total contingency provision is deemed sufficient in the context of the net revenue budget.

## **Risk Management**

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

This is unlikely to occur due to:

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

## **Financial Planning**

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

This is unlikely to arise due to:

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

## **Revenue Budget - Budgetary Control**

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

Whilst the scale of changes in the budget and levels of savings are significant, robust monitoring arrangements are in place to deal with the increased risks associated with this including;

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

### **Capital Programme Implications**

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

This is unlikely to happen due to:

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

### **Reductions to the Revenue Budget**

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

This is unlikely to occur due to:

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

### **Income from Business Rates and Council Tax**

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

This is unlikely to occur due to:

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

### **Availability of Other Funds**

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

This is unlikely as the Council has a range of other funds which whilst earmarked are not wholly committed in 2016/2017.

## Major Earmarked Reserves - Position Statement

<b>Title and Purpose of Earmarked Reserve</b>	<b>Opening Balance 1/4/2015 £'000</b>	<b>Movement during 2015/2016 £'000</b>	<b>Closing Balance 31/3/2016 £'000</b>
<b>Strategic Investment Reserve</b> A reserve established to address some of the Council's key developments, strategic priorities and address other major liabilities	46,101	(22,546)	23,555
<b>Schools Delegated Budget Surpluses</b> These are the financial reserves held by schools under School Finance Regulations.	9,660	(1,912)	7,748
<b>Insurance Reserve</b> This reserve has been established to provide for potential claims associated with the housing stock transfer; future claims increases, and the Port and risk management funds. The Reserve is also intended to cover the excess element of any significant claims in relation to Fire Insurance and Official and Professional Indemnity liability claims should they arise in future	4,658	(85)	4,573
<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.	5,656	(322)	5,334
<b>Unutilised RCCO Reserve</b> This reserve consists of unutilised direct revenue financing and is fully earmarked to fund capital projects previously approved.	1,789	(1,426)	363
<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.	6,235	(542)	5,693
<b>HCA Transfer Reserve</b> The reserve was established to fund on-going maintenance of Homes and Communities Agency Land Transferred to the Council, including the recent Stadium park transfer.	15,967	(1,287)	14,680
<b>Sandhill View PFI Smoothing Reserve</b> The reserve was established in order to smooth the financial impact of the Sandhill View PFI contract across the 25 years of the contract life.	2,538	(15)	2,523
<b>Business Rates Safety Net Reserve</b> This reserve was established to address any potential impact arising from the increased risk and uncertainty within the new Business Rates Retention Scheme.	9,438	0	9,438
<b>Safeguarding Pressure</b> A reserve established to address the on-going pressures in relation to increased demand in Children Looked After.	4,000	(4,000)	0
<b>Safeguarding Improvement Action Plan</b> A reserve was established to fund the implementation of the safeguarding improvement action plan.	3,400	(3,400)	0
<b>School Redundancy Reserve</b> The reserve was established to meet future redundancy costs which may arise in Local Authority maintained schools.	3,136	(350)	2,786

## Appendix Jii)

### Reserves to be released to support 2016/2017 Budget

Reserve Title	Original Reserve Purpose	£'m	Utilisation		
			One off Safeguarding pressures 2016/2017 £'m	Supporting Overall Budget Position 2016/2017 £'m	Supporting one-off Transformational costs 2016/2017 £'m
Strategic Investment reserve	Reserve held to meet future costs of external placements	11.557	5.590		5.967
Business Rates Safety Net	To address increased risk and Uncertainty within the Business Rates Retention Scheme	3.350		3.350	
Collection Fund Surplus	Historic Surplus generated on the Council Tax collection fund account	2.000		2.000	
<b>Reserves to be released to support 2016/2017 Budget</b>		16.907	5.590	5.350	5.967



# REVENUE BUDGET 2016/2017

# REVENUE BUDGET 2016/2017 LEADER

## ROLES AND RESPONSIBILITIES

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

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

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

## FINANCIAL

### OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2015/2016		Estimate 2016/2017
		£		£
<b>Office of the Chief Executive</b>				
1	HoCLP	0	Community Leadership Programme	0
2	DoCA&C	0	Corporate Affairs and Communications	0
3	ACE	0	Corporate and Strategic Management	0
4	ACE	657,508	Local Enterprise Partnership	714,465
5	ACE	0	Local Strategic Partnership	0
6	HoS&P	404,430	Strategy, Policy and Performance Management	281,564
7	HTCT	0	Transformational Change Team	0
		<b>1,061,938</b>	<b>Total Office of the Chief Executive</b>	<b>996,029</b>
<b>Commercial Development</b>				
8	EDoCD	0	Commercial Development	0
9	HoLG	3,983,210	Democratic Core	3,942,949
		<b>3,983,210</b>	<b>Total Commercial Development</b>	<b>3,942,949</b>
<b>Enterprise Development</b>				
10	HoBI	2,748,605	Business and Investment	2,487,808
		<b>2,748,605</b>	<b>Total Enterprise Development</b>	<b>2,487,808</b>
		<b>7,793,753</b>	<b>TOTAL BUDGET</b>	<b>7,426,786</b>

# **REVENUE BUDGET 2016/2017 LEADER**

## **PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS**

The Portfolio continues to review services in order to deliver savings and also to provide services in the most effective way possible. In addition to the corporate and cross cutting budget reductions that the portfolio is leading on, in 2016/2017 savings of £1.565m are anticipated with plans being implemented in the following areas:

### **Strategic Support Services**

Significant savings continue to be delivered through reductions in back-office support. Savings for these services at individual budget lines are masked by the impact of recharging the net costs to their client service areas.

- Recognising that the council will need a different sort of Corporate Affairs and Communications service to reflect its smaller size and its changed role of being more of a facilitating and enabling commissioner of services, the service will be reorganised to deliver a differently engineered service. Posts and responsibilities will also be devolved to other directorates in readiness and in support of moving to alternative delivery models.
- Policy and Partnership will become a small multi-functional team working collaboratively with partners and sourcing external expertise if needed.
- Transformational Change will focus on supporting 2020 future council requirements, focusing resource on high value / high risk priorities and, therefore, no longer supporting low value / low risk activity.

### **Economic Development**

The external grants programme will see a phased reduction through to 2018/2019 that will allow existing commitments to be maintained as far as possible. Growth in income targets recognises continuing the excellent performance of the Evolve Business Centre and further development of occupancy rates at Software Centre.

A key focus of the Portfolio continues to be the delivery of economic regeneration including the physical development of the city centre, in order to revitalise and regenerate these locations and attract new investment. Infrastructure works around Keel Square and St Mary's Way are now complete and work on High Street West is progressing. These will support the growth of the city centre as a whole as will the development of Sunderland Station. The new Sunderland College campus to be located in the City Centre will help to make the City Centre a busier and more vibrant place. Outside the city centre, the City Deal will enable the development of an International Advanced manufacturing Park predicted over time to attract £300m of private sector investment and create 5,200 new jobs. Improvements to the A19 will help facilitate this development.

All opportunities to maximise the potential benefits of the Region's devolution agenda and delivery mechanisms will be explored to ensure that these benefit people and businesses in the City.

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

The Council's Community Leadership Programme is a key enabler of wider transformation within the Council. During 2015/16 it also intensified its focus upon city leadership. Promoted as 'All together Sunderland' this next generation of community leadership has identified priorities of critical importance to the future health and prosperity of Sunderland which must be approached in a more collaborative manner if progress and improvement is to be achieved.

All together Sunderland also operates at more 'operational' levels, engaging with communities and encouraging them to take greater responsibility for identifying and acting upon important local priorities, exploring means of achieving improvements in management of demand and encouraging partners to understand and use their existing assets together in new ways.

Operation of decentralised and devolved services through area arrangements continues and work is underway to increase the range and extent of services to be included within this so that more services become more responsive to the needs of our communities.

Within the Council the core elements of Community Leadership continue to operate and evolve in order to engage Councillors and Officers who support them in preparing for the evolution in their community leadership role which will be necessary to cope with the fast changing circumstances within which the Council operates. Existing support services have been refreshed and a new intake of ten Members was inducted after May elections. Further work is planned to improve the effectiveness of the Council's representation on outside bodies.

## REVENUE BUDGET 2016/2017 LEADER

Our approach to Community Leadership has strengthened the Council's position within influential national networks including Key Cities and the Co-operative Council's innovation Network and is helping to influence the emerging agenda of the Combined Authority.

### PORTFOLIO GLOSSARY

ACE	Assistant Chief Executive
HoBI	Head of Business Investment
DoCA&C	Director of Corporate Affairs and Communications
EDoCD	Executive Director of Commercial Development
HoCLP	Head of Community Leadership Programmes
HoS&P	Head of Strategy and Performance
HoLG	Head of Law and Governance
HTCT	Head of Transformational Change Team

# REVENUE BUDGET 2016/2017

## DEPUTY LEADER

### ROLES AND RESPONSIBILITIES

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

- City Services
- Responsive Service and Customer Care

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

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

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

### FINANCIAL

### OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2015/2016 £		Estimate 2016/2017 £
<b>Office of the Chief Executive</b>				
1	HoC&CM	0	Administration and PA Support	0
2	HoCSD	2,120,926	Benefits Payments	2,120,926
3	HoCSD	680,384	Benefits Administration	730,053
4	AHoFM	1,287,810	Council Tax and Business Rates Administration	1,292,084
5	HoES	813,693	Electoral Services	797,889
6	ACE	225,215	Equalities and Integration	151,294
7	HoCSD	0	ICT	0
8	DoHR&OD	0	Strategic and Operational HR	0
9	AHoFM	0	Transactional Finance	0
		<b>5,128,028</b>	<b>Total Office of the Chief Executive</b>	<b>5,092,246</b>
<b>Commercial Development</b>				
10	HoLG	0	Governance Services	0
11	HoLG	(54,950)	Information Governance	(57,110)
12	HoLG	0	Legal Services	0
		<b>(54,950)</b>	<b>Total Commercial Development</b>	<b>(57,110)</b>
<b>People Services</b>				
13	HoC&CM	454,430	Welfare Reform	457,779
		<b>454,430</b>	<b>Total People Services</b>	<b>457,779</b>
		<b>5,527,508</b>	<b>TOTAL BUDGET</b>	<b>5,492,915</b>

## REVENUE BUDGET 2016/2017

### DEPUTY LEADER

#### PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS

The Portfolio continues to review services in order to deliver savings and also to provide services in the most effective way possible. In 2016/2017 £1.948m of savings are anticipated with plans being implemented in the following areas:

##### Strategic Support Services

Significant savings continue to be delivered through reductions in back-office support. Savings are masked in these support services by the impact of recharging the net costs to their client service areas.

- The Business Support service is being reconfigured to reflect the requirements of the future council. A full service review will improve processes, deliver lower cost, manage demand and increase self-service and reduce the service catalogue.
- The broad focus for ICT is on managing the relationship with the Intelligence and ICT partners (and other commissioned capacity or capability) with the ability to trade and, therefore, serve the core council and wider system of public to private enterprise. The service is developing and implementing a new operating model that ensures the council has a robust and fit for purpose ICT service.
- Within Strategic and Operational HR, the proposal is to build on the existing income generation capacity of the service with the establishment during early 2016/2017 of an expanded alternative delivery model. In addition to increased income generation, capacity will also be reduced in the service.
- Transactional Services will operate at reduced capacity by improving the efficiency of service.
- As front-line service delivery changes, Legal Services will continue to review the level of resource required. While some areas of activity are expected to reduce once alternative business structures are in place and operating, demands for legal support in other areas may remain at current levels as clients continue to seek support in respect of mandatory functions and / or in respect of business development proposals. Only formal Cabinet, Council, committee etc. meetings will be serviced by the “core” democratic services team with effect from April 2016. The level of resource required in respect of these areas and for making and recording decisions will need to reflect any changes in decision making processes within the Council.

A significant element of the councils savings plans are dependent upon implementation of workforce planning arrangements which continue to be implemented and are being led by this Portfolio.

The Portfolio continues to robustly monitor and manage risks associated with Business Rates and Council Tax income levels given their significance within current funding arrangements for Local Government.

#### PORTFOLIO GLOSSARY

ACE	Assistant Chief Executive
AHoFM	Assistant Head of Financial Management
DoHR&OD	Director of Human Resources and Organisational Development
HoES	Head of Electoral Services
HoCSD	Head of Customer Service Development
HoC&CM	Head of Commissioning and Change Management
HoLG	Head of Law and Governance

# REVENUE BUDGET 2016/2017

## CABINET SECRETARY

### ROLES AND RESPONSIBILITIES

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

- Children and Families
- Health
- Adult Social Care and Housing

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

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

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

### FINANCIAL

### OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2015/2016 £		Estimate 2016/2017 £
<b>Office of the Chief Executive</b>				
1	HCAP	0	Audit, Risk and Assurance	0
2	HoFM	4,047,504	Corporate Management	3,728,010
3	HoFM	0	Financial Resources	0
4	HCAP	0	Procurement	0
5	AHoFM	178,019	Strategic External Funding Unit	191,859
6	HoFM	468,575	Non Distributable Costs	350,093
		<b>4,694,098</b>	<b>Total Office of the Chief Executive</b>	<b>4,269,962</b>
<b>Commercial Development</b>				
7	DSM	0	Asset Management	0
8	HoPR	39,399	Building Control	(113,478)
9	HSS	201,446	Civil Contingencies	205,941
10	HoPR	132,256	Development Control	57,621
11	EVM	(436,149)	Miscellaneous Land, Property and Industrial Estates	(269,876)
12	EVM	2,301,351	Planning Implementation	2,360,438
13	DSM	0	Repairs and Renewals	0
14	EVM	(130,862)	Retail Market	(137,716)
15	HSS	179,197	Security Services	164,922
		<b>2,286,638</b>	<b>Total Commercial Development</b>	<b>2,267,852</b>
<b>Enterprise Development</b>				
16	PD	(300,000)	Port of Sunderland	(360,000)
		<b>(300,000)</b>	<b>Total Enterprise Development</b>	<b>(360,000)</b>
		<b>6,680,736</b>	<b>TOTAL BUDGET</b>	<b>6,177,814</b>

# **REVENUE BUDGET 2016/2017**

## **CABINET SECRETARY**

### **PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS**

The Portfolio continues to review services in order to deliver savings and to provide services in the most effective way possible. In addition to the corporate and cross cutting budget reductions that the portfolio is leading on, £1.112m savings are anticipated in 2016/2017 with plans being implemented in the following areas:

#### **Strategic Support Services**

Significant savings have already been delivered through reductions in back-office support. Savings are masked in these support services by the impact of recharging the net costs to their client service areas.

- Reduced Audit, Risk and Assurance and Project Support will focus activity on high risk areas whilst there will be a continuation of the shared service arrangements that have worked successfully with South Tyneside for claims handling.
- Financial Services will be reviewed and reconfigured to reflect the reducing customer base (e.g. Leisure JV) and released capacity. The redesign will utilise the most efficient solutions with a risk-based focus.
- There will be an increased use of national and regional contracts with a review of arrangements to provide Procurement support to commissioners and managers. This will increase focus on contract management and remove support for smaller procurements.

Within Asset Management, reductions will be delivered by reviewing arrangements and responsibilities for asbestos management, electricity at work, water hygiene etc. and through the independent review of assets that will inform the future direction of property assets and income earning opportunities post LABV.

Income will be increased through a more proactive approach to engaging developers at the pre-application stage in planning, and expanding the geographical coverage of building control through partnership arrangements. It is proposed to create a Major development team from existing staff that will focus on attracting business via the pre-application process so that strategic and major developments in the city can be effectively project managed through the use of Planning Performance Agreements.

The phased reduction of Security Services up to 2020 will see the service ceasing with park and cemetery opening and closing in 2016/2017. This will create an open park policy 24/7 and remove the park wardens at Barnes Park, Mowbray Park and the mobile service, with security requirements for events paid for by the event organiser. Communities in the vicinity of parks will be given the option to open and close park gates if they consider it a priority.

The balance of trade at the Port will improve through the reduction of operating costs and increase in income primed by investments made in port infrastructure and preparing sites within the estate for development.

The Portfolio continues to explore wider commercial opportunities for the council that will assist with the economic regeneration and prosperity of the city. The Council formed a Local Asset Backed Vehicle (Siglion) with Carillion (Maple Oak) Ltd in November 2014. Igloo Regeneration Limited will provide development management and strategic asset management services to Siglion. Siglion's early development focus will be on developing the three priority regeneration sites of the former Vaux brewery, Chapelgarth and Seaburn as well as managing the investment property portfolio. The former Vaux brewery site will be predominantly an office-led development with construction planned to start mid 2016 with completion by the end of 2017. This will add impetus to the regeneration of the city centre. Chapelgarth is a mixed density residential development and Seaburn a mixed leisure and residential development which will improve the attractiveness of the area as a visitor destination. Consultation with residents and business continues in respect of the sites as the development proposals are progressed.

The Portfolio will also continue to assist in maximising external income and developing opportunities for alternative service delivery across the Council.

The government have announced funding levels for 2016/2017 and indicative data through to 2019/2020. Current plans to eliminate the public sector spending deficit by 2018/2019 and run a budget surplus means it is clear that public sector and local government funding will continue to be under sustained significant cuts.



## **REVENUE BUDGET 2016/2017**

### **CABINET SECRETARY**

However, there remains significant uncertainty due to the proposed changes to the way Local Government is funded with 100% rates retention and the proposed cessation of Revenue Support Grant during this Parliament. The impact of the proposed changes to the local government funding system will be critical to understanding the future sustainability of services within Sunderland. All opportunities will be taken to influence government thinking in this regard.

It is clear that funding of local government over the medium term will be subject to significant change both in terms of sustained reduced funding from central government and the shift towards local self-sufficiency. It is clear that significant cuts are likely to continue. This Portfolio will be instrumental in responding to the challenges this raises.

In addition the impact of the global and national economies continues to be monitored. The medium term financial strategy will be continually updated as details emerge.

#### **PORTFOLIO GLOSSARY**

DSM	Design Services Manager
HoPR	Head of Planning and Regeneration
HSS	Head of Security Services
EVM	Estates and Valuation Manager
HCAP	Head of Corporate Assurance and Procurement
HoFM	Head of Financial Management
AHoFM	Assistant Head of Financial Management
PD	Port Director

# REVENUE BUDGET 2016/2017

## CHILDRENS SERVICES

### ROLES AND RESPONSIBILITIES

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

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

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

### FINANCIAL

### OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2015/2016 £		Estimate 2016/2017 £
<b>People Services</b>				
<b>Educational Attainment and Lifelong Learning</b>				
1	HoEA&LL	125,643,725	Individual Schools Budget	125,606,333
2	HoEA&LL	(123,298,283)	School Grants - Education Funding Agency	(123,251,985)
3	HoEA&LL	5,880,385	Retained Activity-Schools and Learning	5,529,224
4	HoEA&LL	2,915,049	School Support and Intervention	2,792,521
5	HoEA&LL	4,008,238	Special Educational Needs	4,124,227
6	HoEA&LL	397,271	Derwent Hill Trading Operations	408,221
7	HoEA&LL	185,667	Hub Connexions – Trading Operations	104,143
		<b>15,732,052</b>	<b>Total Educational Attainment and Lifelong Learning</b>	<b>15,312,684</b>
<b>Children's Safeguarding</b>				
8	HoCS	23,712,688	Children Looked After Strategy	26,643,509
9	HoCS	2,018,805	Disabled Children	1,943,127
10	HoCS	10,283,677	Children's Social Work	12,467,555
11	HoCS	1,650,964	Youth Offending Service	1,733,776
12	HoCS	168,587	Sunderland Safeguarding Children's Board	204,746
13	HoCS	658,193	Independent Reviews	687,927
		<b>38,492,914</b>	<b>Total Children's Safeguarding</b>	<b>43,680,640</b>
14	HoC&FW	11,413,595	Locality Based Working	10,403,181
15	HoC&FW	231,168	Parent Partnership	236,940
16	HoC&FW	(181,001)	Health and Well Being	(186,068)
		<b>11,463,762</b>	<b>Total Community and Family Wellbeing</b>	<b>10,454,053</b>
		<b>65,688,728</b>	<b>TOTAL BUDGET</b>	<b>69,447,377</b>

## **REVENUE BUDGET 2016/2017 CHILDRENS SERVICES**

### **PROPOSALS FOR INVESTMENT AND ADDRESSING BUDGET REDUCTIONS**

Following the Ofsted inspection of Early Help, Safeguarding and services for Looked after Children there is a “direction” which requires that the statutory safeguarding function moves to a Trust. Discussions are ongoing as to which of the wider Children’s Services outside of the safeguarding function would usefully transfer. The strategy for the next 5 years will focus on improving safeguarding services whilst bringing the budget back into line and delivering efficiencies by reducing the number of Looked after Children and changing service delivery in other areas.

Children’s Services proposals for 2016/2017 are consistent with the Safeguarding Improvement Plan. Provision has been included in the 2016/2017 budget in respect of the continued demand pressures in relation to Safeguarding and Looked after Placements reflecting the latest improvement plan requirements. Budget reductions of £2.703m are anticipated in 2016/2017 through the portfolio’s savings strategy. Plans are being implemented in respect of the following key strands of business:

#### **Children remaining in the care of the Family**

Review of integrated services working directly with children and families whilst children remain in the family. The review will look at the points of intervention with families across a range of services and consider areas of duplication or where better integrated working would offer better outcomes for the family. It will be based on a single assessment of need and a better coordinated response to identified needs and will provide the basis for greater multi-agency integrated working in the future.

#### **Children Looked After**

Plans are in place to review, develop and implement a more localised offer to respond to both the increases in older children and the number of external placements. A root and branch review will be carried out of our needs and the options that exist with an emphasis on developing a more local offer that meets the diverse needs that are presented. The review will involve engaging with staff and children and also looking at best practice elsewhere.

#### **Statutory Education Function**

A review of the statutory role of the Local Authority in Education will be undertaken alongside national consultation in 2016, recognising the greater autonomy of schools and the importance of brokering effective partnerships between schools to effect school improvement.

### **PORTFOLIO GLOSSARY**

HoEA&LL	Head of Educational Attainment and Lifelong Learning
HoCS	Head of Children’s Safeguarding
HoC&FW	Head of Community and Family Wellbeing

# REVENUE BUDGET 2016/2017

## HEALTH, HOUSING AND ADULT SERVICES

### ROLES AND RESPONSIBILITIES

The Health, Housing and Adult Services portfolio provides leadership and support for the council and its partners in securing the social and health care of all adults.

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

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

### FINANCIAL

#### OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2015/2016 £		Estimate 2016/2017 £
			<b>Commercial Development</b>	
1	EVM	572,605	Housing and Neighbourhood Renewal	551,174
		<b>572,605</b>	<b>Total Commercial Development</b>	<b>551,174</b>
			<b>People Services</b>	
2	HoHSCL	826,581	Access to Housing	843,947
3	HoHSCL	1,408,565	Housing Related Support	1,439,620
4	HoP	66,328,298	Adult Social Care, including Older People, People with Physical, Learning and Mental Health Disabilities	72,931,249
5	HoSC	0	Strategic Commissioning	0
		<b>68,563,444</b>	<b>Total People Services</b>	<b>75,214,816</b>
		<b>69,136,049</b>	<b>TOTAL BUDGET</b>	<b>75,765,990</b>

### PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS

The proposals for 2016/2017 are consistent with the People Services Directorate Plan on a page Themes which cover the 3 year period 2014/2015 to 2016/2017 and specifically the priorities to deliver integrated locality services and supporting independence through building individual and community resilience and improving access to appropriate housing options. Budget reductions of £5.012m are anticipated in 2016/2017 through the portfolio's savings strategy. Plans are being implemented in respect of the following key strands of business:

Adult Social Care will focus even more on the strategic commissioning of services and external delivery models. The principle for delivery of adult social care is to improve outcomes for vulnerable residents by:

- Delivering against the requirements of the Care Act;
- Prevention and reablement;
- Extending and considering a wider range of housing options with residential care as the least preferred option in most cases; and
- Meeting assessed need in the most cost-effective way.

As the majority of services for adult social care are currently commissioned, these arrangements will be reviewed to continue to ensure services are commissioned in the most cost-effective way and unit costs are minimised. Within the area of assessment and review where alternative service delivery models (ASDMs) are currently being developed with partners.

**REVENUE BUDGET 2016/2017**  
**HEALTH, HOUSING AND ADULT SERVICES**

**PORTFOLIO GLOSSARY**

EVM	Estates and Valuation Manager
HoP	Head of Personalisation
HoSC	Head of Strategic Commissioning
HoHSCL	Head of Housing Support and Community Learning

# REVENUE BUDGET 2016/2017

## PUBLIC HEALTH, WELLNESS AND CULTURE

### ROLES AND RESPONSIBILITIES

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

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

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

### FINANCIAL

### OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2015/2016 £		Estimate 2016/2017 £
<b>Office of the Chief Executive</b>				
1	HCLP	947,956	Events	1,075,649
2	DoCA&C	68,019	Tourism	43,752
3	DoPH	0	Public Health	0
		<b>1,015,975</b>	<b>Total Office of the Chief Executive</b>	<b>1,119,401</b>
<b>People Services</b>				
4	HoHSCL	646,619	Arts and Creative Development	689,003
5	HoHSCL	844,832	Community Sports and Physical Activity Development	785,873
6	HoHSCL	87,036	Grants to Community Projects and Miscellaneous Contributions	60,892
7	HoHSCL	172,167	Heritage	180,805
8	HoEA&LL	3,410,041	Libraries	3,384,236
9	HoHSCL	2,213,057	Museums and Archives Service	2,020,435
10	HoHSCL	178,820	Resorts	173,446
11	COOPS	1,970,081	Sport and Leisure Facilities	0
12	HoHSCL	1,276,505	Theatre	859,107
		<b>10,799,158</b>	<b>Total People Services</b>	<b>8,153,797</b>
		<b>11,815,133</b>	<b>TOTAL BUDGET</b>	<b>9,273,198</b>

# **REVENUE BUDGET 2016/2017**

## **PUBLIC HEALTH, WELLNESS AND CULTURE**

### **PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS**

The Portfolio continues to review services in order to deliver savings and also to provide services in the most effective way possible. In 2016/2017 £1.161m savings are anticipated and these assume negotiating with partners to reduce historical financial support and a reduction in the Museum offer. During 2016/17 a business case will be produced, determining the future Cultural Offer and what is achievable through alternative arrangements with significantly reduced future Council funding. The aim is to recognise the benefits on both the local economy and the wellbeing of residents from the Cultural Offer and to ensure the maximum cultural offer that is achievable within a significantly reduced resource is in place. This is likely to lead to a change in current provision including increased charging.

In relation to Public Health, the proposed budget for 2016/2017 does not take into account any future proposed reductions to the Public Health Grant as the government have not yet announced funding levels for 2016/2017. In addition, the outcome of the recent consultation exercise 'Public Health Grant: Proposed Target Allocation Formula for 2016/2017' remains unknown. The impact of both announcements will be considered, once published, and reported appropriately.

### **PORTFOLIO GLOSSARY**

DoCA&C	Director of Corporate Affairs and Communications
HCLP	Head of Community Leadership Programmes
DoPH	Director of Public Health
HoHSCL	Head of Housing Support and Community Learning
HoEA&LL	Head of Educational Attainment and Life Long Learning
COOPS	Chief Operating Officer People Services

## **REVENUE BUDGET 2016/2017**

### **CITY SERVICES**

#### **ROLES AND RESPONSIBILITIES**

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

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

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



# REVENUE BUDGET 2016/2017

## CITY SERVICES

### FINANCIAL

### OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2015/2016 £		Estimate 2016/2017 £
<b>Office of the Chief Executive</b>				
1	HCAP	0	Building Cleaning	0
2	HCAP	0	Civic Catering	0
3	HCAP	0	Civic Centre Management	0
4	HCAP	0	Facilities Management	0
5	HCAP	242,720	Public Conveniences	255,618
6	HCAP	(85,495)	School Meals	(263,572)
		<b>157,225</b>	<b>Total Office of the Chief Executive</b>	<b>(7,954)</b>
<b>Commercial Development</b>				
7	COOP	(959,776)	Bereavement	(1,147,399)
8	DSM	(77,254)	Building Services	(84,567)
9	COOP	0	Contract and Compliance	0
10	COOP	715,775	Coroner's Court	781,460
11	COOP	0	Depots	0
12	COOP	0	Fleet	0
13	COOP	6,884,461	Highways and Transportation	6,549,848
14	COOP	2,833,685	Network and Traffic Management	2,788,387
15	COOP	593,482	Parking Services	394,451
16	COOP	1,593,922	Public Protection and Regulatory Services	1,381,808
17	COOP	207,662	Registrars	200,922
18	COOP	8,758,344	Responsive Local Services	6,562,960
19	COOP	6,621,056	Street Lighting	6,825,157
20	COOP	5,911,014	Waste Collection and Recycling	5,363,234
21	COOP	10,224,924	Waste Disposal	10,370,359
		<b>43,307,295</b>	<b>Total Commercial Development</b>	<b>39,986,620</b>
		<b>43,464,520</b>	<b>TOTAL BUDGET</b>	<b>39,978,666</b>

## **REVENUE BUDGET 2016/2017 CITY SERVICES**

### **PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS**

The Portfolio continues to review services in order to deliver savings and also to provide services in the most effective way possible. In 2016/2017 £5.511m savings are anticipated with plans being implemented in the following areas:

Within Bereavement services, contribution to reductions will continue through annual increases in the fees for burial and cremation and developing an improved range of options for memorialisation services available to residents to purchase. The future focus of the service will be around improving operational efficiency, income and service to users.

The Fleet and Transport review will continue to capture further efficiencies as the council reduces in size over the next 5 years. The service will work with other areas to maximise vehicle reductions as part of planned service configurations. A procurement options review of the maintenance workshops is underway to identify the most efficient method of service delivery.

The revenue element of the highways budget funds day to day reactive maintenance only and intervention levels will be reviewed further. A range of proposals will be phased in up to 2020 including in relation to the generation of additional income through a more proactive approach to working with developers to support the design and delivery of highways improvements and a risk-based review of the non-statutory School Crossing service leading to a reduction in road safety staff and part-time school crossing patrol staff where early savings could be made by removing existing provision at controlled crossings (zebra / signals) and through the use of traffic management measures (pedestrian controlled crossings and refuges) as appropriate. Reductions in 2016/2017 will come from the implementation of a wider review of the Infrastructure and Transportation function and the integration of roles, responsibilities and structures.

Reductions will be delivered through the expansion of measures in the Parking plan. Specific measures include appropriate annual increases in parking tariffs commensurate with neighbouring authorities equivalent to 10p per annum, charging for a number of car parks that are currently free, increasing the number of on-street parking bays, increasing the cost of staff parking permits and increasing the charge for parking waivers.

Within Public Protection and Regulatory Services, savings will be made through integrating the statutory housing, environmental health and licensing functions into the broader protection structure and embedding the housing renewal function into the new planning and regeneration service with a renewed focus on developing and delivering broader housing strategy. Staff will continue to work within their specialism, but will also maintain core competence in other areas in order to provide resilience although the overall reduction in staff numbers will require a concentration on matters affecting broad sectors of the populace and a diminished response with regard to issues impacting upon smaller groups.

Registrar's fees will be reviewed and increased in line with regional trends projected to be around 5% per annum.

A new delivery model is proposed for responsive Local Services whereby citywide assets are identified with the Portfolio Holder and a revised maintenance programme designed and costed from a new schedule of rates for a range of standards for cleansing, grounds maintenance etc. The remainder of the RLS budget will be available for Area influence, with a balanced and transparent mechanism determining the budget available across the five Areas. Each Area will keep an Area Response Manager and rapid response team and the pattern of service provision for cleansing, grounds maintenance etc., affordable from the remaining Area budget, will be co-produced by officers and Area Place Boards using the new schedule of rates on an annual basis. This will set the pattern of services for the core commission, the performance of which will be reviewed quarterly. Area Committees will have the choice to 'top-up' the core commission from Area budget or supplement it by commissioning from other organisations.

The cost of waste disposal will be reduced by encouraging the public to cut the amount of waste they produce and divert as much as possible into the blue recycling bin. This approach will use secured funding to deliver a planned programme of targeted incentives and marketing whilst, at the same time, recycling will be included in the trade waste offer. Planning assumptions reflect an annual 1% reduction in domestic waste.

The portfolio continues to work closely with the successful school meals consortium to ensure a high quality schools service is provided at low cost. This close working relationship has enabled a smooth transition of the impact of the free school meal for nursery and primary school children.

**REVENUE BUDGET 2016/2017**  
**CITY SERVICES**

**PORTFOLIO GLOSSARY**

HCAP	Head of Corporate Assurance and Procurement
DSM	Design Services Manager
COOP	Chief Operating Officer - Place

## REVENUE BUDGET 2016/2017

### RESPONSIVE SERVICES AND CUSTOMER CARE

#### ROLES AND RESPONSIBILITIES

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

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

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

#### FINANCIAL

#### OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2015/2016 £		Estimate 2016/2017 £
<b>Office of the Chief Executive</b>				
1	HoS&AA	1,897,295	Area Arrangements	1,642,437
2	HCAP	172,596	Area Facilities	175,382
3	HoCSD	0	Customer Service Network	0
4	HoCSD	511,112	Intelligence Hub	533,335
5	HoS&P	310,772	Safer Communities	298,088
6	HoS&AA	1,676,666	Strategic Initiative Budget / Community Chest Grant	1,676,666
		<b>4,568,441</b>	<b>Total Office of the Chief Executive</b>	<b>4,325,908</b>
<b>People Services</b>				
7	HoEA&LL	11,876	Family, Adult and Community Learning	5,243
8	HoHSCL	358,801	Anti-Social Behaviour	359,932
9	HoP	7,629	Drug Awareness, Prevention and Treatment	15,890
		<b>378,306</b>	<b>Total People Services</b>	<b>381,065</b>
		<b>4,946,747</b>	<b>TOTAL BUDGET</b>	<b>4,706,973</b>

## **REVENUE BUDGET 2016/2017**

### **RESPONSIVE SERVICES AND CUSTOMER CARE**

#### **PROPOSALS FOR ADDRESSING BUDGET REDUCTIONS**

The Portfolio continues to review services in order to deliver savings and also to provide services in the most effective way possible. In 2016/2017 £0.278m savings are anticipated with plans being implemented in the following areas:

##### **Customer Services Network**

The enabling role the Portfolio undertakes remains central to the strategy of delivering improved services for lower cost. Options to introduce more efficient and cost effective access to services, resolve demand at the earliest opportunity and absorb additional demand without increased headcount will continue to be delivered by the Customer Services Network, although there is no specific target reduction.

##### **Intelligence Hub**

The portfolio has been concentrating on developing an intelligence approach across the council and with partners to ensure need is being met and outcomes are being achieved. A number of early adopter projects, such as Strengthening Families and Flood Management, are already demonstrating early successes in terms of using data and information to better target resources, improve service delivery and inform decision making.

The work supports the delivery of efficiencies across the Council with the implementation of the intelligence approach now delivering more refined, quicker and cheaper ways of gathering and presenting data which is providing a better evidence base to inform decision making, more efficient ways of working, reduced levels of demand and better targeting of resources. This is enabling the delivery of savings through reduced staffing levels whilst maintaining high quality, targeted services. This work continues at a pace.

##### **Area Arrangements**

The Portfolio continues to embed as a way of working the Area Committees and Board roles in influencing the design, delivery, review and commissioning of public services at a local level. Critical to this is the on-going development of the communities' capacity to engage in the shaping, delivery, review and provision of public services through these newly introduced area arrangements, ensuring that elected members can effectively influence and shape at both a city level (and in the wider context) as well as at a locality level. Significant effort continues to be placed on developing Elected Members in a local area partnership context, engaging and understanding their communities better, developing their understanding and relationships with key partner organisations and influencing decisions on what and how is delivered within their communities.

Recognising the major budget pressures facing the council, reviewing the democratic decision making model in line with Future Council 2020 thinking to ensure robust and effective governance arrangements are in place including SIB/Community Chest grants, integrating appropriate Member Support Functions into the one service grouping to rationalise ways of working and staffing structures.

#### **PORTFOLIO GLOSSARY**

HoCSD	Head of Customer Service Development
HoS&AA	Head of Scrutiny and Area Arrangements
HCAP	Head of Corporate Assurance and Procurement
HoS&P	Head of Strategy and Performance
HoHSCL	Head of Housing Support and Community Learning
HoP	Head of Personalisation
HoEA&LL	Head of Educational Attainment and Life Long Learning

**REVENUE BUDGET 2016/2017**  
**RESPONSIVE SERVICES AND CUSTOMER CARE**